

Tourism marketing in Facebook: comparing rural tourism SME's and larger tourism companies in Finland

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Citation:

Pesonen, Juho (2011). Tourism marketing in Facebook: comparing rural tourism SME's and larger tourism companies in Finland. In Law, R., Fuchs, M., & Ricci, F. (Eds.) *Information and Communication Technologies in Tourism 2011*. Springer. http://link.springer.com/chapter/10.1007%2F978-3-7091-0503-0_43

Abstract

Popularity of Facebook as a social media platform is growing. Already more than 500 million people have joined Facebook. Also companies have noticed the possibility of using Facebook as a marketing channel. However, not much is known on how hospitality and tourism businesses should correctly use Facebook for. This exploratory study compares the use of Facebook of rural tourism SME's and some larger actors in the field of tourism in Finland. The results show that there are many differences between small and large tourism companies, as smaller companies have unnecessary pages and a lot less activity than larger companies. However, causal relationships of activities and success are still unknown and more research is needed on the topic of Facebook-marketing in tourism.

Keywords: Facebook, tourism, marketing, social media

1 Introduction

Social media and Web 2.0 are popular topics in tourism marketing. In the USA use of social media among small firms is increasing constantly (USA Today, 2010). Businesses see Facebook and other social media platforms as a way to reach customers while saving money at the same time.

According to a survey by Statistics Finland 2010, 86 percent of the Finnish adults have used Internet during the last three months and 28 percent follow some social network service at least daily (Statistics Finland, 2010). In Finland, 70 percent of the Internet users had browsed travel and tourism information, and 33 percent of the users

had conducted online shopping. 60 percent of the value of e-commerce in Finland comes from the travel and tourism industry (Statistics Finland, 2009a).

This study focuses on tourism marketing in Facebook. Facebook can be considered one of the most important platforms in social media, especially in Finland. Facebook.com has more than 500 million users worldwide. According to CheckFacebook.com there are 1.9 million Facebook users in Finland. This number seems quite large as there are only 5.3 million people living in Finland (Statistics Finland, 2009b), meaning that around one third of the Finnish population is using Facebook. Even though the actual number of Facebook-users in Finland might be smaller, it is clear that Facebook has become number one social media service in Finland. This is an opportunity for tourism companies to reach their current and potential customers with relatively low costs.

For many companies, Facebook-page is like a second website. However, it differs from company owned websites in some ways. Facebook hosts the pages and provides companies with free analytics, but at the same time also the company dependency in Facebook increases. According to Jack Neff (2010), many big brands are already in a situation in which Facebook has become the biggest relationship-marketing provider.

2 Background of the study

According to a first-of-its-kind research by Dholakia and Durham (2010), Facebook fan pages are an effective marketing tool. Companies using fan pages can increase sales, word-of-mouth marketing and customer loyalty significantly among a subset of their customers. The results indicate that Facebook fan pages are an effective and low-cost way to do marketing in social media (RICE University, 2010).

Facebook has been studied in many different contexts. Smith and Kidder (2010) encourage organisations to develop guidelines regarding the use of social media, particularly Facebook, in the employee application process. Waters et al. (2009) examined how non-profit organisations are using Facebook. They found out that just having a profile is not enough for organisations but careful planning and research is required to develop social networking relationships with their stakeholders. Facebook has also been studied in the context of education (e.g. Roblyer et al. 2010).

Some studies have examined user behaviour in Facebook, especially motivations. Vasalou et al. (2010) studied how page designer's intentions materialise through users' reported practices in Facebook. Their findings show that user's culture and experience with the site affect motivations for using Facebook and the way Facebook is used. Pempek et al. (2009) examined how college students use Facebook and found out that Facebook is part of students' daily routine. Ross et al. (2009) studied personality and motivations associated with Facebook use.

