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DETERMINANTS OF SOCIAL MEDIA-RELATED PERFORMANCE

**CASE STUDY ANALYSIS OF SOCIAL MEDIA-RELATED STRATEGIES,
STRUCTURES, PROCESSES, COMPETENCIES AND ASSETS OF AIRLINES
COMPANIES**

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ABSTRACT

The main goal of this study is to identify factors that could influence companies' performance on social media, with a focus on airlines industry. Case studies of four full-service and international airlines – KLM Royal Dutch Airlines, Emirates, American Airlines, Garuda Indonesia – are chosen to explore this complex and new phenomenon as airlines' social media activities have been considered as benchmark among other industries. To include a vast majority of relevant factors, this study investigates the success factors by using two dominating perspectives in strategy literature which concern with the sources of company success: Miles and Snow's (1978, 2003) Adaptive Cycle and Strategy Typology Theory, and Resource-Based View of the Firm.

Adapting the Miles and Snow's theory into this study, the configuration of social media-related strategies, structures and processes in each airlines is analyzed. Three different basic social media strategy types have been identified, which correspond with Miles and Snow's types of organizational adaptation – *Prospector*, *Defender*, and *Analyzer*. Moreover, this study found that the quality of the fit between the airlines' configuration of social media strategies, structures and processes influences their performance on social media.

For the purpose of this study, eight factors that many companies, especially in airlines industry, measure on social media are used as key social media-related performance indicators: (1) Responsiveness, (2) brand engagement, (3) content reach, (4) revenue generated, (5) insights gained, (6) online reputation, (7) effectiveness in social media crisis management, and (8) size of social media communities.

In addition, adapting the resource-based view of the firm, this study has developed a set of social media-related resources (competencies and assets) that contribute to companies' social media-related performance, based on literature review and empirical findings. The social media-related competencies are: (1) social media-related learning competency, (2) responsiveness competency on social media, (3) competency in social media content management, (4) innovative competency on social media, and (5) competency in social media crisis management. The social media-related assets are (1) social media team, (2) social media policies, (3) social media-related products, and (4) relationships with key influencers and brand ambassadors on social media. This study also found that there are mutual relationships between the resources, that means, some resources also influence other resources, which increases their overall impact on performance.

Lastly, this study discovered that there are correlations between the airlines' social media strategy types and their social media-related resources. Social media-related resources are rather different across social media strategy types, in terms of influence on performance and dominance.

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CHAPTER 1 OVERVIEW OF THE CASE STUDY

1.1 Growing Importance of Social Media in Organizations

The growth of social media has been unprecedented. Social media are so popular that the number of worldwide users of social networks, the most popular form of social media, increases rapidly each year – from around 0,97 billion in 2010 to 1,4 billion in 2012, and to 1,79 billion in 2014 – and it is estimated to reach some 2.5 billion by 2018, which is around a third of the earth’s entire population (Statista, 2015a). Social media have become an integral part of the daily lives of people around the world, partly due to its ability to offer people new and meaningful ways to communicate, connect and engage with other people, events, brands and organizations that matter to them (The Nielsen Company, 2012, p.21-26).

Global studies of social media usage have seen emerging trends that social media increasingly play an important role in many consumers’ decision journeys. This is because social media have been driving greater means and opportunities for consumers to influence their peers by sharing their thoughts and opinions about products and brands (Universal McCann, 2008, p.40).¹ As social media platforms were turning into more multi-media in 2009, consumers have started leveraging different social media platforms because each meets their specific needs, and all platforms meet these needs in different ways (Universal McCann, 2009, p.5).² Social media are seen as powerful as it could strongly influenced the purchase decision of consumers around the world (The Nielsen Company 2012, p.21-26).³

A trend towards consumers interacting with brands on social media has emerged as well, though the nature and the depth of the interactions varied (Universal McCann, 2010, p.52-55).⁴ Companies worldwide of various sizes, types and industries are responding to this phenomenon by joining the dynamic social media landscape, aiming to connect and engage with their customers.⁵ The percentage of business executives worldwide whose companies

¹ Based on Universal McCann’s global study of social media usage in 2008 in 29 countries and of 17,000 active internet users.

² Based on Universal McCann’s global study of social media usage in 2009 in 38 countries and of 23,200 active internet users.

³ Based on Nielsen Global Survey of Social Media Usage in 2012 of more than 28,000 online consumers in 56 countries.

⁴ Based on Universal McCann’s global study of social media usage in 2010 in 54 countries and of 37,600 active internet users.

⁵ For examples, the global studies of organizational use of social media which were undertaken each year from 2007 to 2012 by **McKinsey & Company** (Bughin & Manyika, 2007; Bughin, Manyika & Miller, 2008; Bughin, Chui & Miller, 2009; Bughin & Chui, 2010; Bughin, Byers & Chui, 2011; Bughin & Chui, 2013), and **MIT Sloan Management Review and Deloitte’s** studies from 2011 to 2014 (Kiron, Palmer, Phillips &

leverage social media and its related tools or technologies continues to rise each year.⁶ As Li and Bernoff (2008, p.39) noted, “it’s now possible to put social applications on an equal footing with other business projects. That is, they can deliver measurable progress toward significant, strategic business goals.”

Over the years, the perceived importance of using social media in business activities has grown significantly and remains high due to the numerous opportunities and benefits that organizations could reap from social media (Kiron, Palmer, Phillips, & Berkman, 2013; Kane, Palmer, Phillips, Kiron, & Buckley, 2014). The use of social media and its related technologies has grown from limited experiments at one department to become mainstream in business practice (Bughin & Chui, 2013; Solis, Li, Groopman, Szymanski, & Tran, 2013, p.6). Between 2010 and 2012, companies with more than 5,000 employees have increased their staffing for the corporate social media activities (Solis et al., 2013, p.5). Companies which are already established on social media are starting to see the importance of *integrating social media into many aspects of business*⁷, and *deepening customers relationships through ongoing dialogue and engagement via social media* (Terpening et al., 2015, p.7).

1.2 Active Players on Social Media: Airlines Industry

As mentioned earlier, studies found that companies which leverage social media and its related technologies are from various industries. To limit the scope of this study, this study focused only on airlines industry for several other reasons. Among all industries which harness social media for business purposes, airlines industry has been one of the best industries in *social customer care* since 2013 based on their high response rate and response time on Facebook and Twitter (Socialbakers, 2013g, 2014d, 2015d). According to Socialbakers, a company which regularly conducts statistical analysis of companies’ performance on social media, a number of airlines are qualified as **socially devoted** companies as they are capable to respond to at least 65% of their audiences’ questions on

Kruschwitz, 2012a; Kiron, Palmer, Phillips, & Berkman, 2013; Kane, Palmer, Phillips, Kiron, & Buckley, 2014; Kane, Palmer, Phillips, Kiron, & Buckley, 2015). These studies were carried out to thousands of business executives from various organizations across industries worldwide.

⁶ *Ibid.*

⁷ Kane et al., *op.cit*; Li, Solis, Webber, and Szymanski (2013); Terpening, Li, and Akhtar (2015).

Facebook and/or Twitter.⁸ Thus, it would be valuable to learn how the best social media practices are carried out.

Moreover, airlines industry has been one of the top ten industries which have the highest customer care demand on Facebook and Twitter (Socialbakers, 2013g, 2014d, 2015d). Customers nowadays turn to social media to lodge their complaints and voice their opinions about airlines' products and services, so airlines have no other choice except to be present on social media and to find the best ways to get connected with their customers via these channels (SimpliFlying, 2012). Between 2001 and 2011, airlines industry is also one of the industries which were affected by social media crises (Owyang, Jones, Tran & Nguyen, 2011b, p.17), thus, they need to be well-prepared to be able to handle this new type of crises effectively on social media. Patrick Murphy, the ex-chairman of Ryanair, believes that "the biggest change that has occurred in the airline industry in recent years has been the use of social media" (Haq, 2013). If airlines are not where their customers are (on social media), not connected to them and tuned in to their online behaviors, airlines are going to lose a lot of business (Haq, 2013).

In 2012 and 2014, most of the 'social media-savvy' airlines studied by SimpliFlying consultancy indicated that they aim to increase their budgets for social media activities, which also indicate the growing importance of social media for the airlines' business (SimpliFlying, 2012, 2014b). According to Eezer Data Lab, there were over 200 airlines on Twitter in 2012, a number which is more than the total number of existing airlines loyalty programs in the world (SimpliFlying, 2012). As of May 2015, the number of airlines' accounts on Twitter has nearly doubled (Socialbakers, 2015b).

Based on the above facts and arguments, the researcher argues that it would be valuable to study how airlines companies harness social media and manage their social media activities to respond to all these changes in order to remain competitive.

⁸ See www.socialbakers.com

1.3 Barriers to the Effective and Efficient Use of Social Media in Organizations

Despite the enormous opportunities that social media could bring for organizations, studies found that there are many common barriers that hinder the organizations to reap maximum values from social media or to expand the use of social media.⁹ Some of the obstacles are outlined below.

According to a study of 1,007 communications professionals in Germany in 2010, they acknowledged that they have **limited social media skills** such as lack of experience in developing social media strategies and managing online communities (Fink & Zerfaß, 2010, p.25). Although they evaluated that their social media skills have improved in the following year, the level of the overall social media skills is still average (Fink, Zerfaß & Linke, 2011, p.27). Companies worldwide also mentioned that their lack of technical implementation skills was one of the barriers that hinder the use of social media within their organizations (Kane et al., 2014, p. 24; Kiron et al., 2013, p.22; 2012a, p.23)

The annual global studies conducted by MIT Sloan Management Review and Deloitte found that the barriers to the use of social media in business activities “remain stubbornly consistent” although their order of importance changes from year to year (Kane et al., 2014, p.8). The top barriers are always “**too many competing priorities,**” “**no strong business case,**” and “**lack of an overall social business strategy**” (Kane et al., 2014, p.8). When companies lack a social media strategy or clear objectives, it is unlikely that they will achieve long-term success (Wilson, Guinan, Salvatore, Parise & Weinberg, 2011, p.25). **Lack of management or executives support and understanding** was often cited as one of the top internal barriers to social media adoption in organizations as well in 2011 (Kiron et al., 2012a, p.15).

According to the study by Harvard Business Review Analytic Services (2010, p.3), many companies reported challenges in understanding the potentials of social media to make a difference in their business, still focus their social media activities as a one-way flow marketing messages, and have yet to capitalize social media further. Companies are having **difficulties in evaluating the impacts of their social media efforts** and are still trying to find the best way to demonstrate to the management the impacts of their social media efforts on the company’s performance (Harvard Business Review Analytic Service, 2010, p.3-4).

⁹ See Kiron et al. (2012a, 2013), McKinsey & Company (2012, p.8); Fink, Zerfaß, and Linke (2011, p.21); Zerfaß, Fink, and Linke (2012, 14-17); Fink and Zerfaß (2010, p.19); Harvard Business Review Analytic Services (2010, p.3-4)

This performance measurement problem is consistently reported by many organizations in other studies as well.¹⁰

Airline companies have been experiencing some consistent barriers as well in implementing their social media strategies. According to the longitudinal studies by SimpliFlying consultancy (2012, p.14; 2014, p.4), the three most common challenges that airlines face are **insufficient allocation of resources to social media, obstacles due to organizational structure, and insufficient budgets and technological infrastructure.**

Social media is a very dynamic environment, in which the gains from social media use sometimes do not persist, perhaps because **it needs so much efforts to attain the values** at a big scale of use (Bughin et al., 2011, p.2). Owyang, Jones, Tran and Nguyen (2011, p.6) found in their study that many companies are quick in deploying different social media platforms but often ignore the complexities of the social business itself. They argue that **integrating social media into the business requires adequate internal preparations to achieve long-term success.**

Another management problem faced by many companies is the coordination of social media activities. According to Li and Solis (2013) of Altimeter Group, **minimal coordination between groups in different departments and business units** within an organization often occurs because they act within their own silos in utilizing social media. If this happens, they argued that a gap will increase between social media strategy, expectations of top management for business impacts, and integration of social media into various business activities. Li and Solis (2013) also believed that it can even get worse when a branding gap occurs between the social media experiences which the external stakeholders have and which the various groups in the company tried to create through social media and the desired brand experience as described in the company's style guide. As a consequence, the company will end up presenting itself differently through various social media channels without and they will not be able to realize the short- and long-term results on customer impressions and engagement (Li & Solis, 2013).

¹⁰ For example, see Kiron et al. (2012a, p.18), Etlinger, Owyang and Jones (2012); Fink, Zerfaß and Linke (2011), Etlinger and Li (2011)

1.4 Research Objectives

Since the past few years, numerous studies concerning how social media are utilized in organizations had been conducted both by academics and industries.¹¹ Some studies have begun to investigate how organizations should best use social media in their business activities in order to gain significant values. However, most research which had been conducted to date, especially in academic level, were only touching the surface of the social media management issues in organizations. Most of these studies were exploring general things such as what organizations are actually doing in social media, their objectives in using social media, what social media platforms they use, barriers they face in adopting social media, and so forth. There are still very few research that have investigated deeply about factors that can actually overcome the aforementioned barriers and contribute to the values creation in organizations, as a result of using social media.¹² Earlier research were fragmented or did not use a holistic approach in investigating a vast majority of factors that can contribute to the organizations' social media-related performance.¹³

To address this gap, this study generally aims **to identify factors which could influence companies' performance on social media**, with a focus on airlines industry. The researcher acknowledges that there might be multiple factors that enable organizations to reap maximum benefits from using social media in business activities. Thus, to include a vast majority of relevant factors, this study investigates the success factors by using two dominating perspectives in strategy literature which concern with the sources of companies' success or superior performance: *The Market-Based View* and *The Resource-Based View of the firm*.

