

Barriers affecting social media adoption in Finnish tourism businesses

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Abstract

Social media has affected the ways tourism companies do business and companies have been eager to adopt it as part of their marketing strategy. However, there still exists a large number of tourism companies that completely neglect the use of social media. This study explores the reasons why some tourism companies do not adopt social media. First, tourism companies are interviewed about the reasons why they are not using social media. Second, the results from the interviews are transformed into quantitative survey on barriers to adopt social media. The results show that there are three main barriers for not using social media: no resources, concerns about social media and no need to use social media. The results also show some explanations for the differences between companies.

Keywords: social media, technology adoption, tourism, barriers

1 Introduction

Today we live in an era of social media, making it possible for millions of Internet users to communicate with each other as well as with businesses in countless different ways (Leung et al., 2013). Social media have been extensively adopted by travellers to search, organize, share and annotate their travel stories and experiences through different social media channels (Leung et al., 2013).

Social media has been trumpeted as a "mega trend" affecting the tourism system (Xiang & Gretzel, 2010). It has become a very popular topic in tourism research; making the researchers forget that there still exist companies that have chosen to neglect social media in their business operations. This group of businesses has been almost completely left outside the field of tourism research even though it can be argued that these companies are the ones in peril of lagging behind.

In the earlier literature, a large number of factors affecting technology adoption especially regarding information and communication technologies (ICTs) have been identified (Bruque & Moyano, 2007). However, these have mainly focused on cases of successful adoption of ICTs, such as Fink (1998) who studied Australian SMEs. Cases where the failure of technology adoption is studied are almost non-existent, meaning that there is not much information available why some companies choose not to use a technology, especially in the field of tourism. Goode (2005) states that knowledge of the factors causing technology rejection should be as valuable as that on technology adoption.

Most of all, there is no knowledge on why some tourism businesses use social media and others do not. This is related to the diffusion of innovations (Rogers, 2003): some businesses are eager to adopt new technologies whereas others are lagging behind. Facebook fan pages for example have been recognized as an effective marketing tool (Dholakia and Durham, 2010). Pesonen (2011) for example has studied how Finnish tourism businesses use Facebook but focused only on companies that have already adopted Facebook as part of their marketing strategy. Tourism is regarded as a significant source of economic growth in Finland but tourism companies need support to develop and increase their competitiveness, for example by more efficient use of social media.

This study focuses on those tourism businesses that are not currently using social media and explores the reasons why they have not adopted social media. By clustering the businesses into groups based on what are the barriers affecting them not to adopt social media it is possible for DMO's, development projects and other organizations to understand what kind of different resources and information different companies require in order to take the next step into the field of social media.

2 Background of the study

There is extensive work done in the literature regarding the adoption of information technologies by small businesses. For example Premkumar and Roberts (1999) studied the adoption of new information technologies in rural small businesses. In their study results based on data from 78 organizations indicate that relative advantage, top management support, organizational size, external pressure and competitive pressure are important in determining the adoption of new information technologies.

Most of the earlier literature focuses on studying technology adoption with technology adoption models such as TAM (Lee et al., 2003), TAM2 (Venkatesh & Davis, 2000), and TAM3 (Venkatesh & Bala, 2008). These studies aim to answer the question of why a technology has been adopted by individuals or organizations. TAM3 is the most detailed technology adoption model, consisting of several different factors such as self-efficacy, anxiety, playfulness and perceptions of external control as well as perceived enjoyment and object usability.

Dholakia and Kshetri (2004) studied factors impacting the adoption of the Internet among SMEs in the United States. Most influencing factors were prior technology use and perceived competitive pressures. Other factors, such as firm size, had limited influence. Their results indicate that once a firm decides to own a web site, variables such as firm size, perceived competitive pressure, and privacy-security subscale of self-efficacy become less relevant for further use of the Internet.

Literature review indeed shows that why individuals or organizations adopt different technologies is well established. However, there appears to be a paucity of published empirical research on inhibitors to technology acquisition (Goode, 2005). Some studies on the topic can nevertheless be found.

Goode (2005) studied why firms do not adopt open source software in Australia, even though open source software provides many benefits over commercial software. It should be noted that adopting open source is different from adopting social media but the underlying dimensions are very similar. In the literature review Goode (2005) classified reasons for not adopting technology into four categories: environmental, organisational, user, and system. Main reasons for rejecting open sources software were that they lack relevance and support. Managers could not see any benefits to using open sources software and were afraid that they would have to support open source software applications with their own resources. Also some other authors

such as Damanpour (1991) and Beatty and Gordon (1988) have discussed barrier to the adoption of particular technology product, holistic analysis of technology rejection is still missing (Goode, 2005).

Michaelidou et al. (2011) studied usage and barriers of social media marketing of SMEs in business-to-business context. In this context, social media is mainly used to attract new customers. Lack of perceived relevance for particular sectors was the most significant barrier to adopting social media marketing. Other barriers were uncertainty of benefits, lack of skills by the staff and major time investment required by social media marketing.