There is not much knowledge on how tourism companies should use Facebook and even less on how they actually use it. There has been some research on how to use social media for marketing, but studies focusing on Facebook-marketing are almost non-existent. Some industry knowledge exists, for example Walgreens found out that fairly frequent short updates work best, especially if they involve posing a question that prompts a response from fans (Neff, 2010).

Mangold and Faulds (2008) regard social media as a hybrid element of the marketing mix because it allows companies to talk to their customers as well as customers to talk directly to each other. In social media managers must learn to shape consumer discussions, which can be achieved for example by providing customers with networking platforms such as company Facebook-site (Mangold and Faulds, 2008).

Buhalis and Law (2008) regard tourist complaints in the internet as a major challenge for tourism companies. Managers should locate the complaint forums and try to handle them professionally. Managers can also offer customers complaining venues such as Facebook which makes responding to complaints much easier.

Facebook marketing is also Word-of-Mouth marketing. Customers have the ability to interact with other customers through company's Facebook-site. Word-of-mouth is ranked the most important information source when consumer is making a purchase decision, and it is very important especially in hospitality and tourism as products are difficult to evaluate prior to their consumption because of their intangible nature (Litvin et al., 2008).

There are a great number of rural small and medium sized tourism enterprises (SME) in Finland, but there are not many studies on how these companies use internet for marketing. The goal of this study is to compare rural SME's and larger tourism companies in Finland in order to find out, how they use Facebook for marketing tourism services and products. It is very interesting to examine, if smaller tourism companies can learn something from larger companies or from each other. This study is exploratory by nature.

3 Method and Data

To study Facebook use in the Finnish tourism industry, a wide variety of companies had to be included in the study. To represent rural SME's 270 companies listed on the www-site of Finnish Rural Tourism Enterprises (SMMY) site were chosen. The complete list of companies can be found from SMMY's website <http://www.smmymy.fi/app/companies/list> (accessed October 2nd, 2010). The member companies of SMMY represent rural tourism in Finland quite well, as they come from all parts of the country.

To represent larger companies, four popular Finnish hotels in Facebook, calculated by the number of followers, were included in this study. Site www.fanilista.fi (accessed October 2nd, 2010), which lists the most popular Finnish Facebook pages, was used to find out what are Finnish tourism companies in Facebook have most fans or followers.

Facebook offers companies many different pages for their Facebook-sites. The pages encountered in this study were Wall, Info, Video, Photos, Links, Notes, Events, Discussions, Reviews and company generated custom pages. Facebook also offers the possibility to link company address to bing.com map service.

Data was analysed by examining the tools and features tourism companies use in Facebook. As the study is exploratory, companies studied first were small rural companies with lowest number of features in their Facebook-pages and continued to larg-

est companies with most fans. Every time a previously unaccounted way to use Facebook was found its use was also examined for the other companies.

To examine the company and fan activity, two different week long periods were chosen. The first week was the last week of August, which can be regarded as definitely last week of summer season, and the other week was the week before this study was conducted, 4.9.-11.9.2010.

4 Results

4.1 Small rural tourism companies

Of the 270 rural SME's studied, 40 had Facebook-pages. One company had private pages and it was excluded from the study. A total of 39 Facebook-sites were examined for this part of the study. These sites had on average 116 fans or followers. Most rural SME's have less than 50 fans, but then there are also some companies that have several hundred fans.

Table 1 represents the features rural SME's use on their Facebook-sites. All companies except for one had uploaded pictures of their company and of its activities to their Facebook-site. Most had less than 25 pictures, but there were some companies with more than 100 uploaded pictures. Only 18 % of companies had uploaded video material, typically of their accommodation and different activities which they offer to tourists. Some companies also had commercial video for their company in Facebook or a YouTube-link to it.

Almost all the companies had contact information on their Facebook-site, either telephone number or e-mail address. 92 % provided users with a link to the actual internet site of the company and 72 % had links to other Facebook-sites or internet-sites. Only one company used the possibility of creating own Notes-page.

