Strategies for Adopting Consumer-generated Media in Small-sized to Medium-sized Tourism Enterprises

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ABSTRACT

Consumer-generated media (CGM) are created when consumers submit, review or respond to online content. The bulk of research into CGM has focussed upon its use by consumers, with less research examining the use of CGM by small businesses. This article discusses small business sector use of online technologies such as CGM, concentrating on tourism small businesses as a key industry sector affected by CGM activities. A CGM 'strategy' framework, developed from an existing small business strategy framework, is proposed. This serves as a practical tool for developing CGM strategies and as a theoretical foundation for conducting research into the use of CGM. Copyright © 2014 John Wiley & Sons, Ltd.

INTRODUCTION

The term 'Web 2.0' refers to the second generation of web-based services that allow people to collaborate and share information online in previously unavailable ways, for example, through blogs and social networking sites. Businesses are increasingly faced with the challenge of how to deal with the popularity of Web 2.0-based websites, particularly where those sites contain postings or content created by consumers, which relates to those businesses (Kreitzberg, 2009). The alternative terms 'consumer-generated media' (CGM) or 'social media' are commonly used to highlight the pivotal role that consumers play in submitting, reviewing and responding to online content. CGM has been identified as the highest growth area on the Web, and it is expected to continue to grow in importance for several years (Xiang & Gretzel, 2010). CGM is already influencing consumer purchasing patterns, such as the selection of travel products. However, it appears that businesses, particularly small and medium-sized enterprises (SMEs), are struggling to develop strategies that take advantage of and react to CGM (Carson, 2013). Web 2.0 applications have the potential to offer small businesses a realm of opportunities that did not exist prior to its introduction, because of its potential to mitigate the historical resource poverty associated with small business (Boyles, 2011). Evidence from the USA and UK suggests that although accessibility to CGM is equal for all businesses irrespective of their size, many small businesses may not yet be in a position to capitalize on these technologies because of a lack of knowledge of how to use them (Boyles, 2011; Carson, 2013). Large businesses are still more likely to adopt CGM as part of their business strategy, with only a small percentage of small businesses currently using CGM (The State of Small Business, 2010).

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In a competitive environment, it is important that SMEs are able to utilize and manage CGM effectively, especially in an information-intense sector such as tourism. There appears to be a dearth of academic research on this issue. Further research is needed to inform small tourism businesses on how to capitalize on the opportunities presented by CGM (Boyles, 2011). The objective of this article, therefore, is to propose a strategy framework for the effective adoption and implementation of CGM by small and medium-sized tourism enterprises (SMTEs). The tourism sector has been selected as the vehicle for illustrating the framework because it is currently viewed as an industry that is strongly impacted by CGM and has a high concentration of SMEs.

The article begins with an overview of the small business sector and its adoption of online technologies. The role of SMEs in the tourism sector is then discussed along with a review of research regarding the adoption of CGM within this industry sector. The strategies available for tourism operators to respond to CGM are then considered before a proposed framework for its adoption by SMEs is presented.

SMES AND TECHNOLOGY USE

The SME sector in most developed countries has been noted as a dynamic sector contributing to economic growth and increased employment opportunities (European Commission, 2005). For instance, in Europe, SMEs are a significant economic engine associated with emerging markets and job creation—some two-thirds of all Europeans being employed by these businesses (Watson, 2011). In Australia, it was estimated that SMEs contributed around 57% of industry value in 2009–2010, a significantly higher contribution than the 42% associated with large businesses (Department of Innovation, Industry, Science and Research, 2011).

Despite their importance, there is no consistent, universally applied definition of 'SME' (Watson, 2011). The European

Commission (2005:5) defines SMEs on the basis of employee numbers, annual turnover and balance sheet total. For the purposes of this article, an SME is defined as having 1–200 employees. In addition, a microbusiness is defined as regularly employing between one and five people (Burgess, Sellitto & Karanasios, 2009), a small business has 1–19 regular employees and medium-sized businesses have 20–200 regular employees (Telstra Corporation, 2013).

While adopting many forms of information and communications technologies (ICT), small businesses do so at a lesser rate than large businesses (Burgess, Sellitto & Karanasios, 2009). In fact, the smaller the business is, the lower the adoption rate tends to be. For example, a study of over 3000 US and European businesses confirmed the hypothesis that larger businesses showed a greater likelihood of adopting e-business than SMEs (Bordonabe-Juste, Lucia-Palacios, & Polo-Redondo, 2012). In 2009–2010, around 29.2% of Australian microbusinesses had a web presence, compared with other small businesses (51.5%) and large businesses (94%) (Department of Innovation, Industry, Science and Research, 2011). A more recent study by Telstra Corporation (2013) showed that the levels of ICT adoption in Australia tended to be lower for micro and small businesses than even medium-sized businesses in regard to ownership of digital devices (such as desktop computers, notebook computers, mobile phones and satellite navigation systems) and the proportion of Internet connections and business websites.