As the literature review shows, successful technology adoption cases are well known and studied. However, cases where detailed attention is paid to technology rejection or unsuccessful technology adoption are much less studied topic. This study aims to examine tourism businesses in Finland that have not yet adopted social media marketing and find out what kind of support, if any, companies need in order to start using social media. This can be achieved by using cluster analysis to form a taxonomy – an empirically based classification of businesses (Hair et al., 2010).

3 Data and Methods

Data collection was done in two parts. First 22 small and medium-sized tourism companies were interviewed by telephone about their use of eBusiness and social media, the benefits and challenges they face, or the reasons why they are not using social media. Companies were chosen based on the recommendations from a DMO in Savonlinna region. 19 companies were accommodation companies, one was event organizer, one was restaurant and one in catering. 13 companies had less than or equal to five employees whereas nine companies had at least 6 employees. Altogether nine barriers for not using social media came up in the interviews:

- Company feels like it does not gain any benefits from using social media
- Social media is a risk for information security
- Not enough skills to implement social media
- Not enough time to use social media
- Not enough (monetary) resources
- Company does not know how to best utilize social media in business
- Fear for critique or negative feedback
- Bad experiences of social media
- Company can do well without social media.

Based on these results an online-questionnaire was structured and the most common reasons were presented in 5-point Likert scale (1=strongly disagree and 5=strongly agree). The questionnaire was sent to about 900 e-mail addresses comprising enterprises in the field of hospitality and tourism in eastern Finland. After two reminder messages a part of the companies were contacted by telephone and reminded to answer the survey, or interviewed by telephone. Total number of responses was 235 which contains 87 companies that are not currently using social media as part of their business strategy. Almost all the respondents were either owners or managers of the companies in question. Social media was defined as communication channels that have content produced both by companies as well as by customers. Social media was explained to be an interactive, many to many communication

environment that include services such as Facebook, Twitter, blogs, YouTube and TripAdvisor. Sample profile of the companies not using social media can be found from Table 2.

Data analysis is done in two parts. First respondents are clustered using hierarchical cluster analysis with Ward's method, a very common approach in tourism literature (Dolnicar, 2002). The dendrogram suggests three cluster solutions. Cluster solutions of two, three, four and five clusters were compared and three cluster solutions was chosen as most meaningful and easy to interpret. Also because of small sample size, smaller number of clusters makes it more reliable to compare cluster attributes. In the second part of the analysis the differences between barriers to social media use and company attributes are examined using cross tabulations and chi-square tests.

4 Results

4.1 Clustering tourism businesses

Table 1 describes the differences in three cluster solution based on the barriers tourism businesses face when thinking about adopting social media for business use. As can be seen from the Table 1, the three clusters differ from each other in many ways. First cluster is clearly limited by lack of resources. They do not have time, money nor skills to start using social media in their business.

The businesses in the second cluster are not so concerned about the use of time and money for adopting social media but are clearly concerned about the benefits of social media, how to use it and especially potential risks when compared to other clusters. They score especially high on bad earlier experiences on social media. These seem to be companies that have tried social media at some point but have given up using it because of bad experiences. It should also be noted that they score quite high on all items, meaning that almost every barrier in this study influence their decision not to use social media.

Members in the third cluster are only concerned about the potential benefits that social media could have on their business. They are clearly happy about how their business is going and feel like they do not need social media to improve it.

Table 1. Three business clusters based on barriers to adopt social media

	Cluster 1		Cluster 2		Cluster 3		Total
	"No resources" (N=38)		"Concerns" (N=37)		"No need" (N=12)		
	Mean	S.D.	Mean	S.D.	Mean	S.D.	Mean
Company feels like it does not gain any benefits from using	2.11	1.134	3.30	1.244	3.42	1.311	2.79

social media							
Not enough time to use social media	3.39	1.386	3.14	1.159	2.42	1.564	3.15
Not enough (monetary) resources	2.87	1.436	2.51	1.121	1.42	0.515	2.52
Not enough skills to implement social media	3.87	1.07	3.86	0.948	1.33	0.492	3.52
It is unknown for the company how to best utilize social media in business	3.50	1.247	3.70	1.051	1.67	0.888	3.33
Fear for critique or negative feedback	1.63	0.786	3.08	1.233	2.17	1.586	2.32
Social media is a risk for information security	2.18	1.062	3.43	1.015	1.92	1.24	2.68
Bad experiences of social media	1.18	0.512	2.62	1.187	1.67	1.231	1.86
Company can do well without social media.	2.71	1.313	3.49	0.989	3.58	1.505	3.16

4.2 Comparison of business clusters

There are not many statistically significant differences between company attributes and social media use barriers (Table 2). Only statistical difference is between businesses that have tourism as the main business and those for which tourism is only a side business. There are a lot more concerned businesses among those for which tourism is the main business whereas those that are practicing tourism only in the side think that social media does not have any benefits for them and that they do well without it.