The Market-Based View

Until early 1990s, studies about the sources of companies' success were mainly focused on the identification and analysis of the companies' *external* influences (Rasche, 1994, p.3), known as the *Market-Based View* (MBV) of the firm. The MBV, which has its roots in the works of industrial organization (IO) economics, typically stresses that a

¹¹ See for example Kane et al. (2014); Kiron et al. (2013, 2012a); Chui et al. (2012); Zerfaß, Fink & Linke (2012); Bughin et al. (2011).

¹² Except Altimeter Group, MIT Sloan Management Review, and McKinsey & Company have been conducting longitudinal studies about success factors in social media management.

¹³ More information about previous studies concerning organizations' use of social media can be found in Chapter 2, 4, and 5.

company's superior performance is mainly determined by the *barriers to competition* which arise from the *structure of the market* or industry in which the company competes (Makhija, 2003, p.437). The IO economics literature focuses on the influence of an *industry's structure* on the *conduct* of companies and the *performance* of both the industry and the companies (McKinsey & Company, 2008; Makhija, 2003, p.437).¹⁴

Michael Porter, one of the most influential contributors to the MBV and strategic management discipline, based his works on the IO economics research (McKinsey, 2008). Porter argues that "the essence of formulating competitive strategy is relating a company to its environment...the industry or industries in which it competes" (Porter, 1998a, p.3). A company could achieve above-average performance through positioning its products or services well (*superior positioning*) in an attractive market (Porter, 1998b, p.11).¹⁵ Porter introduced generic strategies for this positioning not long after **Miles and Snow** set forth their basic strategy typologies to prosper within a particular industry or environment in 1978 (Hambrick, as cited in Miles & Snow, 2003, p.ix).

Miles and Snow (1978, 2003), with their *Adaptive Cycle and Strategy Typology*, have made a tremendous contribution to business-level strategy research. Business-level strategy answers the question of "How should we compete in a given line of business?" (Hambrick, as cited in Miles & Snow, 2003, p.viii). Miles and Snow's strategies typology has been "the most enduring, the most scrutinized, and the most used" strategy classification system, and has been tested for its validity many times in a wide array of settings (Hambrick, as cited in Miles & Snow, 2003, p.ix).

In brief, Miles and Snow argue that there are four different basic strategy types – *Defender*, *Prospector*, *Analyzer*, and *Reactor* – and each of the types has its own strategy to respond to the environment. Each type, except the Reactor type, has a particular configuration of technology, structure, and processes that is **consistent** or '**fit**' with its strategy, to solve three major problems they continuously have to solve during their complex and dynamic adaptation to the environment process: *The Entrepreneurial* (decisions on product/service-market domain, environmental scanning, growth strategy), *Engineering* (technological decisions/processes), and *Administrative* problems (decisions on organization

¹⁴ The IO literature is greatly influenced by the early works of Harvard's economist Edward Mason's 'Structure-Conduct-Performance' (SCP) paradigm in 1939 and of his doctoral student Joseph Bain in 1956 (McKinsey & Company, 2008).

¹⁵ Porter introduced an externally-focused 'five basic competitive forces' framework to analyze the state of competition of a company in an industry or the attractiveness of a market (Porter, 1998a, p.4) and presented his "generic strategies" of *cost leadership*, *differentiation*, and *focus* to position a product or service in a market in order to achieve above-average performance (Porter, 1998a, p.35).

structure and processes). The ‘fit’ or consistency across strategy, structure and process could contribute to the success of a firm. As Miles and Snow (2003) note, “highly successful firms not only appeared to continually develop a stronger alignment across their strategies, structures, and processes, but they also sought ways of understanding and expressing how those elements fit together” (p.xviii).

It is argued in this study that Miles and Snow’s theory can be applied into the context of organizational use of social media as well, by assuming that airlines companies are continually dealing with sets of decisions to solve similar major problems during their adaptation to the complex and dynamic social media environment. So, in order to analyze the social media strategies, structures and processes (*social media strategy types*) that the airlines implement, relevant strategic dimensions in the Miles and Snow’s theory are used and named as *social media strategic dimensions*. That makes another objective of this study: To investigate how the airlines companies in this study solve their social media-related entrepreneurial, technological and administrative problems during their adaptation to the complex and dynamic social media environment, by analyzing their social media-related strategy, structure and processes.

Based on Miles and Snow’s concept of ‘fit’ between strategy, structure and processes, it is assumed in this study that the quality of the fit between a company’s social media strategy, structure and processes (which may be influenced by the company’s strategy type in the business level as well) could contribute to specific social media-related performance of the company. Thus, this study also takes an evaluating or explanatory approach by investigating the quality of the ‘fit’ between each airlines’ social media strategy, structure, and processes; and if there is a potential correlation between this ‘fit’ and their social media-related performance.

The Resource-Based View

Although the MBV gained popularity and is regarded as one of the important theories in strategic management, it has been criticized as well. One of the main criticisms of the MBV is its little attention to the *internal factors* of a firm as a source of firm success. The MBV has made simplifying assumptions that companies within an industry have identical resources to implement their strategies or have the same access to these resources; as a consequence, they should focus on analyzing their competitive environment and choosing strategies that best suit the environment (Barney, 1991, p.100). “Environmental analysis – no matter how rigorous – is only half the story. A complete understanding of sources of

competitive advantage requires the analysis of a firm's internal strengths and weaknesses as well" (Barney, 1995, p.49).

The MBV's limitations led to the development of an alternative view in the strategy literature, which focuses more on internal, firm-specific resources: *The resource-based view (RBV)*. In contrast to the MBV, the RBV emphasizes that it is possible that firms within an industry are *heterogeneous* in regards to the strategic resources they control, and it is also possible that these resources cannot be perfectly imitated or possessed by other firms (Barney, 1991, p.101). Thus, the RBV believes that *a bundle of unique and valuable resources* that a company has, hold the potential to generate sustained competitive advantage for the company. As a further consequence, companies should focus on managing them in such a way that their full potential is realized (Sirmon, Hitt & Ireland, 2007).

Nevertheless, not all firm resources have the potential to generate superior performance for the company; there are certain characteristics that a company's resources must possess in order to have this potential (Barney, 1991, 1995; Dierickx & Cool, 1989). It is argued in the RBV that *intangible firm resources*, which can be classified as a set of *competencies* or *skills* and *intangible assets*, are the key to sustainable competitive advantage (Hall, 1992, 1993; Prahalad & Hamel, 1990).

Numerous scholars have contributed the establishment of theoretical and empirical relationships between the existences of *firm resources* and the development of *sustained competitive advantage*.¹⁶ The resource-based view has now evolved to be one of the most widely accepted theoretical perspectives to explain the sources of firm success.¹⁷

It is argued in this study that the RBV can be applied to the context of business use of social media, by assuming that *particular social media-related resources hold the potential to contribute to the social media-related performance of the airlines*. Therefore, this study also aims to identify these particular social media-related resources, and to investigate how these resources could contribute to the companies' social media-related performance.

The Relationship Between Strategies and Resources

As a result of the two different views to explain the source of firm success, an area of conflict appears in scientific discourse between the resource-based view and the market-

¹⁶ For example, Wernerfelt (1984), Barney (1991), Prahalad and Hamel (1990). See the comprehensive list of RBV scholars in Barney, Ketchen and Wright (2011).

¹⁷ See Newbert (2007, p.121); Rouse and Daellenbach (2002, p.963-967); Priem and Butler (2001, p.22-40).

based view of management (Habann, 2000, p.14). Porter (1991), who is rather sceptical about the RBV argues that the sources of firm competitive advantages are not only its resources (p.108); “both the external and internal assets are not valuable in and of themselves, however, but because they fit industry structure and a particular strategy” (p.103). Furthermore, Porter (1991, p.109) argues that to create and sustain valuable resources, companies should integrate their resources with their discrete but interrelated economic activities (value chain and value system), and to understand that “the environment surrounding a firm influences both firm choices and outcomes, and of the internal processes of choice and of skill and asset (resource accumulation) that underpin competitive advantage” (p.115).

Long before this conflict occurred, strategy theorists Hofer and Schendel actually already noted that “strategy is the match between an organization’s resources and skills and the environmental opportunities and risks it faces...” (Hofer & Schendel, 1978, p.12, as cited in Grant, 1991, p.114). Grant (1991, p.115) who developed a practical framework which connects the RBV and the strategy analysis argues that a firm should “select a strategy which best exploits the firm’s resources and capabilities relative to external opportunities.” Amit and Shoemaker (1993, p.36-37) also offer key constructs which show the relationships between the complex interactions among a firm’s external influences (which they call “Strategic Industry Factors”) and firm level resources, capabilities, and strategic assets.

It is argued in strategy literature that business-level strategies could serve as a guideline for the decisions concerning firm resources (or the other way around), and that the sources of superior performance of a company should be analyzed from a market-based as well as a resource-based perspective, based on the situation the company is facing (e.g. Meffert, Burmann & Kirchgeorg, 2014, p. 219; Rasche, 1994, p. 407). Several studies have been conducted in diverse industry settings and found that there is a relationship between Miles and Snow’s strategic types, firms’ distinctive competencies or capabilities (which are considered as intangible resources¹⁸), and organizational performance.¹⁹ Based on this premise, this study also attempts to explore the extent to which social media strategy types and social media-related resources are correlated.

¹⁸ For instance, see Hall (1992, 1993) who argues that intangible resources, which consist of some competencies and assets, can be the sources of competitive advantage. Further discussion concerning intangible resources can be found in Chapter 2.

¹⁹ For example, see Snow and Hrebiniak (1980); Hambrick (1983); McDaniel and Kolari (1987); Miles and Snow (1978, 2003, p.55); Conant, Mokwa, and Varadarajan (1990); Benedetto and Song (2003); and DeSarbo et al. (2005). Further discussion concerning these studies can be found in Chapter 2.

1.5 Research Questions

Based on the research objectives and the relationships between the two dominating perspectives about the sources of company success briefly described above, several research questions can be formulated. A general research question which serves as an umbrella for other specific questions is: ***What factors contribute to the airlines' social media-related performance?***

Assuming that there are multiple success factors in companies' use of social media, more specific research questions have been formulated:

1. Referring to Miles and Snow's strategy typology, how is the configuration of social media strategy, structure and processes of each airline?
2. How is the quality of the 'fit' between each airlines' social media strategy, structure and processes?
3. If there is a good 'fit' between the airlines' social media strategy, structure, and processes, does this 'fit' contribute to the airlines' social media-related performance?
4. Which social media-related resources (competencies and assets) could contribute to the airlines' social media-related performance? And how do these social media-related resources contribute to it?
5. How are the relationships between social media strategy types and social-media related resources of the airlines? Do social media-related resources differ across social media strategy types?

CHAPTER 2 LITERATURE REVIEW AND THEORETICAL FOUNDATION

2.1 Social Media

2.1.1 Definitions of Social Media

In social media literature, one can find many definitions of and terms for social media. The concept of social media, which is unclear when exactly and by whom the term was created, is likely to be historically related to the term **Web 2.0** which was coined by the technology writer and publisher Tim O'Reilly in 2005 after he saw that the web was actually getting more important than ever despite the collapse of the dotcom companies (O'Reilly, 2006). Web 2.0 refers to "the business revolution in the computer industry caused by the move to the internet as platform, and an attempt to understand the rules for success on that new platform. Chief among those rules is this: Build applications that harness network effects to get better the more people use them" (O'Reilly, 2006). Web 2.0 refers to an interactive use of the Internet; it changes the Internet into a true dialogue (Buss & Strauss, 2009, p.6). Whereas before Web 2.0, there was Web 1.0, "where websites were typically collections of pages on which the owner published content and advertising" and the communication in it was only one-sided (Buss & Strauss, 2009, p.6). It is likely that social media are considered as examples of Web 2.0 applications as it enables two-way communications or dialogues, and it can harness, what O'Reilly said, "collective intelligence" (O'Reilly, 2006). The seem-to-be the most cited definition of social media, which is proposed by Andreas Kaplan and Michael Haenlein (2010), categorizes social media as "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content" (p.61).

Harvard Business Manager (2010) defines social media as all media (platforms) which support its users through the digital channels to have mutual communication and interactive exchange of information. McKinsey Global Institute (Chui et al., 2012, p.4) categorized social media as **social technologies**, which are "the products and services that enable social interactions in the digital realm, and thus allow people to connect and interact virtually; these are information technologies that provide distributed rights to communicate, and add, modify, or consume content."

Social media are also closely associated with the term "**social software**" or "**social web**". Ebersbach, Glaser & Heigl (2011, p.35), who prefer to use the term social web rather

than social media, created a German version of social web definition. Translated into English, their definition of social web is the following:

Social web consists of:

- web-based applications (within the context of the world wide web) that support information exchange, relationship building and maintenance, communication and collaborative cooperation of people in a social or community context;
- data generated from those activities, and;
- relationships between people who use this applications (Ebersbach et al., 2011, p.35).

McAfee (2009, p.68) who proposes the term “**Emergent Social Software Platforms**” (ESSPs) explains that *social software* “enables people to rendezvous, connect, or collaborate through computer-mediated-communication and to form online communities,” whilst *platforms* are “digital environments in which contributions and interactions are globally visible and persistent over time,” and *emergent* means that “the software is freeform and contain mechanisms like links and tags to let the patterns and structure inherent in people’s interactions become visible over time.”