Cheek, Ferguson, and Tanner (2013) suggested that there are five categories of websites that form the 'social media tool chest', namely, as follows:

- Social networking websites (such as Facebook)
- Photo websites (such as Flickr)
- Blogging websites (such as Wordpress)
- Search engine optimization websites (such as Google)
- Other websites (such as YouTube and Twitter). Sites that allow for tourists to post reviews about travel products, such as Trip Advisor, also fit into this category.

In terms of social media, or CGM, the annual Telstra study (2013) revealed that 35% of participant Australian SMEs that were connected to the Internet had some type of social media presence. The most popular type of sites used by SME businesses were 'social networking websites', with 93% using Facebook, 28% using Twitter and 17% having a LinkedIn presence (Telstra Corporation, 2013). A study of 248 European SMEs (Aaltonen, Kakderi, Hausmann, & Heinze, 2013) found that although 61% of SMEs used social media for business purposes, most of the usage was not organized, with only 27% having a specific social media policy. Different tools were generally used for different reasons – LinkedIn for networking, Facebook for engaging with customers and Twitter for receiving industry updates and immediate information.

There are various reasons for the lower levels of social media adoption as a business application for small businesses, including the fact that many small businesses face resource poverty in relation to their use of ICTs. This may be reflected in a lack of knowledge on how to use ICT effectively, not having the time to devote to effective ICT adoption and use, and not being able to access the finances to explore ICT in the manner that their larger counterparts are able to (Boyles, 2011). Small businesses often rely on their owner/ managers to develop and implement their ICT strategies and thus these strategies are dependent upon their own ICT skill levels and risk-taking tendencies. The Department of Innovation, Industry, Science and Research (2011) suggested that 20% of SMEs cited a lack of knowledge as a reason for not being connected to the Internet. Interestingly, 45% of SMEs did not trust the Internet to protect their information. Consequently, many small businesses are conservative in their use of ICT (Burgess, Sellitto & Karanasios). Furthermore, Carson (2013) reported that SMEs were underestimating the complexity of the technology they used. Notably, the adoption of new forms of technology such as mobile applications, cloud services and social media provided them significant opportunities to be more strategic, efficient and effective. However, a good proportion of these small firms tended to be unaware of the increasing risks associated with using applications or services in a more intricate interconnected business environment. In regard to social media, it was identified that reputational risk as a result of disparaging content or misinformation propagated by hyper-connected social channels was not well understood or even recognized by SMEs.

The opportunity exists for social media to have an impact in businesses with regard to improved collaborations, consumer marketing and customer services. Bughin, Chui, and Manyika (2012) suggested that different industries would be impacted in different ways. There is already some evidence of different levels of usage in Australian SMEs. For example, 69% of cultural, recreational and personal service businesses used social media, whereas only 12% of building and construction sector businesses did so (Telstra Corporation, 2013). One sector that has a strong need to engage with CGM is the tourism industry. The following section examines the application of CGM to SMTEs.

SMALL BUSINESS IN TOURISM AND THE ROLE OF CGM

The tourism sector represents an important part of many nations' economies and is seen as a source of economic growth around the world (Dritsakis, 2012). For instance, the sector contributed AUS$41 billion directly to gross domestic product in the Australian economy in 2011/2012 (Tourism Research Australia, 2013). The tourism sector is dominated by SMEs (Pansiri, 2008). The Australian tourism industry is predominantly composed of small businesses that make a substantial contribution to the sector (Breen, Bergin-Seers, Jago, & Carlsen, 2005). Over 88% of businesses in the accommodation, cafes and restaurants sector and over 96% of businesses in the cultural and recreational service sector are SMEs (Department of Industry Science and Tourism, 2002, in Breen *et al.*, 2005). These tourism operators tend to be entrepreneurs, represented by both sole proprietors and families who are drawn to the industry for lifestyle reasons and the relatively low barriers to entry. The barriers to entry are low because the industry does not necessarily require

specific or previous experience, and a business can be started with a relatively low capital investment (Morrison & King, 2002; Getz & Carlsen, 2005).

In any industry, developing and maintaining a competitive advantage is imperative, and achieving this in today's environment requires that available technologies are effectively used (Telstra Corporation, 2013). The Internet is now widely used by the tourism industry and travel consumers (Werthner & Ricci, 2004; Mack, Blose, & Pan, 2008). In the USA alone, 83% of leisure travellers used the Internet for travel planning purposes according to Forrester Research (VFM Leonardo, 2013). For Australia as a destination, 62% of international visitors used the Internet to find tourist-related information, whereas more than 40% actually booked via the Web (Tourism Research Australia, 2011).