Table 2. Differences between businesses in background information

	No resources	Concerns	No need	χ^2	Sig.
Tourism is the main business				10.108	p=0.006
Yes (N=68)	28 (41.2%)	34 (50.0%)	6 (8.8%)		
No (N=19)	10 (52.6%)	3 (15.8%)	6 (31.6%)		
Number of employees				1.071	p=0.899
0-1 (N=39)	18 (46.2%)	16 (41.0%)	5 (12.8%)		

2-5 (N=40)	18 (45.0%)	16 (40.0%)	6 (15.0%)		
At least 6 (N=3)	1 (33.3%)	2 (66.7%)	0		
Age of the company				3.022	p=0.554
0-10 years old (N=22)	11 (50.0%)	8 (36.4%)	3 (13.6%)		
11-20 (N=29)	9 (31.0%)	16 (55.2%)	4 (13.8%)		
At least 21 years old (N=32)	16 (50.0%)	12 (37.5%)	4 (12.5%)		
Company co-operate with a DMO				5.482	p=0.065
Yes (N=63)	25 (39.7%)	31 (49.2%)	7 (11.1%)		
No (N=23)	13 (56.5%)	5 (21.7%)	5 (21.7%)		

5 Conclusions, limitations and further research

This study aims to find out why some tourism companies do not use social media. Through interview process nine items creating barriers for using social media are identified. Based on the mean scores the four most important reasons for not adopting social media are lack of skills, lack of knowledge on how to utilize social media for business purposes, companies do well without social media and lack of time to use social media. Finnish tourism businesses can be clustered into three clusters based on how the aforementioned nine items affect their choices not to use social media in their business.

For the first cluster the main reasons for not using social media are lack of resources, thus they are called the "No resources". They need more time and monetary resources to adopt social media as part of their business. For this group of businesses it is crucial to offer financial support as well as increasing their knowledge on social media use. This group of companies is indeed interested and willing to start using social media as part of their business but lack the resources to do it.

Second cluster, labelled the "Concerns", have the resources needed for social media presence but are afraid of the risks involved in adopting social media such as information security. There are also companies in this group that have earlier but negative experiences of social media. They also regard that they are doing well without social media and social media does not have any benefits to offer for their company.

Last group of businesses, the "No need", have no need for social media services. They would have the resources to adopt social media and are not afraid of the risks involved in using it but they do not see any reasons why they should use social media. Their businesses are doing well without it.

When organizing training courses and when consulting companies existence of these three groups should be accounted for. The needs of tourism companies differ regarding social media adoption. Some companies have acknowledged the benefits of social media but lack resources to use it. Other companies do not regard social media as something that they need in their business but would have resources to adopt it if needed. Last group of companies have bad experiences of social media and are afraid of the risks that might come with it. They are not very concerned about the resources but other factors are more important in influencing their social media adoption. Knowing the history of social media usage of these companies could shed some more light into why they have bad experiences of social media. These could be for example Innovators from innovation diffusion theory (Rogers, 2003) that failed to utilize social media at its early stages, thus resulting them being Laggards today. These are important factors for example for DMO's and development projects that aim to develop their local tourism businesses online presence. Different kind of assistance has to be provided for each three groups of companies in order to get them use social media. The "No resources" need monetary

support and expertise to adopt social media, the "Concerns" need information on how to address the risks and the "No need" need to see if and how social media could benefit their business.

This study extends the research on barriers on technology adoption in information systems, in this case social media in tourism business. The need for this kind of research has been acknowledged in the earlier literature (Goode, 2005). Through the use of cluster analysis in-depth knowledge on the topic could be gained. There are different kinds of companies with different problems that require different solutions. In many parts this study is congruent with earlier studies. Similar barriers were found by Goode (2005) and Michaelidou et al. (2011). This study extends the knowledge of technology adoption barriers to social media in travel and tourism context.

This study also provides evidence that not all tourism businesses need social media, at least at this point of time. Company size, age or co-operation with DMO do not explain the differences between the importance of different barriers. However, there is a very small group of businesses that are doing well without adopting social media. A lot of tourism businesses for which tourism is not a main business are included in this group. These could be for example farms that are only renting cottages as a side business through an intermediary. Co-operation with DMO might have something to do with the phenomenon but the evidence from this study are inconclusive as the statistical significance level is above 0.05.

The main limitation in this research is the sample size. Number of businesses not using social media is shrinking all the time as more and more companies adopt social media as part of their business strategy. As only 87 tourism companies that did not use social media answered the questionnaire conclusive, nation-wide results are hard to say for certain. The small sample size affects significance levels and for example there could be statistically significant differences between co-operation with DMOs and different business clusters if the sample size would be larger. However, more work is done in order to collect a larger, more representative sample. In the future also comparison between companies that have adopted social media and that have rejected it will provide more information on why some companies do not use social media.

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