Throughout this report, the term **social media** will be used, and by adapting the existing definitions mentioned before (especially the Ebersbach et al.’s definition as it captures the ideas or functions of social media in the best way), social media are defined in this study as a group of internet-based applications which enable information exchange; content creation, exchange and consume; relationship building and maintenance; communication; and collaboration between people who use the applications in a virtually social or community context; and can generate data from those activities.

2.1.2 Classifications of Social Media

Nowadays, there are enormous numbers of social media channels, social media-related applications or software. Some have attempted to classify social media into several categories based on their functions, purposes, or gained benefits, but these classifications vary, which proves that classifying social media into a set of categories is not an easy task. The ongoing changes of the social media landscape makes a permanent classification of social media difficult. Kaplan and Haenlein (2010, p.61) even argued that “there is no systematic way in which social media applications can be categorized.”

However, the most extensive classification of social media is perhaps offered by Brian Solis who created *The Conversation Prism*, an evolving visual map or infographic

which captures the state of the social media landscape globally, and **is organized by how important social media are used by professionals and consumers in everyday life** (Solis, 2013a).²⁰ According to Solis (2010), the conversations that define the culture and value of each social media community is one of the things that make social media so captivating. Thus, Solis (2010) has attempted to map the social media landscape based on both its **features** and **capabilities**, as well as **how people really use these media**. He argued that classifying social media as “approachable groups rather than as a single entity” will help people and companies to understand the social media landscape better (Solis, 2010).

So in 2008, Solis started “mapping the connection between the results from social search, the organized structure of conversations, and how they impacted every facet of the business” (Solis, 2010). At that time, the conversations on social media were still mainly considered as the domain of or responsibility for either service, communications, or marketing department, although in reality, the conversations could also affect other divisions of a company, including Sales, Product, Support, Marketing, PR, Community, Crisis, HR, and Finance (Solis, 2010).

Solis introduced the second version of the Conversation Prism in 2009 by adding the idea of Social Customer Relationship Management (sCRM) to help companies recognize the opportunity to listen, learn and adapt. The Prism was “a visualization of conversational workflow to inspire the socialization of business and to introduce conversational touch points across the organization” (Solis, 2010). As the social media landscape experienced a substantial evolution, Solis introduced the third version of the Conversation Prism in 2010. At that time, some social media networks and tools have disappeared or merged, meanwhile, some important new services have emerged (Solis, 2010).

In the latest model (Conversation Prism 4), Solis focused on social media that are “on a path to mainstream understanding or acceptance” (Solis, 2013a). He classified social media based on (Solis, 2013b):

- (1) **The main functions of the media**, for example social networks, social commerce, blogs/microblogs, and pictures. In total, there are 26 different functions of social media.
- (2) **The opportunities – to listen, learn or adapt – which businesses can get on social media**. For example, social media under the categories of *crowd wisdom*, *blogs/microblogs*, *social networks*, *influence* and *quantified self* are suitable for listening to what people say about a company or a brand.

²⁰ The Conversation Prism was first created in 2008, then updated in 2009, 2010 and the recent one in 2013 – all were created based on his ongoing study in the digital ethnography (Solis, 2013a). The first three versions of the Conversation Prism can be found in Solis (2013a), whilst the fourth version can be found in Solis (2013b).

(3) **Which department or division in a company is recommended to use the media.**

Each of these departments – Human Resources, Brand, Community, Service, Development, Marketing, Sales, and Communications – are provided with suggestions of several social media channels they can utilize. For instance, the Brand department is recommended to use social media channels under the category of social networks, blogs or microblogs, and crowd wisdom, whilst enterprise social networks, wiki, discussion and forums are suitable for the Development department.

Based on Solis' latest classification of social media, there are only few types of social media that are mostly used by airlines companies at the time of the research:

1. Social networks

Social networks are often interchangeable with the terms *social network sites*, *social networking sites*, or *social networking platforms*. From social science's point of view, social networks are "online communities in their purest form," on which, "user relationships are the main focus and activity" (Buss & Strauss, 2009, p.16). From information science's point of view, Boyd and Ellison (2007) define social network sites as:

...web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. (Boyd & Ellison, 2007, p.211)

In Internet, social networking is one of the most popular activities and the number of social networks' users always increase each year since 2010 (Statista, 2015a). Examples of global social networks are *Facebook*, *Google+*, and *Myspace*. Facebook is the world's most popular social network platform based on the number of its active users which has reached over 1 billion (Statista, 2015b). Facebook enables companies, brands and products to create a page, in which they can publish different kinds of content to build and maintain their relationships with their customers and other online communities. At the time of research there are 717 Facebook accounts belong to airlines companies (Socialbakers, 2015a).

2. Microblogs

Microblogs focus on very short text messages that are exchanged via a central platform (Ebersbach et al., 2010, p.37). Examples of global microblogs platforms are Twitter and Tumblr. *Twitter* allows its users to broadcast a message with up to 140 characters only. Short messages in microblogs can be categorized based on similarities of topics by using 'hashtags' # so that they can be easily found by other users, for instance, #socialmedia, #socialbusinessmanagement. Despite the limited characters of a message that users can broadcast, Twitter has attracted many companies because of its unique characteristics and its potential values for companies (Kaplan & Haenlein, 2011, p. 108-110). As of May 2015, there are 384 accounts in Twitter belong to airlines companies (Socialbakers, 2015b), which nearly doubled the number in 2012 (SimpliFlying, 2012).

3. *Weblogs or blogs*

The term ‘Weblog’ originated from *Web* (World Wide Web) and *Log*, and is a website in a form of a public personal journal or diary written by one or more author(s) called bloggers, which content are in forms of texts, pictures, audio or videos (Jochen Robes in Back, Gronau & Tochtermann, 2012, p.34). Blogs have been used by companies across sectors internally and/or externally for various business purposes (Bughin, Byers & Chui, 2011, p.3).

4. *Video-sharing platforms*

Video-sharing platforms are social media platforms, in which the users can share videos publicly with other users, watch videos which other users share, and write comments about the videos. The users can also share any videos with their networks in other social media platforms. Examples of global video-sharing platforms are *YouTube*, *Vimeo* and *DailyMotion*. At the time of research, there are 138 accounts belong to airlines in YouTube (Socialbakers, 2015c).

5. *Pictures-sharing platforms*

Pictures-sharing platforms are social media platforms, in which its users can upload their pictures onto it, make the pictures available for public, and share their pictures with their networks in other social media channels. The users can also view other users’ photos and give comments about it. Examples of pictures-sharing platforms are *Instagram*²¹ and *Flickr*. As of 2013, there are 65 airlines companies which have active presence on Instagram (Serusi, 2013b).

6. *Business platforms*

Business platforms are social media platforms, in which individuals and companies can create a professional profile and connect with other professionals. *LinkedIn* is the only global business platform which manages to be one of the top global social networks in terms of the number of users (Statista, 2015b). Some airlines have been utilizing LinkedIn, for example, to share their corporate-related content with their professional networks, and to attract and recruit talents.²²

7. *Social curation platforms*

Social curation platforms, such as *Pinterest* and *paper.li*, enable companies to collect various content from the Internet that are relevant to them to be organized and displayed in their own page in the platform. Airlines companies have started to tap into Pinterest to display pictures of destinations they serve and their aircrafts. As of 2013, there are 74 airlines accounts on Pinterest (Serusi, 2013a).

Social media are also parts of *owned* and *earned* media. **Owned media** are “all content assets a brand either owns or wholly controls,” such as websites, branded blogs;

²¹ Note that Instagram now enables its users to create and upload short videos as well.

²² For example, see KLM’s LinkedIn page: <https://www.linkedin.com/company/klm>; Emirates’ LinkedIn page https://www.linkedin.com/company/emirates/careers?trk=top_nav_careers

microsites, and a company's or brand's own(ed) presence in social networking channels (Lieb, Owyang, Groopman & Silva, 2012, p.4). **Earned media** are “user-generated content created and/or shared by users,” which include consumers' social media posts, tweets, videos, photos, and open online communities (Lieb et al., 2012, p.5). For companies or brands, earned media are the most elusive and difficult channels in comparison with owned and paid media (Lieb et al., 2012, p.5).

2.1.3 The Uses of Social Media in Organizations

Social media are not only used by individuals but also by organizations. In an article in the journal *Sloan Management Review* in 2006, McAfee (2009, p.73) introduced the concept of “**Enterprise 2.0**” as shorthand for “the use of emergent social software platforms by organizations in pursuit of their goals.” McAfee also points out that Enterprise 2.0 can be directed to all appropriate participants, such as employees, suppliers, customers, prospective customers, and so on, thus, Enterprise 2.0 is not just about intranets; it includes extranets and public websites too (McAfee, 2009, p.73). Just like Web 2.0, the term Enterprise 2.0 had quickly become a buzzword and a common name for businesses which utilize Web 2.0 technologies to achieve their corporate objectives and goals.

Besides Enterprise 2.0, the term “**social business**” has also emerged and has become a popular term to describe companies which leverage social media to achieve business goals. MIT Sloan Management Review and Deloitte define social business broadly as “activities that use social media, social software and technology-based social networks to enable connections between people, information and assets. These activities could be internally focused within the enterprise or externally focused toward customers, suppliers and partners” (Kane, Palmer, Phillips, Kiron & Buckley, 2014, p.5).

Similarly, Li and Solis (2013) define social business as: “The integration of social technologies and processes into business values, processes, and practices to build relationships and spark conversations inside and outside the organization, creating value and optimizing impact for customers and the business alike.” Moreover, the values that companies gain from these activities are defined as social business values (Kane et al., 2014, p.5).

Despite the popularity of the term social business to describe the organizational use of social media technologies, this term will not be used in this study in order to avoid confusion, as social business also has another totally different meaning. Social business is

also a business that aims to serve society, so it is more cause- than profit-driven, nevertheless it “has products, services, customers, markets, expenses and revenue like a ‘regular’ enterprise...” (Yunus, Moingeon & Lehmann-Ortega, 2010, p.311).

2.2 Social Media-Related Performance and Its Potential Contribution to Business Goals

In this study, **social media-related performance** is defined as **the direct results that a company could earn from using social media**. Here ‘*direct*’ means that the effects can be directly related or attributed to a specific social media-related activity, competency, asset, strategy, structure, or process. Examples of the direct results of social media use in businesses (social media-related performance) will be discussed in the next section.

Besides generating some direct results (the social media-related performance), it is argued in numerous social media articles that a company’s social media efforts could also *indirectly* improve its business performance or help accomplish its business goals as well, providing that certain conditions are met.²³ The success of a company’s social media initiatives is even associated with the ability of the company to improve its business performance or to help accomplish its business goals through its social media efforts.²⁴ So, the social media-related performance of a company should be evaluated based on its contribution to a range of business goals of the company as well.

The global social media studies by MIT Sloan Management Review and Deloitte found that the value of social media for businesses have moved beyond marketing and spread across the enterprise (Kiron et al., 2013; Kane et al., 2014). Although marketing is still the dominant department when it comes to airlines’ use of social media, many airlines executives wish that other departments – e.g. customer service, corporate communication, eCommerce, inflight service crew, and human resources – become involved in social media, so that the value of social media spreads across the company (SimpliFlying, 2014b, p.10).

Several studies attempted to investigate a range of business areas which companies’ social media efforts could impact on, as well as ways to measure the impact.²⁵ The study by McKinsey Global Institute for instance, argue that **social media can add value in several**

²³ See Kane et al. (2014), Chui et al. (2012), Bughin et al. (2011)

²⁴ See Etlinger and Li (2011)

²⁵ See for example studies by Altimeter Group (Etlinger, Owyang & Jones, 2012; Etlinger & Li, 2011), MIT Sloan Management Review and Deloitte (Kiron et al., 2013; Kane et al., 2014), McKinsey and Company (Divol, Edelman, & Sarrazin, 2012) and McKinsey Global Institute (Chui et al., 2012).

organizational functions within and across enterprises, such as in product development, operations and distribution, marketing and sales, customer service, business support, intra- or inter-organizational collaboration and communication (Chui et al. 2012, p.8). Social media are becoming a powerful tool as well to booster recruitment and employee development (Kane et al., 2014, p.15).

In airline industry, SimpliFlying consultancy found through its study in 2012 that airlines have begun to map their social media performance to certain business goals – **brand engagement, customer service, and revenue** – being the top three (SimpliFlying, 2012, p.7). SimpliFlying’s latest study in 2014 found that there are concrete and consistent business goals that can be driven by social media, but there is an emerging consensus between airlines that the most important business goals that social media should drive should be **customer service**, followed by **brand awareness** and **customer loyalty** (SimpliFlying, 2014b, p.9). The reasons why improvement in customer service has become the most important success indicator of airlines’ social media efforts could be because “customer service is more tangibly delivered and measured,” and because nowadays a large number of passengers contact airlines via social media when they need the airlines’ assistance (SimpliFlying, 2014b, p.9).