Travellers are also increasingly using CGM as part of their travel decision-making processes (Gretzel, Kang, & Lee, 2008; Jeong & Jeon, 2008; Cox, Burgess, Sellitto & Buultjens, 2009). CGM has been shown to be of benefit to travellers as an information source (Pan, MacLaurin, & Crotts, 2007; Vermeulen & Seegers, 2009; Xiang & Gretzel, 2010). However, these sources are not necessarily perceived as being as credible or trustworthy in comparison to other sources of travel information such as government-based tourism websites (Cox *et al.*, 2009). Nielsen's Global Trust in Advertising Survey 2012 provided further evidence that although consumers' trust in online reviews (a popular form of CGM) has grown, it has not yet reached the level of trust given to traditional word of mouth (WoM) from family and friends (Nielsen, 2012). Business has also expressed some concern that CGM may not be entirely trustworthy. For example, Hills and Cairncross (2011) found that many accommodation providers believed that CGM would not be trusted by consumers because of the anonymity of its sources. Despite some concerns about the believability of all CGM, it is undoubtedly an important additional source of information for travellers (Cox *et al.*, 2009). In fact, a report by Cornell University referred to the rise of social media as a 'janus-like development for the operators of hotels, restaurants and other travel industry businesses' (McCarthy, Stock, & Verma, 2010: 5), whereas more recently, Leung, Law, van Hoof, and Buhalis (2013) described social media as 'one of the megatrents' which has impacted on the tourism industry.

A reason for the growth in CGM-based websites is that they are especially search-engine friendly and "'ubiquitous' in online travel information searches" (Xiang & Gretzel, 2010: 186). Regardless of the terminology used, or the destinations of interest to travellers, the authors found that sites hosting CGM were prominent on search-engine results pages. Websites such as Trip Advisor, VirtualTourist and IgoUGo ranked particularly well. While confirming the increasing importance of blogs and other social media in comparison with traditional information sources, they also found that the impact of CGM was not uniform. For example, although CGM dominated search results for popular destinations, it had less impact on other destinations or specific travel interests/activities (Xiang & Gretzel, 2010).

Another potential application of CGM within the tourism sector is that it is an easily accessible source of WoM opinion that can either promote or discredit tourism services and products (Smith, Menon, & Sivakumar, 2005). This is important because 'word-of-mouth plays a significant role in travel planning due to the experiential nature of travel products' (Gretzel *et al.*, 2008: 100) and is taking place in a marketplace where consumers are both increasingly suspicious of official or commercial sources of information (Marsden, 2007). As consumers invariably act on less than perfect sources of information, the content of readily available travel blogs can be expected to influence their decisions (Pan *et al.*, 2007). These two factors, namely search-engine friendliness and the sense of creating WoM recommendations, are resulting in a growing number of websites incorporating features that enable users to contribute their own content, allowing them to communicate about special interest topics or products or services through the Internet. However, this 'electronic' WoM (eWoM) differs from traditional WoM in several ways as Dellarocas (2003), Tham, Croy, and Mair (2013) and Kietzmann and Canhoto (2013) noted. The difference is due to the following:

- the large scale of CGM that has the potential to change the way the market works;
- online exchanges between people, which can be precisely monitored;
- potential for anonymous or intentionally misleading comments to be made by people who are unknown to the reader (i.e. eWoM is less personal than traditional WoM); and
- comments being replicated out of context, allowing for multiple interpretations.

Despite the challenges that CGM can present because of these factors, it undoubtedly provides tourism operators with the opportunity to engage with a larger number of prospective customers and to use their feedback for product development (Buhalis, 2003), quality control and the acquisition of new customers (Dellarocas, 2003). CGM can also assist in the analysis of competitive strategies (Buhalis, 2003), monitoring company or brand reputation (Litvin, Goldsmith, & Pan, 2008) as well as being a source of market research information such as identifying the strengths and weaknesses of tourist destinations (Pan *et al.*, 2007; Carson, 2008; Schmallegger & Carson, 2008; Wenger, 2008).

The challenge of adopting Web 2.0 applications, which includes CGM, affects all businesses but is particularly relevant for the tourism sector. Travel is a consumer product that can be considered to be a 'credence good', and as such, the information-intense nature of travel activities has traditionally required a diverse range of ICT to facilitate the capture, collation and subsequent dissemination of information (Sellitto, Banks, Monday & Burgess, 2009; Litvin & Hoffman, 2012). This tourism-based information can be viewed as one of the important elements that allow consumers to decide on activities such as tourism destinations, the hotels they will use, events of interest and the tours they will undertake (Werthner & Ricci, 2004), raising the importance of ICT applications for tourism in general and individual businesses in particular (Buhalis & Law, 2008). The ease with which

information on competing destinations can be found provides tourists with unprecedented choice (Pan *et al*., 2007). Despite the importance of ICT to the industry, a review of the future directions for tourism marketers clearly indicates that the sector is under-utilizing many technologies, including Web 2.0, and that research is needed about the degree of ICT adoption by a range of tourism service providers given its impact on travel consumers and the potential to change the ways that travel businesses are managed (Tsiotsou & Ratten, 2010).