Table 1. Facebook-page features in SME's

Number of pictures uploaded		Number of followers	
0	1 (2.6 %)	0-49	19 (48.7 %)
1-24	25 (64.1 %)	50-99	3 (7.7 %)
25-59	7 (17.9 %)	100-199	7 (17.9 %)
50-99	2 (5.1 %)	200-299	5 (12.8 %)
More than 100	3 (7.7 %)	300-399	2 (5.1 %)
Video		At least 400	2 (5.1 %)
Yes	7 (17.9 %)	Notes	
No	32 (82.1 %)	Does not use	35 (89.7 %)
Calendar / Events		Yes	1 (2.6 %)
Yes	12 (30.8 %)	No	3 (7.7 %)
No	27 (69.2 %)	Link to company www-site	
Contact information		Yes	36 (92.3 %)

Yes	36 (92.3 %)	No	3 (7.7 %)
No	3 (7.7 %)	Company description	
Links to other sites / Facebook-profiles		Yes	34 (87.2 %)
Yes	28 (71.8 %)	No	5 (12.8 %)
No	11 (28.2 %)	Map	
		Yes	30 (76.9 %)
		No	9 (23.1 %)

Table 2 presents companies activity on Facebook as well as how active their fans are. As can be seen from Table 2, most rural SME's do not update their Facebook-site weekly. There were almost no differences between the two different weeks. Average number of posts in a week was 0.62. Also the user activity on rural SME's Facebook-sites was very low, only 13 % of sites had any user activity between 4.9.-11.9.2010. Last week of August was somewhat more active, but nonetheless 72 % of companies did not have any activity on their site during that time period.

Most of the rural SME's used Reviews-page and Discussions-page on their site. However, they were often empty. Only six companies had any discussions and 11 companies had user reviews.

Table 2. Facebook-activity of rural SME's and their fans

Number of updates during 4.9.-11.9.2010		Number of user comments or posts during 4.9.-11.9.2010	
0	27 (69.2 %)	0	34 (87.2 %)
1-2	10 (25.6 %)	1-4	4 (10.3 %)
3-4	1 (2.6 %)	5-9	1 (2.6 %)
At least 5	1 (2.6 %)	At least 10	0
Number of updates during 24.8.-31.8.2010		Number of user comments or posts during 24.8.-31.8.2010	
0	26 (66.7 %)	0	28 (71.8 %)
1-2	10 (25.6 %)	1-4	7 (17.9 %)
3-4	1 (2.6 %)	5-9	4 (10.3 %)
At least 5	2 (5.1 %)	At least 10	0
Discussions		Reviews	
Does not use	5 (12.8 %)	Does not use	12 (30.8 %)
0	29 (74.4 %)	0	17 (43.6 %)
1-2	5 (12.8 %)	1-2	11 (28.2 %)
At least 3	1 (2.6 %)	At least 3	0

4.2 Medium-sized hotels and larger travel companies

Facebook-sites of four hotels (hotels Luostotunturi, Kuninkaanlähde, Helka and Pyhäntunturi), three tour operators (Finnmatkat, Aurinkomatkat and Suomen matkato-

imisto), two cruise companies (Silja Line Suomi and Viking Line Suomi), Finnish air travel company Finnair, skiing destination Levi and Finnish tourism board (I wish I was in Finland) were included in this study. The average number of fans in these pages was 16 778.

All of these twelve companies used pictures in their Facebook-site (Table 3). One-third of the companies had uploaded more than 100 pictures. Most of the companies had also uploaded videos. Almost all of the larger companies had links to other sites or Facebook-profiles and provided users with contact information and description of what the company does. Half of the companies used Events-page and 50 percent used the bing.com map Facebook-offers. All companies had links to their own internet-site.