Some studies have also discovered that **there are differences in the way companies define the success of their social media efforts and in the way they measure the success**. According to the MIT Sloan Management Review and Deloitte’s study, there is a relationship between the maturity scale of a company’s social media use and the level of results the company achieves (Kane et al., 2014, p.11). The study found that “the higher a respondent rates his or her company on this social maturity scale, the more likely he or she is to report that social business creates real value” (Kane et al., 2014, p.11).²⁶ The study also found that companies at the high end of the social business maturity scale have a more sophisticated social media measurement system in place than companies which are still in early and developing stages of social business, for example, moving beyond traffic measures to operational and financial-based measures (Kiron et al., 2014, p.8). Similarly, according to the study of communication professionals in Germany, the longer a company has been

²⁶ In the MIT Sloan Management Review and Deloitte’s study, the respondents were asked to rate on a scale of 1 to 10 the maturity of their organization’s social media practices, based on a question: “Imagine an organization transformed by social tools that drive collaboration and information sharing across the enterprise and integrate social data into operational processes. How close is your company to achieving that ideal? (1 = ‘Not all close’ and 10 = ‘Very close’)” (Kane et al., 2014, p.16). Organizations whose respondents rated their social media practices as 1-3 were categorized as “early”; 4-6 as “developing”; and 7-10 as “maturing” (Kane et al., 2014, p.16).

utilizing social media, the greater the communication managers rated the benefits of using social media (Fink & Zerfaß, 2010, p.22). The business impacts or values of social media programs also varies based on where the social media efforts sit in the organization (Etlinger & Li, 2011, p.5) and is determined by fundamental characteristics of the industry (Chui et al., 2012, p.10).

The following section begins with an overview of some key performance indicators (KPIs) which represent the direct results of a company's social media efforts, with an attempt to focus directly on airlines industry. As mentioned earlier, the value that social media could generate in an industry is determined by the fundamental characteristics of the industry as well (Chui et al., 2012, p.10). In airlines industry, airlines' performance on social media can be evaluated from several aspects, which may depend on the objectives that the airlines aim to achieve through the use of social media. There are however, some key social media-related performance indicators (KPIs) which airlines companies *should* measure, because a proper measurement of these KPIs can help resolve some business problems faced by airlines companies (Socialbakers, 2013d). This will be outlined in the following section. After the key social media-related performance indicators of airlines companies have been identified, its potential contributions to a range of business goals or functions will be evaluated.

2.2.1 KPI 1: Responsiveness

As providing service to the passengers is the nature of the business of airlines companies, and as a large number of customers nowadays expect airlines to cater to their needs on social media, many airlines utilize social media primarily for customer service purposes (SimpliFlying, 2014b, p.9). Thus, improvement in customer service has become the most important success indicator of airlines' social media efforts, also because "customer service is more tangibly delivered and measured" (SimpliFlying, 2014b, p.9).

It is argued in social media literature that airlines' responsiveness in providing customer service through social media (often referred to as '*social customer service*') is considered as the most important performance indicator for evaluating the effectiveness of the airlines' social customer service (Socialbakers, 2013d). SimpliFlying (2012) argues that only if airlines are able to respond to their customers in difficult situations, to provide real-time updates and to have in place a stable network of support via their social media platforms, then it can be said that the airlines have successfully leveraged social media

(SimpliFlying, 2012). In general, it is argued that a company's superior responsiveness to its customers correlates to a higher level of customer satisfaction, could build brand loyalty and differentiate its products or services, and enables it to charge higher prices; all of these can help the company build and sustain competitive advantage (Jones & Hill, 2010, p.136). This implies that a company's superior responsiveness in social media could *indirectly* generate a competitive advantage.

Airlines companies' responsiveness in social media has been measured by looking at the airlines' *average response time*, *response rate*, and *answered minus ignored questions* on their social media channels (Socialbakers, 2013d), especially on Twitter, which is primarily used by airlines for customer service purposes. Then, airlines should treat these metrics (average response time and average response rate) as contributing factors as well to the traditional KPIs of customer service such as the Customer Delight Index or Resolution Rates (Socialbakers, 2013d).

Social media can also add value in operations and distribution functions within an organization when the organization uses social media to distribute business processes (Chui et al., 2012, p.8). As providing excellent service to customers is a critical business process in airlines industry, airlines which are able to utilize social media to provide superior customer service may add value in their operational and distribution functions. Operational efficiency could be achieved through the *costs saved* due to the large *percentage of inquiries that were resolved in social media* rather than in call center or 1-1 chat (Etlinger & Li, 2011, p.14).

2.2.2 KPI 2: Brand Engagement

Although companies use of social media can indeed drive revenue, the primary business values of social media lie on other things, such as on deepening relationship with customers and community (Etlinger, Owyang & Jones, 2012. p.7), improving communications and collaboration within and across companies (Chui et al., 2012, p.3), and improve the customers' experience with the brand as well (Etlinger & Li, 2011, p.8). Unfortunately, most companies still approach social media as a technology deployment and do not understand that the source for value creation is the new *relationships* created by companies use of social media (Li, Webber & Cifuentes, 2012, p.3).

Engaging customers through social media channels is one of the top three companies' activities on social media, according to 1,469 C-level executives in McKinsey & Company's

global study in 2012 (Brown & Sikes, 2012, p.5). Airlines companies have been using social media to build and/or enhance a new kind of relationship with their customers and other stakeholders (e.g. fans, followers, employees, social media influencers) as well (Socialbakers, 2013d). Thus, another important social media-related performance indicator is the ‘**engagement**’ between a company and its social media communities (Socialbakers, 2013d).

Measuring the *engagement rate, score or level* between a company and its social media communities has been challenging due to slightly different understandings of the concept and different performance measurement methods that each social media platform enables.²⁷ In social media literature, there is no consistent definition of the kinds of behaviors on social media which constitute engagement; “engagement can mean different things to different companies, people, industries, or cultures” (Etlinger & Li, 2011, p.21). The following are examples of different interpretations of brand or company engagement in terms of **terminologies**:

“...comprises multilateral communication among the brand, the customers, and the customers’ network” (SimpliFlying, 2012, p.7).

“... the amount of users’ interactions...that occur in your page” (Socialbakers, 2013d).

“From a metrics perspective, engagements is the number of people that have interacted with a piece of content posted on a social media channel” (Unmetric, 2014)

To fairly calculate the engagement score of a brand’s content, Unmetric, a social media analytics provider, weighs **audience interactions or responses on brand content** such as *Likes, Comments, Shares or Favorites, Replies and Retweets* based on their importance, then divides their weighted sum by the “**Audience Reception Rate**” (the number of brand’s fans and followers and the corresponding number of people who could actively receive and view the content) (Unmetric, unknown year of publication; Raghavan, 2014).

Despite the challenges in measuring brand engagement on social media, it is an important performance indicator in social media as “it’s the metric that all other metrics are based on: they rely on it, correlate with it, and drive it” (Rezab, 2014), thus, companies should measure it. Measuring brand engagement on social media is a useful starting point for evaluating the effectiveness of social media efforts as all the suggested metrics to measure it are measurable (Hoffman & Fodor, 2010, p.44). Well engagement with

²⁷ Some attempts to measure the engagement rate have been made, mostly by social media or business consultancies. See for example Unmetric (unknown year), Raghavan (2014), and Rezab (2014) for comprehensive measurement methods of a company’s engagement rate on social media.

consumers on social media can also generate consumer insights and market intelligence, which is valuable for companies which rely heavily on consumer insights for product development (Chui et al., 2012, p.3). '*Benchmarking*' a company's engagement rate against its direct competitors and own previous efforts is also suggested as it can help the company outperform their competitors on social media (Bysani, 2015b). By knowing what type of content is performing well on specific channels, the company can improve its engagement with followers and fans in a unified way (Bysani, 2015b).

2.2.3 KPI 3: Content Reach

Besides the engagement rate, another social media-related KPI is the reach of a company's content, campaigns or messages on social media (Rezab, 2014). Reach, which is also called *impressions*, "is the number of people that have had a piece of brand content show up in their newsfeed across various social networks" (Unmetric, 2014, p.4). Reach consists of *organic* and *paid reach* (Rezab, 2014). Organic reach in Facebook for instance, refers to how many people a company can reach for free by posting a content to its Facebook page (Boland, 2014), whereas paid reach is the number of people a company can reach by paying or sponsoring its content. So, probably this is analogous to the readership of printed media, and viewership of television.

Measurement of content reach or impressions is also different from one social media platform to another (Unmetric, 2014, p.4-14). Generally, the reach of a company's content can be measured by calculating the *unique impressions* a particular content gets in a defined period of time (Rezab, 2014). This implies that the reach of a company's content on social media is reasonably analogous to social media users' *awareness* of the company or the company's content. Measuring *brand awareness* on social media is a useful starting point for evaluating the effectiveness of social media efforts as all the suggested metrics to measure it are measurable (Hoffman & Fodor, 2010, p.44).

Both the reach of a company's social media content and the company's engagement rate drive one another or have natural correlations, which means, when the reach is high, it is likely that the engagement rate is high as well (Rezab, 2014). The reach of a particular content is sometimes included into the measurement of engagement rate as well (Raghavan, 2014). To make people act on something which a company desires in social media, such as click, install, buy or any other actions, the company must be able to get both good reach and engagement rate first (Rezab, 2014).

However, as more and more companies or brands have established a presence on various social media platforms, competition for people's attention has increased exponentially on social media, according to Unmetric, a social media analytics provider. Before, a company's content could be expected to reach almost all fans or followers. But now, it has become more difficult to stand out from the crowd due to algorithmic filters and seemingly infinite content. A study of more than 100 Facebook pages in 2014 by Social@Ogilvy found that organic reach for brands on Facebook declined 49% within six months. Thus, companies should increase their investment to keep communications flowing and visible on their social media platforms, e.g. by spending more time creating content that resonates with their audiences, or paying to reach them through paid ads and promoted posts.²⁸

2.2.4 KPI 4: Revenue Generated (Sales Conversion)

One of the most frequently asked questions related to social media use in business is "*What is the ROI of social media?*" (Etlinger & Li, 2011, p.5). The ROI stands for the return on investment, thus, in the context of organizational use of social media, the ROI of social media can be interpreted as the financial return on a company's investment in social media activities.

In airlines industry, how much revenue that airlines can gain directly from social media campaigns or social media channels has become a performance indicator for the effectiveness of social media initiatives (SimpliFlying, 2014; Statista, 2014). According to a study by SimpliFlying (2014, p.11), the airlines executives surveyed believe that social media have a great potential to generate revenue. Around 31% airlines executives surveyed believe that the expected impact of social media efforts on their airlines operating income in the next three years should be between 5% and 10%, whilst 46% of the executives believe that the expected impact should be more than 10% (SimpliFlying, 2014, p.11).²⁹

Measuring the impact of social media initiatives on an airlines' revenue is difficult, partly because of significant network externalities and the complicated processes involved in flight bookings, especially when it is made online (SimpliFlying, 2014, p.11). Thus, most airlines still track click-through rates, which is not a perfect measure (SimpliFlying, 2014,

²⁸ All information in this paragraph relies on Bysani (2015a) from Unmetric.

²⁹ There were 148 executives from 87 airlines surveyed in the SimpliFlying's 'Airline Social Media Outlook 2015' study in 2014.

p.11). The revenue that an airline gets from its social media efforts (often referred to as ‘*sales conversion*’) can actually be measured in a simple way by using promo codes specific to particular social media platforms or campaigns (SimpliFlying, 2014, p.11), in order to calculate *the number of ticket bookings* and other *sales inquiries made through social media*.

By measuring the revenue derived from social media, companies can decide on which markets or products or services it should focus on in social media, or develop programs that suit its highest-value customers (Etlinger & Li, 2011, p.13).

However, companies should not treat the financial returns on their investments in social media as a sole indicator of success, but they should also take other nonfinancial KPIs into account. According to Kaplan and Norton who developed a *Balanced Scorecard*, a comprehensive framework to measure organization performance, company success should not be determined by the traditional financial measures only, but also other three additional nonfinancial perspectives – those of *customers*, *internal business processes*, and *learning and growth*, to get a broader perspective on the company’s health and activities (2011, pp.169). “Companies that link nonfinancial measures and value creation stand a better chance of improving results” (Mauboussin, 2012, p.9). The Norton and Kaplan’s *Balanced Scorecard* is also considered as a good instrument to carry out a holistic evaluation of the impacts of social media activities, to prove that social media can create business values in those four aspects (Zerfass & Sandhu, 2008, p.301-302).

2.2.5 KPI 5: Insights Gained

When social media are optimally exploited, airlines could gain numerous competitive insights, valuable information about their customers which is beneficial for certain business purposes (SimpliFlying, 2012, p.8). Not only gaining valuable customers insights, airlines could also gain valuable information about their competitors’ activities and performance on social media, current and future trends, brand advocates, social media influencers, and so forth, for instance through constant and comprehensive social media monitoring (Socialbakers, 2012f, 2012h).

According to Altimeter Group’s study, collaborating with customers through social media or ‘crowdsourcing’, could accelerate or drive innovation of products and services as it enables companies to obtain valuable feedback about its product/service directly from its

customers (Etlinger & Li, 2011, p.17).³⁰ Similarly, McKinsey Global Institute’s study also found that the competitive insights derived from social media can create or add value in product development and marketing and sales (Chui et al., 2012, p.8). The insights can help marketers learn how their marketing efforts perform in the real world and are useful for making decision about new marketing content and campaigns (Etlinger & Li, 2011, p.10). Moreover, applying the insights gained from social media to the brand “can add richness to market research efforts, help prevent or mitigate crisis, and uncover threats and opportunities” (Etlinger & Li, 2011, p.9). Thus, airlines’ achievement in gaining competitive insights through social media should be part of the key performance indicators for the airlines as well.