Given the increasing use of CGM by tourism consumers, it is not surprising that there is an expectation from consumers that tourism businesses will integrate CGM into their activities. Despite this expectation, Schegg, Liebrich, Scaglione, and Ahmad (2008) reported relatively low adoption of Web 2.0 applications by tourism operators, noting that 'innovative newcomers' to the industry tend to be more proactive users than existing business. Au (2010) found a high adoption of Web 2.0 and CGM overall by Australian tourism operators; however, it was noted that non-adopters tended to be SMTEs. Au also determined that there was a general lack of understanding of how to respond to Web 2.0 by travel businesses. This has more recently been reiterated by Boyles (2011) as a problem common to all small businesses regardless of industry sector. At a broader level, Kaplan (2010) suggested that the well-designed and optimized website is no longer the only online mechanism available to small businesses, with social media being an important emerging communication channel. Furthermore, the development of an online strategy is suggested to include some form of social media presence that can be an important generator of dynamic content (CGM) and exchanges between businesses and their stakeholders. This article looks to address the shortfall in this area.

STRATEGIES FOR SMTE OPERATORS TO ADOPT TO ENGAGE WITH CGM

It is not surprising, on the basis of the studies reviewed so far, that research into how tourism operators are responding to the growth of social media or CGM has concentrated primarily upon larger tourism organizations. Schmallegger and Carson (2008), for example, investigated the use of blogs and CGM by destination marketing organizations and tourism enterprises and found that although they were effective as a marketing tool, organizations also faced challenges in finding the time and resources necessary to maintain and update blogs. Consequently, it appeared that smaller tourism organizations were unable to maximize their use of CGM or to have a full understanding of how to respond to it. Stankov, Lazic, and Dragicevic (2010) also studied the use of CGM by national tourism organizations (NTOs) and noted that they were often early adopters of Web 2.0, but even larger scale NTOs were not yet taking full advantage of social media in their marketing and management strategies.

One of the few studies that explored the uptake of CGM in the small business sector was conducted using case studies of eight Australian small businesses (Hills & Cairncross, 2011). The authors made a number of recommendations for

businesses with regard to how they can engage with these sites, which include the following:

- Monitor information about the business on CGM websites;
- Use information from CGM websites to improve the business;
- Incorporate a CGM facility on the business website;
- Monitor and respond to CGM websites about competitors;
- Respond to CGM consumer comments;
- Encourage customers to be involved with CGM websites;
- Pose as customers and post positive information about your business. However, a study by Cox, Burgess, Sellitto and Buultjens (2008) suggested that businesses should not attempt to manipulate content by masquerading as real travellers as many users are astute enough to see through these tactics and form negative opinions about such organizations; and/or
- Take no action.

Apart from the last suggestion (no action), these responses include a combination of strategies that take advantage of CGM in a proactive manner or react to how customers and competitors are using CGM. This notion of *proactive* and *reactive* strategies will be revisited later in the article.

In the context of small business, more broadly, Cheek *et al*. (2013) observed that of those SMEs that did not use social media (i.e. the 'take no action' option earlier), most avoided it as they did not have a plan for managing it. The authors suggested that SMEs should create a 'consumer centric' social media plan (SMP) to assist them to develop an understanding of their markets and customers via social media. An SMP contains a number of key components (Cheek *et al*., 2013), being *vision, goals and objectives, tactical and implementation,* and the *development of metrics to evaluate success*. These will now be discussed.

VISION, MISSION, GOALS AND OBJECTIVES

As with any business planning process, the *vision or mission* outlines the relationship between the business and its customers. With regard to CGM, Cheek *et al*. (2013) noted two major *goals and objectives* that should exist for any small business:

Goal 1: understand customer perceptions of their offerings and the overall business

For example, Baird and Parasnis (2011) conducted a study of over 1000 consumers worldwide and matched this with a study of 351 businesses. When asked why they thought that consumers 'followed' their businesses via social media channels, the main reasons suggested by businesses were as follows: to learn about new products (73% of participants), for general information (71%), to submit an opinion on current offerings (69%), to gain exclusive information (68%) and for reviews and product rankings (67%). When consumers were asked why they interacted with companies via social media, their main reasons were to obtain a discount (61%), to make a purchase (55%), for reviews and product rankings (53%), for general information (53%) and to gain exclusive information (52%). In fact, businesses did not rank

gaining a discount (60%) or making a purchase (60%) in their top 10 reasons that they thought consumers followed them on social media (Baird & Parasnis, 2011). The authors pointed out that although businesses felt that consumers interacted with them to be part of a community, consumers were more willing to interact with the business if they felt it was to their direct benefit.

Goal 2: be able to respond to positive and negative perceptions and be aware of consumer preferences in the marketplace.