The four hotels each had less than 3000 followers, on average 932 fans. Cruise ship company Silja Line Suomi had most followers, 76 000. This is more than twice as many followers as tour operator Aurinkomatkat, that came second with 37 000 followers. The large number of Silja Line Suomi followers can be explained by their successful marketing campaign to promote their presence in Facebook (<http://www.rbt.fi/case/siljaline-socialmedia/>).

Eight companies had created their own custom pages to their Facebook-site. Finland's NTO's I wish I was in Finland has a page called "Let's put Finland on the map", which allows user to place their favourite places in Finland on the map. Tour operator Aurinkomatkat offers the possibility to check for and book last-minute travels. Aurinkomatkat also offers a page called "Los recommendantes arrivos!" in which people can place their own picture in a video commercial and share this video through social media.

Air travel company Finnair has two custom pages: Welcome and PlusShop. Welcome can be used to plan and book trips and find information on Finnair Plus points. It is also possible to subscribe to Finnair newsletter. In PlusShop Facebook-users can purchase different products with their Plus points. Skiing destination Levi, cruise ship company Viking Line Suomi and tour operator Suomen matkatoimisto have own page for RSS-feed and blog. Tour operator Suomen matkatoimisto also has own pages for flight and flight+hotel offers. Cruise ship company Viking Line Suomi has a customer page called "Viking Line" which is very similar to their www-site home page and has links to different Viking Line websites.

Table 3. Facebook-page features of larger tourism companies

Number of pictures uploaded		Number of followers	
0	0	Less than 3000	4 (33.3 %)
1-24	3 (25.0 %)	3000-4999	1 (8.3 %)
25-59	3 (25.0 %)	5000-9999	3 (25.0 %)
50-99	2 (16.7 %)	10 000-19 999	0
More than 100	4 (33.3 %)	20 000-29 999	1 (8.3 %)
		30 000-39 999	2 (16.7 %)

Videos		At least 40 000	1 (8.3 %)
Yes	9 (75.0 %)	Notes	
No	3 (25.0 %)	Does not use	8 (66.7 %)
Links to other sites / Facebook-profiles		Yes	3 (25.0 %)
Yes	11 (91.7 %)	No	1 (8.3 %)
No	1 (8.3 %)	Link to company www-site	
Contact information		Yes	12 (100 %)
Yes	10 (83.3 %)	No	0
No	2 (16.7 %)	Company description	
Calendar / Events		Yes	10 (83.3 %)
Yes	6 (50.0 %)	No	2 (16.7 %)
No	6 (50.0 %)	Map	
Other		Yes	6 (50.0 %)
Custom pages	8 (66.7 %)	No	6 (50.0 %)

The larger companies in Facebook update their status at least weekly, most of them several times a week. Average number of updates in a week was 3.1. This seems to affect user participation as almost all companies had several posts from their fans on their Facebook-wall. During the week before the study was conducted, tour operator Aurinkomatkat had most posts on their wall, a total of 207 posts or comments. During the last week of August tour operator Aurinkomatkat had 161 posts or comments, second to only I wish I was in Finland, which had more than 250 posts or comments.

It seems that tour operator Aurinkomatkat has a very active community that discusses mainly about different destinations that Aurinkomatkat offers. Users are recommending different destinations and writing about their travel plans and asking for advices. However, during last week of August Finland's NTO's I wish I was in Finland managed to get more than 250 comments or posts from their users with only six status updates of their own. This is remarkable as I wish I was in Finland has only one-tenth of the fans Aurinkomatkat has.

Most of these larger companies do not use Discussions or Reviews. The reason is clear when looking at those rural companies that use these pages: users are not interested in discussions or writing reviews. Hotel Luostotunturi has special offers just for those that are hotel fans in Facebook. Hotel Helka has custom pages for competitions and lunch list.