In order to identify the competitive insights from a large volume of social media data that a company receives, the company can analyze terms such as ‘*idea, I wish, I hate, I love*’ in relation to its product/service and competitors; and evaluate *acceleration of unusual volumes of new terms*, e.g. trending terms, top keywords (Etlinger & Li, 2011, p.17). Moreover, companies can also measure the number of ideas (volume) it receives, the sharing of ideas (e.g. through retweets, shares), and the acceleration and reach of idea topics over time (Etlinger & Li, 2011, p.17).

2.2.6 KPI 6: Online Reputation

Reputation represents individuals’ knowledge and emotions about, e.g. a product, which can contribute to the success of a company (Hall, 1992, p.138). Thus, every company should strive to gain positive reputation. In social media, people can talk about the airlines’ products and services both in positive and negative ways, which can affect the airlines’ online reputation and even further affect corporate reputation, and customer satisfaction (Bricker, 2011, p.4). So airlines need to put efforts in gaining positive online reputation on social media, as well as in finding out how their reputation is in the virtual world. Knowing how people feel about, talk about, and act toward a company or a brand on social media can also “help prevent or mitigate crisis, and uncover threats and opportunities” (Etlinger & Li, 2011, p.9).

To determine how positively people perceive about airlines on social media, it is often suggested in social media literature that it is important for airlines to regularly conduct

³⁰ See also DiMauro and Zawel (2012, p.4); Kane et al. (2014) about how social media can accelerate companies’ innovation of products and services

a *sentiment analysis* (or opinions mining) and measure their *Net Sentiment Scores*.³¹ As companies conduct various social media campaigns, they need to measure their net sentiment score over a period of time to understand how the sentiment has changed before, during and after the campaign (Claridge, 2015b).

A study by a social media insight and analysis provider, Netbase, found a high correlation between the *Net Sentiment Scores* and the *American Customer Satisfaction Index (ACSI)*, which demonstrates that the net sentiment score has become a new source of customer satisfaction data (Bricker, 2011, p.5).

Besides measuring the net sentiment score, it would be useful as well to evaluate *the source of positive, negative and neutral sentiment*; and *the sentiment by competitors, key social media influencers, and social media channels* (Etlinger & Li, 2011, p.10).

2.2.7 KPI 7: Effectiveness of Social Media Crisis Management

The airlines industry is one of the industries which is affected by social media crises (Owyang et al., 2011, p.17). Numerous airlines, ranging from small, local, to big global airlines, had experienced at least one kind of social media crisis (SimpliFlying, 2013a). In today's environment, social media have created numerous changes in crisis communication, so a higher premium must be placed on crisis management (including issues and risks), as the costs of crisis mismanagement seem to increase (Coombs, 2014, p.12). Thus, it is argued that the effectiveness in managing social media crises (including issues and risks) should be one of social media-related performance indicators for all airlines as it could diminish the negative effects of issues/crisis on brand or company reputation and avoid potential crisis (Socialbakers, 2013e).

The effectiveness of airlines' crisis management efforts on social media could be evaluated for example by calculating the airlines' *responsiveness* in handling the crisis via social media, evaluating the *key social media influencers' efforts* in deterring additional social media posts with negative sentiments (Socialbakers, 2013d; 2013e), and measuring *the net sentiment score* during and after the occurrence of the issues or crisis. By measuring *the volume or acceleration of terms related to the product, service, brand, executives, or industry*, companies can identify and act on emerging issues/crises (Etlinger & Li, 2011, p.16).

³¹ See, for instance, Brennan (2014), Crimson Hexagon (2012), and Bricker (2011).

2.2.8 KPI 8: Size of Social Media Communities

A social media community is a part of an online community, “a group of people who interact with each other on a website,” and whose members are “united by a common activity or interest...” (Buss & Strauss, 2009, p.4). As of November 2014, 67% of the airlines worldwide surveyed by Statista (2014) stated that the size of their community base on social media is still one of the top three performance indicators for the effectiveness of their social media marketing.³² SimpliFlying notes that *the number of fans and followers* that an airline has is not a significant performance indicator for the airlines’ success on social media (SimpliFlying, 2012). However, having a big size of social communities is important for companies as it will increase the chance of the companies’ social media content to reach more social media users (Raghavan, 2014), which could positively impact on the stakeholders’ awareness of the company and its products, services, or activities. It has been empirically proven that the more the number of fans and followers a brand has, the more the number of *Shares* or *Retweet* the brand gains (Raghavan, 2014). Thus, airlines companies should make sure that their social media communities *keep on growing*, and should prevent it from decreasing.

To summarize, it is important for airlines companies to achieve superior social media-related performance as it could further impact on several business aspects or a range of business goals as well. As mentioned earlier, a proper measurement of these key performance indicators can help resolve some business problems faced by airlines companies (Socialbakers, 2013d). Figure 1 displays the suggested key social media-related performance indicators for airlines companies:

³² However, Statista does not reveal how many airlines worldwide were surveyed.

Figure 1: Key Social Media-Related Performance Indicators in Airlines Industry



It is the focus of this study to identify factors which could help the airlines companies achieve superior social media-related performance. However, measuring the social media-related performance of the airlines companies and evaluating its impacts on their business performance are *not* the focus of this study. Organizational performance is difficult to measure and it may vary according to whose perspective is taken (e.g. customers or shareholders), the time period observed, criteria used, etc. (Snow & Hrebiniak, 1980, p.319). Similarly, accurate measurement of most social media-related performance indicators is also difficult, partly because there is no consensus yet about the correct definitions and metrics for most performance indicators, and each social media channel has its own performance measures which are still evolving. Moreover, many of the key social media-related indicators need to be measured by using a sophisticated and expensive social media analytics software. Thus, the social media-related performance of the airlines in this study will be discussed based on the availability of secondary sources about it, such self-assessment of the airlines and performance measurement conducted by social media consultants or experts. However, the set of the social media-related performance developed may be used by future or follow-up research with a quantitative and/or qualitative approach.

2.3 Determinants of Social Media-Related Performance

2.3.1 Social Media Management in Organizations

How organizations can gain business values from the uses of social media is the central theme of this study. Generally, an organization needs to appropriately *manage* all its activities in order to achieve its goals. According to Drucker (2012, p.5), one of prominent management's scholars, the role of management in an organization is indispensable, that only "superior management competence and continuously improved management performance" can keep organizations progressing.

Drucker (2012, p.7-15) defines management in three functions: (1) "*an economic organ of an industrial society*", (2) making "*a productive enterprise out of human and material resources*", and (3) managing "*workers and work*". Drucker (2012) argues that management is required so that an enterprise can generate economic performance (p.7) and is capable of transforming its resources or inputs into outputs (p.11), and to get people to perform or to work effectively (p.16).

According to Henri Fayol, a prominent management theorist, the processes of management focuses on *planning, organizing, coordinating, commanding* and *controlling* (as cited in Miller, 2014, p.19-20). Based on Fayol's concept of process of management, Koontz and Weihrich (2006) define management as:

The process of designing and maintaining an environment in which individuals, working together in groups, efficiently accomplish selected aims; consists of five managerial functions of planning, organizing, staffing, leading and controlling; and is concerned with productivity, which implies effectivity and efficiency³³ (Koontz & Weihrich, 2006, p.5).

Based on the crucial role of management in an enterprise, it is assumed in this study that in general, an organization which aims to achieve superior social media-related performance needs to manage its corporate social media activities, which include all the essential functions of management practices.

Apart from that, it is also assumed in this study that **there are multiple factors that enable organizations to reap concrete business benefits from using social media in business activities**. Thus, merely having management processes in place for the corporate

³³ Effectiveness is defined as "the achievement of objectives," whilst efficiency is "the achievement of the ends with the least amount of resources" (Koontz & Weihrich, 2006, p.11).

social media activities might not be sufficient for the companies to gain maximum values from their social media efforts.

Findings of earlier studies and some social media literature provide some guidelines about some determining factors that could help companies achieve their business goals through the use of social media. Review of those studies and literature are as follow.³⁴

2.3.2 Social Media-Related Competencies

In social media literature, it is often discussed that organizations which aim to gain business values through the deployment of social media will require **new and different skill sets**, mainly because social media are new technologies which provide new ways of interacting with their audiences.³⁵

The results of the survey of communication professionals from various types of organizations in Germany found that they only have limited to average social media-related skills although these skills are important to help them attain significant business impacts from using social media (Fink & Zerfaß, 2010, p.25). The social media skills mentioned in the study include “*knowledge of the social media landscape*,” “*skilled in initiating web-based dialogs*,” and “*experience in the management of web communities*” (Fink & Zerfaß, 2010, p.25).

Not only the new skills enable organizations to interact with their stakeholders using social media, “**organizational social-media literacy**” is soon becoming a critical source of competitive advantage (Deiser & Newton, 2013, p.13). Organizations which are literate in social media will gain *a new type of competitive advantage* as they will be able to take advantage of the opportunities and disruptions that the new connectivity of the networked society brings (Deiser & Newton, 2013, p.13).

Leaders of companies which deploy social media need to build up *new social media skills* and assist their organizations in doing the same in order to mitigate the risks of uncontrolled information and the difficulties in interconnecting the dynamics of social media with the companies’ existing communication processes (Deiser & Newton, 2013, p.2). The new skills required by leaders at personal level *include producing compelling and authentic social media content, mastering the dynamics of distribution of information on social media,*

³⁴ Further discussion about what existing social media literature and earlier studies say about social media-related skills, capabilities or competencies that companies need can be found in chapter 4.

³⁵ For instance, see Deiser and Newton (2013); Zinner and Godshalk (2011, p.251).

and finding a way to *manage information overload* (Deiser & Newton, 2013, p.4-8). Meanwhile at the organizational level, leaders should encourage social media usage by planning or arranging it thoroughly and becoming role models, becoming the creator of a “*social-media-friendly infrastructure*”, and staying at the forefront of swift technology changes (Deiser & Newton, 2013, p.8-11).

Others argue that in order to harness social media, employees need new capabilities such as in *managing a customer community* in social media, *designing products that can be marketed through viral techniques*, *integrating data from the company’s social media posts with the corporate data*, and managing business processes which require *more collaboration across teams* (Zinner & Godshalk, 2011, p.251).

2.3.3 Social Media Strategy, Structure and Processes

According to earlier studies and existing social media literature, not only new social media skills are required, organizations should also develop and implement the right **social media strategy**, and create appropriate **organization structure** and **processes** which can accommodate the organizations’ deployment of social media, to enable the organizations to gain business values from it.³⁶

MIT Sloan Management Review and Deloitte Consulting found in their longitudinal studies that one of the top consistent barriers to the success of social media efforts **is lack of an overall social business strategy**. Similarly, Wilson, Guinan, Parise, and Weinberg (2011, p.25) argue based on their analysis of many companies’ social media strategy and practices, that implementing the right social media strategy that best suits the companies’ resources and goals is a must.

A study by Owyang, Jones, Tran and Nguyen from Altimeter Group (2011b) on how organizations use social media found that organizations are quick in deploying the latest social media platforms, but often ignore the complexities of using social media for business purposes. They suggested that if an enterprise aims to transform itself into a social business and to achieve a long-term success in social media, adequate preparation involving **a realignment of roles, policies, processes** is required. Through their research, they also discovered that companies who are advanced in social media prepared for their social media

³⁶ See Owyang, Jones, Tran and Nguyen (2011b); Terpening, Li, Tran & Solis (2014); Chui et al. (2012); Kiron et al. (2012, 2013); Kane et al. (2014).

initiatives by defining processes for speedy workflow and engagement with customers in social media.

Three years after that, Altimeter Group conducted another survey of social business strategists in 2014, and concluded that when social media spread throughout organizations beyond the traditional marketing and communication function, and an optimal customer experience across digital/social media/mobile is desired, **social business governance is needed** to attain consistent, safe, aligned, and efficient execution of social media strategies (Terpening, Li, Tran & Solis, 2014, p.4). **Social business governance** is defined as:

an integrated system of people, policies, processes, and practices that defines organizational structure and decision process to ensure effective management of social business at scale. (Terpening, Li, Tran & Solis, 2014, p.4)

The finding of Altimeter's study in 2014 also indicates that organizations will need social business governance when they aim to empower employees to use social media for business purposes; to manage social media risks, the complexities of social media platforms, and the need to drive efficiencies; and to comply with government rules and regulations (Terpening et al., 2014, p.5).

A study by McKinsey Global Institute also concluded that to gain the full potential value from social media usage companies will have to **transform their organizational structures, processes, and practices**, as well as its **corporate culture** to make it compatible with the sharing and openness culture of social media landscape (Chui et al., 2012, p.4). Just like the earlier IT innovation, it could take years for organizations to fully realize the benefits of social media, and any technological innovation must be accompanied by management innovation as well (Chui et al., 2012, p.4).

A three-year study series on organizational use of social media in Germany also came into similar conclusion that organizations who aim to gain significant benefits from communicating on social media should develop **advanced governance structures**.³⁷ The development of such governance structures in an organization would be difficult but experts who participated in the study argued that it is extremely important to do.

³⁷ The study "Social Media Delphi", which was conducted in 2010, 2011, and 2012 by the University of Leipzig, Fink & Fuchs Public Relations, and the Pressesprecher magazine, surveyed 860 communications professionals from companies, governmental institutions, associations and non-profit organizations. In addition to the that, a two-stage Delphi survey of 32 leading experts from industries and academics was also carried out. The study looked at the status quo and the progress of organizational social media communication in Germany, and how it will continue to develop in the future.

Previous empirical studies related to social media-related strategies will be discussed further in chapter 4. The results of these studies provided guidance that in order to gain significant business benefits from social media use, organizations should perform excellent management of their social media activities, which include creating appropriate strategies, structures and management processes.