Buhalis and Law (2008), in a review of research covering ICT and tourism, noted that tourism operators must ensure that they stayed innovative by developing products and processes that considered both proactive and reactive responses to developments related to the Internet. In the case of CGM, proactive strategies relate to how businesses creatively pursue the use of CGM, whereas reactive strategies refer to how they react to CGM that already exists (for instance, responding to negative comments about a travel experience). As part of their research of Australian small accommodation businesses, Hills and Cairncross (2011) found that businesses strongly identified CGM as a useful source of 'no cost' market research information as well as a source of potential sales opportunities. Another strong theme that emerged was that businesses should monitor their own performance on CGM websites and use feedback to improve their services.

TACTICAL/IMPLEMENTATION OF CGM

Having determined what the objectives are for a CGM strategy, any business must next determine how it is going to implement its tactics to achieve those goals. Cheek *et al.* (2013) suggested that the tactical/implementation phase should commence with the appointment of a social media coordinator. In the case of very small businesses, this would likely be a part-time position or incorporated into an existing employee's role. Responsibilities of the role include obtaining *buy in* from top management (typically the owner/manager in small businesses), involving enthusiastic employees, monitoring external social networks, co-ordinating incoming and outgoing communications, and generally being a champion of the social media strategy. Cheek *et al.* (2013) suggested that SMEs could benefit from the use of social media aggregator websites (tools that allow the social media presence to be organized from a single location, such as Netvibes.com) to manage the content of numerous social media platforms through a single application.

DEVELOP METRICS TO EVALUATE SUCCESS

Following implementation, Cheek *et al.* (2013) suggested a number of metrics that can be evaluated to determine the success of the social media strategy. These include website traffic, number of fans or members, number of positive comments, page views, number of contributors, number of

'mentions' or 'posts', conversion of interest into sales, revenue, average value of orders, number of product returns, number of service calls and specific channel sales. In a study of 'business to business' SMEs in the UK, Michaelidou, Siamagka, and Christodoulides (2011) identified a similar list in regard to measures of effectiveness for social networking websites: number of users, number of comments, number of positive comments, number of negative comments, number of customers attracted via social networking websites and the number of 'friend requests'.

Although the recommendations of Cheek *et al.* provide some essential steps necessary to develop an effective CGM strategy, there is otherwise an apparent lack of research regarding the strategies and responses used by the SMTE sector to respond to and integrate CGM into their businesses (Boyles, 2011). Serra Cantallops and Salvi (2014) reviewed literature related to the influence of eWoM on the hotel industry and found that most articles emphasized the impact from a consumer perspective. Those that did examine the effect of eWoM from a business perspective concentrated upon the impact of eWoM on consumer's perceptions of business levels of service and transparency and the effect of this on bookings and customer loyalty. Some articles examined business opportunities and potential threats of eWoM and the need to manage eWoM effectively. As such, the remainder of this paper proposes a framework that small businesses can adopt to commence and develop their engagement with CGM.

INTERNET STRATEGIES FOR SMALL BUSINESSES

The need for some best practice principles to be provided for SMTEs to follow when developing their own strategy for engaging with CGM is evident through the lack of academic articles that exist on this issue (Boyles, 2011). This section now describes a proposed model that can assist small businesses to ensure they are developing their CGM approach strategically. Considering how to implement Web 2.0 applications, Kreitzberg (2009) suggested that an organization's starting point should be to assess their own 'readiness' for the Web 2.0 culture. For small businesses, establishing their own capacity to deliver an effective strategy must first consider how a typically restrained set of resources may be applied to CGM.

Burgess, Sellitto and Karanasios (2009) developed a framework to provide small businesses with guidance to develop effective Internet strategies that match their business aims (refer Figure 1). This strategy framework was premised on examining a series of studies to discern the important Internet elements considered by small businesses. Furthermore, the authors were able to draw on some 30 years of collective research experience on the adoption of ICT by small businesses to formulate the framework. Although the framework was originally developed with reference to website adoption more broadly, it can be adapted to the more specific context of the adoption of a CGM presence.

It is important to use a strategy framework to ensure that decisions regarding the adoption of CGM are made in a
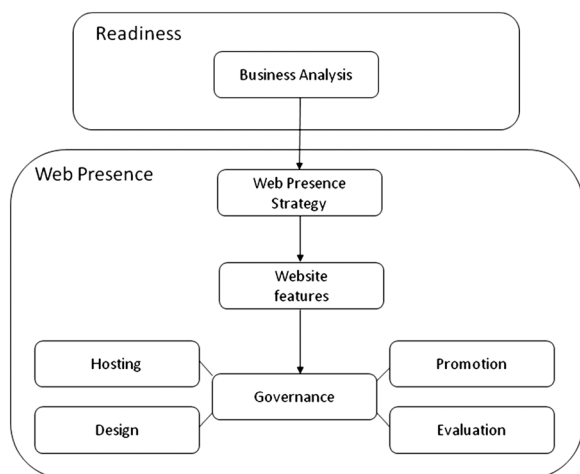
Figure 1. Web presence strategy framework (adapted from Burgess, Sellitto, & Karanasios, 2009).