Table 4. Facebook-activity of larger companies and their fans

Number of updates during 4.9.-11.9.2010		Number of comments or posts during 4.9.-11.9.2010	
0	3 (25.0 %)	0-9	4 (33.3 %)
1-2	3 (25.0 %)	10-24	3 (25.0 %)

3-4	3 (25.0 %)	24-49	1 (8.3 %)
At least 5	3 (25.0 %)	50-99	3 (25.0 %)
Number of updates during 24.8.-31.8.2010		At least 100	1 (8.3 %)
0	3 (25.0 %)	Number of comments or posts during 24.8.-31.8.2010	
1-2	4 (33.3 %)	0-9	6 (50.0 %)
3-4	1 (8.3 %)	10-24	1 (8.3 %)
At least 5	4 (33.3 %)	24-49	2 (16.7 %)
Discussions		50-99	1 (8.3 %)
Does not use	8 (66.7 %)	At least 100	2 (16.7 %)
0	2 (16.7 %)	Reviews	
1-2	1 (8.3 %)	Does not use	9 (75.0 %)
At least 3	1 (8.3 %)	0	2 (16.7 %)
		1-2	1 (8.3 %)
		At least 3	0

5 Conclusions, limitations and further research

The use of Facebook as a marketing channel is a very interesting but little studied topic. More and more companies are joining Facebook and most of the rural SME's in this study had joined Facebook during the last year. This study aimed to examine the differences in Facebook use by small and large tourism companies in Finland. Several differences between small rural tourism companies and larger companies were found. Larger companies are more active, adding more pictures and videos as well as posting status updates on their wall. SME's and larger companies also differ from the pages they use in Facebook. Smaller companies give their customers option to start discussions and write reviews whereas larger companies have more custom pages and do not have pages for reviews or discussions.

Many rural SME's had not updated their Facebook-site during the two weeks this study was conducted in. This is alarming, as it seems that small companies do not put much effort into their Facebook-presence. From Walgreens example it can be seen that updating and posting content is probably the most efficient way of marketing in social media, but nonetheless this seems to be the most difficult thing for many companies. It can be questioned if company should even have Facebook-pages if they do not have plans to update its content.

Based on the results of this study, it would seem that the content a company posts in their wall affects customer participation. Tour operator Aurinkomatkat had most posts by their fans in their wall. They had five times as many posts as their competitor Finnmatkat, which has almost as many followers as Aurinkomatkat and almost as many updates. Also I wish I was in Finland has very good fan participation, as they only have little more than 3000 fans.

Larger companies seem to have a Facebook strategy, in which no useless pages or tools are used. They do not have review pages or discussion pages, probably because there is not much use for them. Smaller companies have pages for discussions and reviews, but they are only seldom used.

There are some limitations for this study. Managers or entrepreneurs were not interviewed or contacted regarding this study. Because of this there is no first hand information on marketing activities in Facebook. More research is needed about how companies measure their success in Facebook. This study only measured companies' Facebook-presence in a very crude way. More in-depth content analysis using qualitative methods is needed to find out how to use Facebook successfully in tourism marketing. Also best practices from other industries should be studied and their use in tourism industry discussed.

This study focused on Finnish tourism companies in Facebook. Every Facebook-site in this study was in Finnish except for Finland's Tourism Board's I wish I was in Finland, which was in English. Even though every Facebook-site was in Finnish, many companies also answered questions by English-speaking users posted for example on their wall. Interesting topic would be to research how tourism companies in other countries use Facebook and how their methods could be used to promote Finnish tourism companies in Facebook.

There is not much information on how customer behaviour is affected by Facebook marketing. It is also unknown how tourism companies should market themselves in Facebook. Is simply a presence enough or should companies aim to maximize the number of followers in Facebook?

It seems that most large companies already have Facebook-pages whereas only circa 15 percent of rural SME's use Facebook. The situation can be different in other industries, but in tourism Facebook-marketing is a new and little studied topic. This can also be the reason why only so few of the rural SME's use Facebook: they do not have information on why and how they should market themselves in Facebook.

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