To summarize, the results of the previous studies discussed above can be further developed by this study. Based on the assumptions that organizations should develop some new competencies and transform its strategies, structures and processes in order to achieve significant business benefits from their social media efforts, this study will investigate the social media-related resources, strategies, organization structure and processes which have the potential to contribute to the successful social media-related performance of the airlines. The findings of those studies also support this study's assumption that the Miles and Snow's Adaptive Cycle and Strategy Typology and the Resource-Based theory can serve as theoretical frameworks in identifying the factors which have the potential to contribute to the successful social media-related performance of the airlines companies in this study. Both theories will be discussed below.

2.4 Miles and Snow's Adaptive Cycle and Strategy Typology Theory

2.4.1 The Adaptive Cycle

The Adaptive Cycle, is a model of organizational adaptation, developed by Miles and Snow (1978, 2003) to depict the full adaptive processes that take place in every organization and to suggest the dynamics through which the adaptation occurs. According to Miles and Snow, there are essentially three major problems that decision makers in every organization has to solve and pay attention to continuously during its complex and dynamic adaptation process. Each of the three problems involves multiple strategic dimensions.

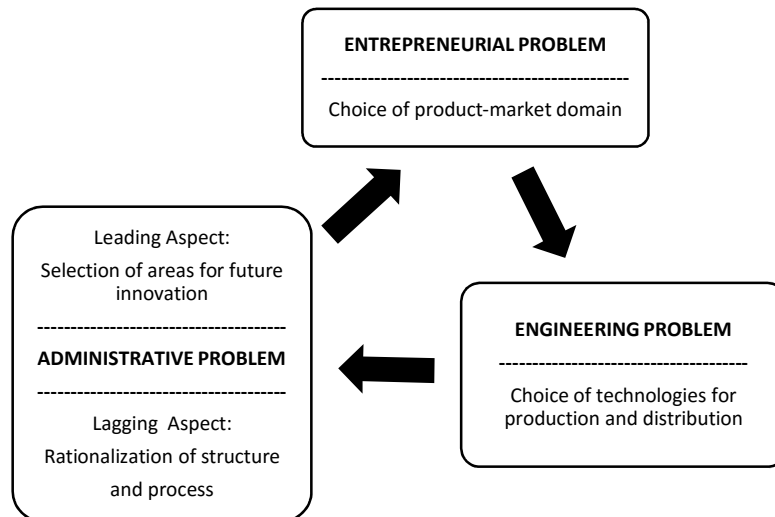


Figure 2 The Adaptive Cycle of Organization (Miles & Snow, 2003, p.24)

During the *entrepreneurial* phase, organizations must select a viable product/service or market domain and a set of objectives relative to it. Product/service-market domain or organizational domain is defined by Miles and Snow as a specific product or service and a target market or market segment. To solve these entrepreneurial problems, organizations normally choose between *narrow and stable product-market domain* (only to a limited segment of the total potential market), or *broad and continuously developing domain*, or *hybrid domain* that is both stable and changing. Moreover, in this phase organizations can also choose to grow in different ways: (1) cautious and incremental growth primarily through market penetration, or (2) growth through product and market development, or (3) steady growth through market penetration and product market development.

Besides the entrepreneurial problems, organization must also solve *engineering* problems which involves (1) choosing appropriate technologies for producing and distributing the chosen products or services, and (2) forming new information, communication, and control linkages (or modifying existing linkages) in order to make sure that the operation of the technology runs properly. During this phase, usually organizations choose between *single core* and *cost-efficient technology*, or *multiple and flexible technologies*, or *dual technological core* (a combination of both stable and flexible technologies). Furthermore, organizations also make a decision in either carrying out continuous improvements in technologies to maintain efficiency, or in embedding the technologies in people, or in creating a technological system that gives a moderate degree of technical efficiency.

Besides entrepreneurial and engineering problems, organizations also face *administrative* problems in its adaptive cycle, which includes “rationalizing and stabilizing those activities which successfully solved problems faced by the organization during the entrepreneurial and engineering phases,” and “formulating and implementing those processes which will enable the organization to continue to evolve (innovation)” (p.22-23). To solve the administrative problems, which is a pivotal factor in an organization’s adaptive cycle, organizations need to develop a suitable organization structure and a set of managerial processes to coordinate and control the selected technology, and to direct their innovative activities to maintain their continuity. An organization’s administrative system should be both *lagging* and *leading*, which means, it must be able to create a structure and processes which could “smoothly direct and monitor the organizations’ current activities without allowing the system to become so ingrained that future innovative activities would be jeopardized” (p.23).

Miles and Snow finally stressed out that to achieve an effective adaptive cycle, **every organization should continually find solutions to these three problems, and the solutions should be properly aligned with each other.**

2.4.2 Strategy Typology Theory

Not only created the model of organizational adaptation, Miles and Snow also developed relatively complex types of organizational adaptation, well known as a *strategy typology theory*, which describes four types of organizations based on their business strategy orientation in solving those three problems. These four strategic types are called **Defender**, **Prospector**, **Analyzer** and **Reactor**. Each of the types, except the Reactor type, has its own unique pattern of adaptation which includes strategy to respond to the environment and a particular configuration of technology, structure and processes which is consistent with its strategy. The Reactor type of organization occurs when the management of the organization is unable to align its strategy, structure and processes in a consistent manner.

In Miles and Snow's view of strategy, which they claim to be similar with Mintzberg's (1976) view, **strategy** is "more of a *pattern* or *stream* of major and minor decisions about an organization's possible future domains...these decisions take on meaning only as they are implemented through the organization's structure and processes" (p.7).

Miles and Snow point out that the purposes of the model of the organizational adaptation (the adaptive cycle) and the four organization types are "to diagnose patterns of organizational behavior and to indicate where and how organizations can make adjustments in order to achieve a more effective relationship with their environments" (p.93).

2.4.2.1 Solutions to Entrepreneurial Problems

During the **entrepreneurial** phase, each strategic type defines and deals with the problems differently, except the Reactors organizations who do not have a consistent adaptation mechanism. For Defenders, the problem that they focus to solve during the entrepreneurial phase is "*how to seal off a portion of the total market to create a stable set of products and customers*" (p.48). Prospectors, on the contrary, consider that "*how to locate and exploit new product and market opportunities*" (p.66) as their ultimate problem in this phase. Whereas Analyzers prefer to take the middle position and to focus on "*how to locate and exploit new product and market opportunities while simultaneously maintaining a firm base of traditional products and customers*" (p.79).

To solve these problems during the entrepreneurial phase, there are several dimensions of strategic decisions that organizations have to make. In regards to the choice of **product/service-market domain**, Defenders prefer to locate and maintain a secure niche

in a *relatively stable product or service area* and *offer a more limited range of products or services* than its competitors, whilst Prospectors choose to operate *within a broad product-market domain*. Analyzers attempt to do both at the same time: *Maintaining a stable, limited line of products or services and moving out quickly to follow a carefully selected set of the more promising new developments in the industry*. Reactors do not seem to have a consistent product market domain. The Defenders attempt to protect its limited domain by offering, for instance, *higher quality, superior service, lower prices*. If the Prospectors *value to be the first in new product and market areas* although not all of their efforts prove to be highly profitable, the Defenders are often not at the front position of developments in the industry as they tend to ignore changes in the industry which have no direct impact on their current areas of operation. Instead, the Defenders prefer to focus in doing their job as best as possible in their limited domain.

Other strategic decisions that organizations have to make during the entrepreneurial phase are decisions concerning *surveillance mechanisms* and *growth pattern*. As a consequence of their choice of narrow product market domain, the success of Defender organizations in the industry is attached to their capability *to maintain aggressively their prominence within their chosen market segment*. As they tend to ignore developments outside their chosen domain, Defenders *allocate only a small amount of resources to monitor their competitors, other events and trends*. They typically grow cautiously by *penetrating deeper into their current markets*.

In contrary to Defenders, the success and growth of Prospectors come from their prime capability in *finding and exploiting new product and market opportunities*. To achieve this, Prospectors have to develop and maintain the capability to *monitor a wide range of environmental conditions, trends, and events*. And because of their wide range scanning activities that is beyond the organization's current product market domain, it often makes Prospectors *"the creators of change in their industries"* (p.57).

As for Analyzers whose product-market domain is both stable and changing, they succeed both by protecting their stable domain and becoming *"avid followers of change"* (p.73) as they imitate the best products and markets developed by Prospectors. To imitate quickly and successfully, Analyzers have to develop *extensive marketing surveillance mechanisms*. Their growth pattern is steady and mainly through market penetration, although a significant amount of growth may also occur through product and market development, providing that they have successfully pursued their strategy.

In this case, the Reactors tend to be opportunistic thrust, are less aggressive than its competitors in maintaining their existing products and markets, and are not willing to take as many risks as their competitors. Only if environmental pressures occur they would respond to it (coping postures).

As mentioned earlier, a pattern of major and minor decisions about an organization's possible future domains, thus, the decisions in this entrepreneurial phase, is considered by Miles and Snow as **strategy**. In order to take on meaning, they argue that these decisions must be implemented through the organization's structure and processes, which will be discussed next.

2.4.2.2 Solutions to Engineering Problems

During the **engineering** phase, each strategic type also defines and deals with the problems differently. For Defenders, *how to produce and distribute goods or services as efficiently as possible* is their main problem. Prospectors attempt to *avoid long-term commitments to a single technological process*, whereas Analyzers concern more about *how to be efficient in stable portions of their domain and flexible in changing portions*.

Defenders design their technological system to minimize variability and uncertainty. Thus, they rely heavily on a *cost-efficient technology*, establish only a *single core technology*, and *continuously improve its current technology* to maintain efficiency. As Defenders do not monitor the developments outside of their domain, expensive surveillance mechanisms are cut down, which further reduce their costs.

On the contrary, Prospectors' technological processes must be flexible to match the dynamic nature of their domain or product. Thus, they prefer to develop *multiple technologies* for their different products and to *employ individuals who have a variety of skills* and who can decide which skills should be selected and applied in a certain situation. To sum up, "*Prospector's technologies are embedded in people, not in routine or mechanical operations*" (p.59).

Analyzers must be able to achieve and protect a balance between technological flexibility and stability. The balance is achieved by dividing their production activities to form a *dual technological core*. So, the stable component of Analyzers' technology has similar characteristics with the Defenders', such as functionally organized, high level of routinization, formalization; whereas the flexible technological component resembles the Prospectors' technological orientation.

The solutions to solve the engineering problem that these three different types of organizations choose have also its costs and benefits. Defenders' heavy investment in technological efficiency may cause a lengthy payback period, which force them to remain on its present course for some time so that they can reap the desired revenue. If during this period they need to rework their technology to cope with unpredictable problems, their revenue is reduced or lost completely. Although Prospectors' technological flexibility enable them to respond rapidly to a changing domain, it is difficult for them to develop maximum efficiency in its production and distribution system because of their multiple technologies. Moreover, their people-intensive and multiple technologies approaches are also costly. Lastly, although Analyzers' dual technological core enable them to serve both their stable and changing domain, they can never be completely efficient or effective.

2.4.2.3 Solutions to Administrative Problems

During the *administrative* phase, Defenders' main problem is in *maintaining strict control of the organization in order to ensure efficiency*, whilst Prospectors' is *how to facilitate and coordinate numerous and diverse operations*. For Analyzers, *how to differentiate the organization's structure and processes to accommodate both the stable and dynamic areas of their operation* is their main problem during this phase.

There are many strategic decisions that organizations have to make during the administrative phase, which include the decisions concerning *planning processes, organization structure, control system, coordination mechanism, performance appraisal, and maintenance or reward system*. Thus, Miles and Snow consider this administrative cycle as a pivotal one.

Planning in Defender organizations is *intensive*, focused on *problem solving* than problem finding, and must be *performed before any action is taken* (Plan → Act → Evaluate). Whereas Prospectors' planning process is usually *broad*, focuses on *problem finding*, and *must not be finalized before action is taken* as they wait for feedback first from their experimental actions (Evaluate → Act → Plan). Prospectors tend to prepare tentative organizational responses to or directly engage a number of potential opportunities before completing a detailed planning. As Analyzers must plan for both achieving stability and flexibility, their planning process is both *intensive* in the functional divisions or stable areas (Plan → Act → Evaluate), and *comprehensive* or *broad* concerning the development of a new product or service or market (Evaluate → Plan → Act). But unlike Prospector, Analyzer is able to avoid experimenting a new problem area. So once the Analyzer accepts a new

product or market after it has evaluated its potentials, it will quickly make an intensive plan to design and produce the product, and at the same time preparing a marketing campaign to launch the product to the market.

Organization structure is “the set of subunits which comprise the organization and the relationship among these subunits (p.43).” Three major organizational structures are deployed by these three types of organizations. Defenders have the tendency toward the *functional structure* that groups specialists with similar skills into separate units, so that each subunit becomes extremely skillful in conducting production and distribution tasks and in using a single or dominant core technology. Furthermore, Defenders also have relatively *high degree of formalization*, which means that they make of codification all the job descriptions and operating procedures which specify appropriate behaviors for the members of their organization, in order to avoid any deviation. This kind of system suits Defenders as they aim to maintain stability and efficiency. In contrary, Prospectors who have to respond rapidly to environmental changes must be willing to change their organizational structure anytime it is required. Therefore, they prefer to use the *divisional* or *product structure*, in which most of their staff are assigned to relatively nonpermanent groups such as project teams. This *decentralization* allows Prospectors to allocate experts in many areas without being constrained by management control. Analyzers adopt some form of *matrix structure* which combines both functional divisions where similar specialists are grouped together, and product groups with specific product responsibilities.