manner that effectively balances the business situation with its external environment. Using a framework such as Burgess, Sellitto and Karanasios (2009) ensures that all relevant adoption factors are considered in their correct sequence, from the readiness of an SMTE to adopt CGM, through consideration of its business aims and strategies, selection of CGM strategy and eventual implementation decision. Another point to note about the framework is its level of similarity to the stages of the SMP of Cheek *et al.* (2013). Both the web presence strategy framework and the SMP include an assessment of business direction, development of relevant strategies and an assessment of the success of those strategies.

The stages of the framework as they were originally applied to having a web presence are now briefly described as follows:

- *Readiness* refers to the ability of the small business to effectively adopt a web presence. This factor not only can be associated with the availability of infrastructure to support the required Internet connection (a problem commonly encountered in rural and remote areas) but also refers to the resources (capital, time and skills) available to the business. Readiness also considers the attitudes of the owner/manager towards adoption and how the business is placed in its industry. As mentioned earlier, Kreitzberg (2009) suggested that an organization's starting point in addressing Web 2.0 should be to assess their own 'readiness' for the Web 2.0 culture. One common way of assessing these factors is to perform a business analysis. A common approach is to employ a SWOT (Strengths; Weaknesses; Opportunities; Threats) analysis, which can examine all of these factors. The assessed strengths of a business can be mapped into existing or potential business opportunities and weaknesses mapped into existing or potential threats.
- *Web presence strategy* examines how a small business might prepare itself for a web or CGM presence. The strategic direction of the business has been identified in the previous phase. The business can now determine how its web (or CGM) presence strategy will match its business

aims and help it to take advantage of its perceived strengths (*proactive strategies*) or address its weaknesses (*reactive strategies)*. Essentially, the small business must determine its ability to engage in proactive and/or reactive strategies with regard to CGM, whereby proactive strategies may include establishing their own social media pages, developing online multimedia content and so forth. Reactive strategies typically involve responding to online review postings about their business on third-party CGM sites. In line with Buhalis and Law's (2008) recommendation that tourism operators should consider both proactive and reactive responses to developments related to the Internet, Hills and Cairncross (2011) suggested responses to CGM can be classified into proactive or reactive strategies as follows:

- *Proactive* – incorporation of a CGM facility on the business' website; provision of exceptional service; encouraging customers to be involved with CGM websites.
- *Reactive* – monitoring information about the business on CGM websites, using information from CGM websites to improve the business, monitoring and responding to CGM websites about competitors, responding to CGM consumer comments.
- *Website features*: the business determines which particular features it will utilize to help it to achieve the vision of its web presence strategy. In the context of CGM, this includes decisions on content such as consumer reviews, blog postings, video content, RSS feeds and links to third-party social media platforms such as Facebook and Twitter.
- *Governance*: the business will need to address who will host its web presence, who will design its website, how its web presence will be promoted and how its success will be evaluated. Again in the context of CGM, this requires careful consideration of which third-party social media platforms the business will engage with.
- *Evaluation*: it is important to determine how the performance of the web presence will be assessed *before* it is implemented. This includes identifying the metrics that will be used to do this. In the case of CGM, measures such as those proposed by Cheek *et al.* (2013), Michaelidou *et al.* (2011) and Carson (2013) could be considered for this task.

A RESEARCH FRAMEWORK FOR SMTE USE OF CGM

There are obviously some common approaches to developing a strategy for website adoption and for the use of CGM. These include a need to assess business readiness, develop a strategy for the use of technology that matches overall business aims and deal with various governance issues related with the implementation of the technology and an evaluation of its success. However, there are some key differences that specifically relate to the CGM environment when compared with website adoption. These differences are discussed later in the article. Table 1 describes a more detailed approach towards the adaption of each stage of the framework to the CGM context. The first column outlines the relevant phase of the Burgess, Sellitto and Karanasios (2009) framework. The second