The responsibility of the **control system** in an organization is to prevent and correct the deviation from plans. As Defenders aim to achieve stability and efficiency in their operations, they want to be able to detect performance deviations early. Thus, their control system is *centralized*, which means, only top-level executives may control operations and have the necessary information concerning lower-level units (*long-looped vertical information systems*). On the other hand, as Prospectors strive for effectiveness, their control system tends to be *decentralized* with a *short* and *horizontal feedback loops*. Moreover, it is also *results-oriented*, which lays emphasis on outcome measures such as a product’s acceptance by the market rather than input measures such as the efficiency of the utilized resources as would be the case in Defender organizations. Analyzers should exercise different control mechanisms to maintain the performance of their two different organizational structures. In functional divisions, their control systems are *centralized* and *budget-oriented*, whilst in product and project groups, they are more *decentralized* and *results-oriented*.

Concerning **coordination mechanisms**, as Defenders' organizational structure is functional, it creates great interdependence among their subunits, as a result, it enables *simple and inexpensive coordination mechanisms* such as *standardization* and *scheduling*. These types of coordination suit a stable organization like the Defender and reduce the amount of flow of communication between subunits. In contrast to Prospectors who have many decentralized units and highly interrelated operations, Prospectors require a more *complex and expensive forms of coordination* than Defenders. So usually *project coordinators* are assigned to gather the necessary information and resources to conduct the work on a set of related projects. For hybrid organizations like Analyzers, *both simple and complex forms of coordination* is required. In stable operating areas which rely on functional structures, coordination can be achieved in a straightforward and inexpensive way, primarily through standardization and planning. Conversely, in areas of greater uncertainties in which product and project groups operate, product or project coordinators are required to achieve coordination.

The last strategic decision that organizations have to make during the administrative phase is a decision concerning **performance appraisal**. As a result of the Defender's fundamental emphasis on efficiency (doing things right), the method they use to measure their performance is usually by comparing its present *efficiency index* with the previous years'. Generally, Defenders will also not compare their performance against their competitors. Prospectors, in contrary, usually define organizational performance in terms of *outputs* or results, and evaluate its *effectiveness* (doing the right things) by comparing their past and recent performance with important competitors. This is because Prospectors' system is enduring relatively continuous change which makes it difficult to compare their efficiency levels over time. Analyzer's dual objectives – achieving efficient and effective operation – results in internal differences in the definition and measurement of organizational performance. In their stable divisions, performance tends to be defined as *efficiency* and measured against cost budgets. While in their adaptive subunits, they define performance in terms of *effectiveness* and evaluate it “against projections of market penetration and profit” (p.78).

Miles and Snow pointed out that although Defender's administrative system is suitable to maintain stability and efficiency, it is not well suited to finding and responding to new product or market opportunities. Prospector's administrative system is indeed ideal for maintaining flexibility and effectiveness, but they may also underutilize and/or misuse a significant proportion of their resources. Thus, inefficient use of resources is often their

major risk. And although Analyzers' administrative system suits their basic organizational strategy to balance stability and flexibility, but when they lose this balance, they may have difficulties in restoring the equilibrium.

2.4.3 The Concept of 'Fit'

Miles and Snow argue that there are three strategies to succeed (by being a Prospector, Defender or an Analyzer), however, whichever strategy type an organization chooses, it is the *consistency* or *fit* across the strategy, structure and processes which could contribute to company success. The dynamics of organizational adaptation and organizational effectiveness can be explained by this concept of *fit*. They observed that highly successful companies continually developed a stronger alignment between their strategy, structure and processes, as well as looked for ways to understand and express how those factors fit together. Thus, they argue that organizational survival may depend on the quality of the 'fit' among major variables, such as the organization's product-market domain, its configuration of technology for serving the chosen domain, organization structure and processes. "The greater the clarity of fit, the simpler even complex market relationships and the internal processes needed to sustain them became" (Miles & Snow, 2003, p.xviii).

However, it is a difficult task to maintain and improve the alignment between the environment and these organizational variables, because "each set of variables changes according to its own dynamics, and each change places new or different demands on the administrative group" (Miles & Snow, 2003, p.19). Drawing on Child's (1972) *strategic-choice* approach, Miles and Snow believe that the **dominant coalition** (top decision makers in an organization) has a critical role in aligning the organization and with its environment, by adjusting the organization structure and processes when necessary, and manipulating the environment itself so that it is aligned with what the organization is already doing.

2.4.4 Summary of Miles and Snow's Adaptive Cycle and Strategy Typology Theory

Organizational adaptation processes to the environment is complex and ongoing. However, Miles and Snow believe that it consists of three major and interrelated problems which require continuous top management attention and strategic decisions: *The entrepreneurial problem*, *the engineering problem*, and *the administrative problem*. Miles and Snow found four types of organization through their research, which represent different

ways in solving those problems, which they label *Defender*, *Prospector*, *Analyzer*, and *Reactor*.

The Defender, Analyzer, and Prospector are consistent and stable types of organization. Each has its own strategies for responding to the environments and a particular configuration of technology, structure, and processes which is consistent with its strategy. Their response mechanisms or adaptive behaviors can be consistently applied when a change occurs in their environments. **Reactors**, on the other hand, are an inconsistent and unstable type of organization. They lack consistent response mechanisms which can be reliably called upon to cope with a changing environment. They seldom make adjustment of any kind until they are forced to do so by environmental pressures.³⁸

Defenders prefer to have narrow product/service-market domain and tend to not searching for new opportunities outside of their areas. As a result, they rarely need to make major adjustments in their technology, organization structure, or methods of operations. They prosper through achieving stability and improving efficiency in their existing operations.

In contrary, **Prospectors** continuously search for new product/service-market opportunities, and regularly experiment with potential responses to emerging trends in their environments. As a result, they are often the creators of change in their industry. Prospectors aim to achieve flexibility in all their operations, but usually they are not completely efficient due to their strong concern for product/service and market innovation.

Analyzers are the combination of Defender and Prospectors. They operate both in relatively stable and dynamic product/service-market areas, and strive to achieve a delicate balance between stability and flexibility in their operations. In their stable areas, Analyzers aim to achieve efficiency through formalized structures and processes; whereas in their more dynamic areas, they monitor their competitors closely to get new ideas, and then rapidly adopt only the most promising ideas.

Lastly, Miles and Snow argue that a consistency or *fit* across an organization's strategy, organization structure and processes contribute to the organization's success. Furthermore, "successful organizations of the future will be those which develop the capability (frequently with outside aid) to examine their own pattern of strategy, structure and process; to recognize its costs and benefits; and to make adjustments in the pattern when change is desired or required" (p.151).

³⁸ Therefore, this study will not include a Reactor type of airlines as a case study.

A summary of all the distinctive characteristics of the Miles and Snow's four strategy types can be found in Appendix 1.

2.4.5 Challenges in the Application of Miles and Snow's Theory

According to Miles and Snow, determining an organization's strategic type may be difficult because how the dominant coalition perceive their organization may be different from the view of others or the organization's actual behavior (Miles & Snow, 2003, p.110). In addition to that, determining the strategy type of an organization can only be done in comparative terms; "...it is more or less diversified, aggressive, or innovative than its peers within its industry group" (Miles & Snow, 2003, p.110).

Although Miles and Snow (1978, 2003, p.109) have proposed a diagnostic checklist of an organization's strategy, researchers still faced challenges in measuring the strategic types. Snow and Hambrick (1980) have identified four broad approaches for identifying organizational strategies: (1) Investigator inference, (2) self-typing, (3) external assessment, and (4) objective indicators. Each approach has its own advantages and disadvantages, thus, should be used in combination to the greatest possible extent (Snow & Hambrick, 1980, p.532-537).³⁹ Conant, Mokwa and Varadarajan (1990, p.379) also argue that strategic types (as well as organizational performance) are too complex to be measured effectively with single items and/or a single measurement method. To complement the Miles and Snow's diagnostic checklist, Conant et al. (1990, p.381-383) developed and tested a multi-item scale which facilitate constructive assessment and analysis of an organization's strategy.⁴⁰

Miles and Snow also acknowledge that their adaptive patterns might not be able to provide sufficient guidance in all instances to meet emerging environmental demands faced by a number of organizations which operate in extremely complex environments, such as multi-industry conglomerates, aerospace firms, educational institutions and multinational companies (Miles & Snow, 2003, p.133). Thus, such organizations (which are called *market-matrix organizations*) require mixed strategies and structures, and new combinations of resources and allocation mechanisms, to enable them to be both flexible and efficient, and to tap a broad range of human capabilities (Miles & Snow, 2003, p.155).⁴¹

³⁹ How this study will identify the airlines companies' strategy types will be discussed further in Chapter 3.

⁴⁰ Conant, Mokwa and Varadarajan's multi-item scale to measure Miles and Snow's strategy types has been widely used by organizational strategy researchers.

⁴¹ See chapter 9 of Miles and Snow (2003) for further discussion about mixed strategies and structures.

Hambrick (1983, p.21) found that the effectiveness of various strategic types depends on the nature of the environment and the organizational performance measure used.⁴² The result of his study reveal that Prospectors and Defenders do not always perform equally like what Miles and Snow argued, as the Prospectors in Hambrick's study outperformed the Defenders in terms of market share gains, but only in innovative industries. Similarly, Conant, Mokwa and Varadarajan (1990, p.378) and Desarbo et al. (2005, p.51) also acknowledged the need for investigating differences between strategic types from the perspective of multiple dimensions of organizational performance. Desarbo et al. (2005, p.63) also found in their study that environmental uncertainty (as well as strategic firm capabilities) have a role in shaping strategic types, which can significantly impact on strategic business units' performance.

2.4.6 The Application of the Adaptive Cycle and Strategy Typology Theory in the Context of Social Media Management in Organizations

It is argued in this study that the Miles and Snow's Adaptive Cycle and Strategy Typology theory can be adapted to the context of social media management in organizations, in order to identify the kinds of strategy, structure, and processes required to achieve superior social media-related performance. This study assumes that airlines companies which utilize social media in a business-level is likely to continuously face three phases or problems during their adaptation processes to the dynamics of the social media environment: The entrepreneurial, engineering, and administrative problem.

Based on Miles and Snow's Adaptive Cycle theory, the major problems which airlines companies are likely to face in managing of their social media efforts or in adapting to the dynamic social media environments can be described as follow:

Cycle 1: Entrepreneurial Problem

In this phase, companies are challenged to choose a feasible product and/or service and a target market or market segment (product/service-market domain) on social media (e.g. a particular community and social customer service), and to decide how narrow/broad or stable/dynamic their product/service-market domain should be. Then, a set of appropriate

⁴² Hambrick included two environmental variables in the study, product life cycle stage and industry new product innovation, and categorized the business environments into *growth industry*, *mature industry*, *non-innovative industry*, and *innovative industry* (Hambrick, 1983, p.12-13). The performance measures he used were Return on Investment (ROI) and Cash Flow on Investment (CFOI) (Hambrick, 1983, p.15).

social media objectives relative to their chosen product/service or target market needs to be formulated. In this phase, companies also make a decision about how they would grow on social media, for instance, by continually finding new markets or developing new social media-related products, or by penetrating deeper into their current markets on social media. Depending on the domain, objectives, and growth strategy they choose, the companies shall also decide on the scope, intensity and the resources allocation of their monitoring or environmental scanning activities on social media.

So, this study will analyze the kind of product/service-market domain on social media that the airlines choose, the social media objectives they aim to achieve, their growth pattern, and their monitoring activities on social media. Adapting Miles and Snow's view of strategy into the social media management context, a pattern of major and minor decisions about a company's possible future product/service-market domain on social media (strategic decisions in this cycle) will be called **social media strategy**. *The social media strategy can only take on meaning when it is implemented through the company's social media-related structure and processes*, which will be outlined in the following sections.

Cycle 2: Engineering (Technological) Problem

In this phase, companies are challenged to choose an appropriate social media platform(s) and/or a supporting social media technology/tool(s) in order to serve their chosen product/service-market domain on social media, and to help them achieve their social media objectives. In addition to that, they may need to create new technological processes, e.g. collecting customers' feedback received in their channels and integrating the data generated from the channels with other data sources, and to solve some operational problems that they encounter on their social media platforms and tools as well.

So, this study will look at which social media platforms and social media supporting technologies/tools that the airlines companies choose and use in order to serve their product/service-market domain on social media and to achieve their social media objectives, as well as why they choose them, and the technological processes that they create for that.

Cycle 3: Administrative Problem

This may be a pivotal adaptive cycle in social media management as well. At this stage, companies are challenged to make many strategic decisions, such as creating a suitable planning process, altering their organization structure, creating appropriate control systems,

choosing the right forms of coordination for their social media initiatives, and evaluating their performance in social media.

So, it will be investigated in this case study research if the airlines companies have altered their organization structure to accommodate their social media activities, and if they do, what kind of structure they adopt. Moreover, it will be analyzed how their social media-related planning process is, if they have a control system for their social media activities, and if they do, which control system they use; if they have some forms of coordination of all their social media efforts, and if they do, which coordination mechanism they choose. Lastly, it will be investigated if and how the companies measure their social media-related performance.

To summarize, this case study research will investigate how the studied airlines companies solve the entrepreneurial, technological and administrative problems related to the management of their social media activities, by analyzing the social media-related strategic decisions that they implement in each adaptive cycle. In order to analyze the social media strategy, structure and processes that the airlines implement, the relevant strategic dimensions in the Miles and Snow's theory, such as the organization structure, control system, performance measurement, are transferred into the **social media-related strategic dimensions**.