Table 1. Enhancing the Web presence strategy mode for CGM activities

Burgess, Sellitto and Karanasios (2009) generic framework			Generic description	Modifications from literature	Adapted CGM framework
Readiness (includes SWOT analysis)			Business should perform a SWOT analysis. Are they in a position to use the Internet? For instance, the business may be in a remote location that does not allow effective access. Do they have the necessary skills? What are their business aims? Identify opportunities and threats.	Develop mission, vision (Cheek *et al.*, 2013). Importance of readiness (Kreitzberg, 2009). Social media as a new paradigm that needs to be part of online presence (Kaplan, 2010).	Access to the Web is still an issue, as are skills. A SWOT analysis should still be performed. What level of trust do businesses have in CGM and how does that affect their readiness/decision to adopt? What level of awareness is there in regard to what is available and what customers are doing?
Web presence strategy			This step ensures that what the business tries to achieve with its website matches its business plans. Typical follow-on strategies from the SWOT analysis are proactive strategies (for opportunities) and reactive strategies (for threats).	Develop goals and objectives (Cheek *et al.*, 2013). Importance of proactive and reactive strategies (Buhalis & Law, 2008; Hills & Cairncross, 2011).	How can CGM be used to the business's own advantage and does that use match the business plan? What proactive and reactive strategies will need to be adopted to match the business aims?
Website features			The business decides which website features to employ, such as online sales, blogs and location maps.	Implementation (Cheek *et al.*, 2013).	What types of CGM to employ – e.g. images, video, social networking platforms and business reviews?
Governance	Hosting		Decide where the website will be hosted.		Should the business subscribe to external sites and/or use their own website for CGM?
	Design		How the website is designed; who designs the website.		Currently the design options for CGM are limited, so this may not have much impact.
	Manage	Proactive (promotion)	How to promote the website using online and offline strategies – as part of the business' overall marketing strategy.		CGM may not only be used for promotion. For instance, customer suggestions might be useful to improve and/or create business offerings
		Reactive (Response)	React to any customer feedback received via email, website, etc.		Need for business to respond to CGM criticism affecting reputation.
	Evaluation		Measuring the overall success of the web presence.	Develop metrics to measure success (Cheek *et al.*, 2013; Michaelidou *et al.*, 2011; Carson, 2013).	How can businesses measure the success of their CGM strategy?

column provides a description of each stage of the generic framework. The third column highlights literature that assists in adapting the framework to a CGM-specific context. This is primarily informed not only by the SMP of Cheek *et al.* (2013) but also by other literature. The final column identifies a series of typical issues to be addressed in moving from the generic framework to one that is CGM specific.

Figure 2 provides an updated version of the Burgess, Sellitto and Karanasios (2009) framework that has been modified specifically for CGM activities in SMTEs. The amended framework maintains the main structure of assessing CGM readiness before considering the CGM presence. *CGM readiness* includes an assessment of businesses aims, ability to access CGM (which would predominantly be having effective access to the Internet), level of available skills within the business to set up and maintain a CGM presence, and awareness of and trust in CGM, particularly by the owner/manager.

The CGM presence maintains the three main areas of the Burgess, Sellitto and Karanasios (2009) framework: strategy, features and governance. *CGM strategy* involves an assessment of whether the business develops proactive and/or reactive strategies to manage CGM and how to match these to the overall business aims. One of the key differences between websites and CGM occurs here. There is more likely to be a need for reactive strategies with CGM content as the business has less (or in some instances, no) control over what is posted by consumers. Additionally, the dynamic nature of CGM means that small businesses may require a commitment of more resources to monitor CGM content than would be required for a small business website. *CGM features* incorporates the decision as to the types of CGM features the business wishes to use as part of its CGM presence. The main difference when compared with website design is where the content is stored. A website is typically located at a single web address (URL). CGM content can occur in a number of different web
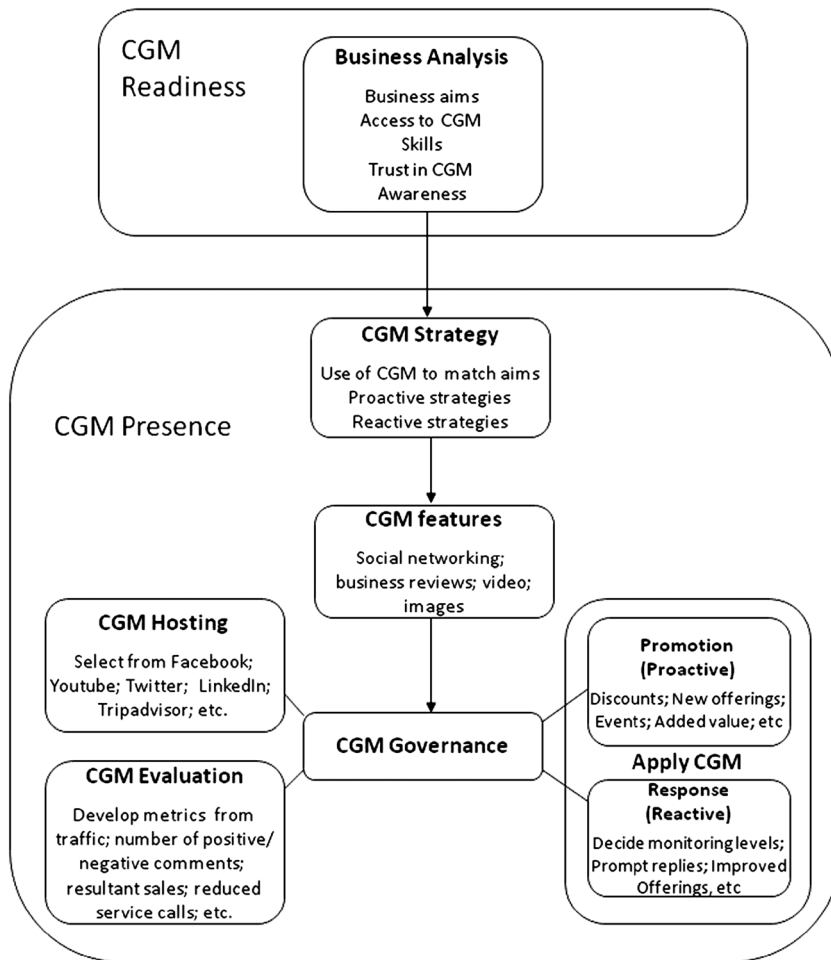
Figure 2. CGM strategy framework for SMTEs.

addresses (such as social networking sites, business directories and sites such as YouTube and Pinterest), potentially making it more difficult to monitor. *CGM governance* retains hosting and evaluation from the Burgess, Sellitto and Karanasios (2009) framework but replaces promotion with a new component to manage both the proactive and reactive strategies that could be required for CGM. The design component of the Burgess, Sellitto and Karanasios (2009) framework is removed as it is viewed to be less critical for a CGM presence than for a general web presence. *CGM hosting* considers the platform to be adopted as part of the CGM presence and is influenced by the earlier selection of CGM features. These would typically be existing platforms such as Facebook or Twitter, but there are examples of businesses hosting such features (such as discussion boards) on their own websites. The need to *apply CGM* relates to the actual application of the CGM strategy. This includes *promotion* (using CGM presence to inform customers about discounts, new offerings, special events and so forth) and *response* (deciding which CGM sites to monitor for comments about the business (and how often), determining response strategies and deciding how to react to comments (such as improving business processes based on customer complaints and redesigning products based on customer suggestions). The importance of the need to react to content posted by others represents an important difference to how small

business website promotion occurs. Finally, *CGM evaluation* allows for metrics to be identified that will determine the success of the CGM strategy. These metrics could include a combination of those measures suggested by Cheek *et al.* (2013), Michaelidou *et al.* (2011) and Carson (2013).

The framework developed in this article represents an attempt to fill a glaring gap in the literature regarding the use of CGM by small tourism businesses. The framework is multidisciplinary in nature as it is based on existing information systems and tourism theory. The development of the framework allows complex social phenomena related to the use of CGM by small tourism businesses to provide greater understanding of this phenomenon. As such, ontological assumptions (such as knowledge of the 'way things are' and epistemological assumptions such as 'how things work') are built into the framework (Jabereen, 2009). The authors additionally contended that the CGM strategy framework will be useful for SMTEs as it provides a comprehensive list of the factors that need to be considered when developing a CGM strategy, as well as some idea of when it is appropriate to consider each of the factors. Although the framework has been developed for SMTEs, the authors believe that it could also be useful for SMEs in general as other industry sectors become more heavily involved in CGM activities.

CONCLUSION

This paper has established the value of CGM to the small business sector with particular reference to the tourism industry. Although the potential for CGM to assist small businesses to establish a better presence on the Internet has been established, research to date indicates that the majority of small to medium-sized businesses are yet to adopt a clear presence in the social media space. This has largely been attributed to their lack of understanding of how to establish such a presence and their uncertainty about how to effectively plan and manage their CGM approach.

This paper has presented a *strategy framework for the effective adoption and implementation of CGM by small tourism businesses*. The framework addresses a gap in the academic literature related to the use of CGM by small tourism businesses and provides a commencing point for researchers to examine this social complex phenomenon to further address the gap. Developed from a strategy framework that related to the development of a small business website, the revised framework addresses aspects of the web presence that are specific to CGM. The framework can potentially be adopted by SMTEs in the travel and tourism industry given the information-intense nature of the industry and the use of CGM with the travel product as a noted credence good. Although the tourism industry has been the primary point of application and discussion, the framework presented may be equally applicable to small businesses in other industry sectors. The framework follows the strategy championed by Burgess, Sellitto and Karanasios (2009) and Cheek *et al*. (2013) to establish focus areas or application points to enact a CGM strategy and readiness before considering how it should be implemented. The inclusion of an appropriate evaluation process is in place to determine the effectiveness of including CGM activities in the small businesses web presence. Notably, a design element in the newly proposed framework is not significant and arguably reflects the influence of external providers (for instance, the Facebook platform) in controlling the type of social CGM interface and presentation style used. The framework can be used to guide small business entities through the process of assessing their own readiness for CGM, developing CGM goals and objectives, implementing proactive and/or reactive strategies, and evaluating the effectiveness of CGM.

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