Furthermore, as different business-level strategy types exist (Defender, Prospector, Analyzer, Reactor), perhaps one can also assume that different **social media strategy types** also exist. The solutions which airlines companies choose to solve the major problems they face in managing their social media efforts maybe different as well. It is assumed that the airlines' social media-related solutions (concerning strategy, structure, and processes) would resemble their solutions in the business level. Thus, this study attempts to investigate the airlines' solutions to solve the three major problems in the management of their social media activities. It will be investigated if the quality of the 'fit' between their social media strategy, structure, and processes is good, and if this 'fit' contributes to their social media-related performance. As Miles and Snow argued, "highly successful firms not only appeared to continually develop a stronger alignment across their strategies, structures, and processes, but they also sought ways of understanding and expressing how those elements fit together" (Miles & Snow, 2003, p.xviii).

Although there is no research yet that has investigated if social media-related resources and strategic dimensions differ in the Miles and Snow's four corporate strategic

types, Wilson, Guinan, Parise and Weinberg (2011) have found that there are four different types of social media strategies based on the strategies that more than 1,100 companies across different industries and countries pursue. Interestingly, one of the social media strategy types which they discovered, the *predictive practitioner*, shares some similar characteristics with the Defenders' which tend to avoid uncertainties and aim for stability in all its operation. As Wilson et al. noted, this predictive practitioner strategy type limits social media usage to a specific area, such as customer service. "It works well for businesses seeking to avoid uncertainty and to deliver results that can be measured with established tools" (Wilson et al., 2011, p.23).

Other social media strategy types found by their study are the creative experimenter, social media champion, and social media transformer. Companies which take the *creative experimenter* approach embrace uncertainty, use small-scale tests to find ways to improve discrete social media functions and practices, learn by listening to customers and employees on social media, and sometimes use proprietary technologies to perform internal tests. The *social media champions* conduct large social media initiatives which are designed for predictable results. They may depend on close collaboration across multiple functions and level, and may include external parties to execute their large social media initiatives. Whereas the *social media transformers* enable large-scale interactions which extend to external stakeholders, and allow the companies to use the unexpected methods to improve the way they conduct business.⁴³

⁴³ All information in this paragraph relies on Wilson et al. (2011, p.23-25).

2.5 Resource-Based View (RBV)

2.5.1 Fundamental Assumptions of the Research-Based View

In the field of strategic management, resource-based view (RBV) of the firm is one of the most widely accepted theoretical perspectives to explain the sources of firm success.⁴⁴ In the early years of the RBV, the establishment of theoretical and empirical relationships between the existences of *firm resources* and the development of *sustained competitive advantage* was the focus of the RBV research (Barney, Ketchen & Wright, 2011, p.1306).⁴⁵ The essence of the RBV is that **firm resources hold the potential to generate (*sustained*) competitive advantage under certain conditions.**

Before discussing further about firm resources, the terms *competitive advantage* and *sustained competitive advantage* have been often correlated to or have been used interchangeably with firm performance in strategy literature (O'Shannassy, 2008, p.169; for example, see Porter [1998b, p.11]). Porter (1998b) argues that *competitive advantage*, a term which he created, is “at the heart of a firm’s performance in competitive markets” (p.xxi) and that firms must endeavor to achieve a *sustainable competitive advantage*, an “above-average performance in the long run” (p.11). However, competitive advantage has been interpreted differently in different contexts, which has created problems in its measurement (O'Shannassy, 2008, p.175). Some even argue that competitive advantage and firm performance are two different constructs.⁴⁶ Shortly after Porter introduced his idea of competitive advantage, Coyne (1986, p.60) announced that having a sustainable competitive advantage does not necessarily guarantee financial success in certain environmental situations, e.g. “if the market sector is not viable,” “if the producer has severe operational problems,” and “if competitors inflict tactical damage.” Nevertheless, later studies have clarified that competitive advantage could predict strong organization performance (O'Shannassy, 2008, p.175), or in other words, a company’s competitive advantage is an important antecedent to its performance (Newbert, 2008, p.760).

⁴⁴ See Priem and Butler (2001, p.22-40); Rouse and Daellenbach (2002, p.963-967); Newbert (2007, p.121).

⁴⁵ For a complete list of scholars who contributed to the resource-based view research and their key contributions, see Barney, Ketchen and Wright’s (2011). A history and critics of RBV are also discussed in Newbert (2007). Before the resource-based view gained an acceptance as a theory in early 2000, it was always written as the Resource-Based View (RBV) of the firm in many literature (Barney et al., 2011, p.1303). In this study, both terms are used interchangeably.

⁴⁶ See Newbert (2008, p.749), O'Shannassy (2008, p.175), and Powell, 2001 (p.876).

The original conceptualization of a company as a bundle of resources can be traced back to Edith Penrose's groundbreaking work in 1959 who argued that a company's growth is caused by how the company employs its resources. According to Penrose (1959, p.24), a company consists of **“a collection of productive resources,”** and the resources should be exploited in such a manner so that its potential values are made available to the company, and can contribute to the company's competitive position. The first attempt to formalize the RBV was made by Wernerfelt (1984) who explored the benefits of analyzing companies from its resources rather than from its products. Nevertheless, a widespread appreciation to the RBV did not begin until the 1990s with the publication of two influential papers written by Prahalad and Hamel (1990) and by Jay Barney (1991) (Newbert, 2007, p.123). Prahalad and Hamel argue that the roots of competitive advantage are core competencies, thus, it is a critical task of the management to create new products based on the company's core competencies. Barney introduced two fundamental assumptions by drawing on some scholars' arguments⁴⁷, which are **(1) “firms within an industry (or group) may be heterogeneous with respect to the strategic resources they control,”** and that **(2) “these resources may not be perfectly mobile across firms,” thus, these firms can obtain sustained competitive advantages** (Barney, 1991, p.101). In other words, in most industries it is impossible that firms possess exactly the same resources; and even if they do have the same resources, it is impossible for these identical firms to enjoy a sustained competitive advantage (Barney, 1991, p.104). These two assumptions of the RBV were intended to substitute the assumptions of the market-based view scholars (especially Porter) who eliminate the heterogeneity and immobility of firm resources as possible sources of competitive advantage (Barney, 1991, p.101).

Furthermore, it is also assumed in the RBV that **not all firm resources hold the potential source of (sustained) competitive advantage.** Some RBV scholars argue that there are certain criteria that firm resources have to possess in order to have this potential.⁴⁸ Barney's framework in 1991 for evaluating whether or not particular firm resources can be sources of sustained competitive advantage is widely regarded as the first comprehensive theoretical framework of RBV (Newbert, 2007, p.123). Drawing on some scholars' arguments, Barney (1991, p.106-111) argued that **firm resources must be (1) *valuable and***

⁴⁷ Barney (1990, p.101) based his basic assumptions of RBV on Penrose's seminal paper in 1959, Rumelt (1984), and Wernerfelt (1984).

⁴⁸ For example, see Coyne (1986, p.55), Barney (1991, p.105), Dierickx and Cool (1989, p.1507), Prahalad and Hamel (1990, p.84), and Peteraf (1993, p.181-182).

(2) rare in order to hold the potential source of competitive advantage, and must be (3) imperfectly imitable and (4) non-substitutable in order to generate a sustained competitive advantage. Thus, Barney (1991, p.102) argues that a company which has a *competitive advantage* is “implementing value creating strategy not simultaneously being implemented by any current or potential competitors,” whilst a company is said to have a *sustained competitive advantage* when it is “implementing value creating strategy not simultaneously being implemented by any or potential competitors *and* when these other firms are unable to duplicate the benefits of this strategy.” Since then, Barney’s framework has been used in many RBV-related studies. These attributes will be discussed further in the ‘Characteristics of Firm Resources’ section.

Responding to Barney’s framework of the RBV, some scholars criticized that **merely possessing firm resources which possess those four attributes is not sufficient to generate sustained competitive advantage.** For example, the main critique was from Priem and Butler (2001, p.27) who argue that Barney’s (1991) “if/then” statements, for instance, if a firm’s resource is valuable and rare then the resource can give the firm competitive advantage, are **generalized conditionals**. Moreover, they point out that the development of the RBV is rather static and has high level of abstraction, which remains unable to explain **how** and **why** firm resources generate sustained competitive advantage (Priem & Butler, 2001, p.34). They pose critical questions, such as: “*How can the resource be obtained? How and which contexts does it contribute to competitive advantage? How does it interact/compare with other resources?*” (Priem & Butler, 2001, p.35).

Previously, Mahoney and Pandian (1992), by drawing on Penrose’s (1959) argument that a company may achieve competitive advantage by making better use of its resources, already reminded RBV scholars that “a firm may achieve rents not because it has better resources, but rather the firm’s distinctive competence involves making better use of its resources” (p.365). Similarly, Peteraf (1993) argues that “it is important to recognize that the productivity of superior resources depends upon the nature of their employment and the skill with which a strategy based on resource superiority is implemented” (p.185). According to Miller and Shamsie (1996, p.539), “[RBV] literature contains many generalizations about the merits of some resources, conjectures that often fail to consider the *contexts* within which these resources might be of value to an organization.” Lippman and Rumelt (2003) also have a similar argument that “...the heart of business management and strategy concerns the creation, evaluation, manipulation, administration, and deployment of *unpriced* specialized resource combination” (p.1085). Thus, in addition to possessing core resources, it is strongly

argued in the RBV literature that **companies must also leverage, manage, or exploit the resources in order to attain a sustainable competitive advantage.**

In addition to simply having valuable, rare, and inimitable resources and capabilities, Barney has actually pointed out that companies must also be *organized* so that they can exploit the full competitive advantage potential of their resources and capabilities (Barney, 1995, p.56). In 1995 Barney offers a revised theoretical framework of firm resources, **the VRIO framework**, which suggests managers to ask four important questions about their resources and capabilities: The question of *Value, Rareness, Imitability, and Organization* (Barney, 1995, p.50). This revised framework will be discussed further in the ‘Characteristics of Firm Resources’ section.

Besides Barney’s VRIO framework, another influential theoretical approach in the RBV is the **dynamic capabilities framework** which explains how and why certain firms build competitive advantage in rapidly changing environment. Teece, Pisano and Shuen, who proposed the framework in 1997, argue that **in rapidly changing environments, a firm needs dynamic capabilities in order to achieve new and innovative forms of competitive advantage.** Teece et al. (1997) note that companies which have dynamic capabilities are companies which can demonstrate *timely responsiveness, rapid and flexible product innovation*, and have management capabilities “in appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources and functional competences to match the requirements of a changing environment” (p.515). Dynamic capabilities are embedded in managerial and organizational processes, and shaped by the firm’s (specific) assets position and by the evolutionary path it has adopted or inherited (Teece et al., 1997, p.581). Eisenhardt and Martin (2000), who extended the concept of dynamic capabilities, argue that dynamic capabilities include “well-known organizational and strategic processes like alliancing and product development whose strategic value lies in their ability to manipulate resources into value creating strategy,” and that “long-term competitive advantage lies in the resource configurations, not dynamic capabilities” (Eisenhardt & Martin, 2000, p.1118).

Similarly, Maritan and Peteraf argue that **the creation of heterogeneous resource positions should take a process perspective into account**, which refers to “managerial and organizational processes” and “how heterogeneous resource positions are generated and change or evolve over time” (Maritan & Peteraf, 2011, p.1383-1384).

Since 2011, **processes of resource acquisition and development** have been the central issue of RBV research (Barney et al., 2011, p.1306). Understanding where resources

come from and how they develop is vital yet seldom observed (Barney et al., 2011, p.1306). Maritan and Peteraf (2011) suggest that “resource acquisition in strategic factor markets” and “internal resource accumulation” are two mechanisms which can explain how heterogeneous resource positions come into existence. Similarly, Maritan and Peteraf (2011, p.1384) note that “the connections between issues or resource acquisition and development and process models of resource allocation are still underdeveloped and present an opportunity for further research.” However, some studies have provided a hint that **the processes of resource acquisition and development are likely to vary across contexts** (Barney et al., 2011, p.1306), such as the heterogeneity of firm context⁴⁹ and the different stages of firm development context.⁵⁰

2.5.2 Definitions of Firm Resources

Despite a large number of empirical studies concerning the RBV of the firm, there is no clear, consistent, uniform or standard definition of the term firm resources, neither what constitutes it.⁵¹ There are various definitions of terms related to firm resources. For example, a sociologist Philip Selznick introduced a term *distinctive competence* in 1957 as a particularly valuable capacity and resource for organizations, and argues that building the distinctive competence into the organization is a primary function of leadership (as cited in Bryson, Ackerman & Eden, 2007, p.702). According to Barney (1995, p.50) a *firm's resources and capabilities* include “all the financial, physical, human, and organizational assets used by a firm to develop, manufacture, and deliver products or services to its customers.”

Based on the in-depth analysis of 10-year performance of two companies with comparable business portfolios, Hamel and Prahalad (1990, p.80) argue that the two companies performed differently because one of them “conceived of itself in terms of *core competencies*.” Core competencies are critical resources of the corporation and the roots of competitive advantage, and are defined as “the collective learning in the organization, especially how to coordinate diverse production skills and integrate multiple streams of technologies”, which include inimitable skills, technologies, knowledge, etc. (Hamel &

⁴⁹ See Combs, Ketchen, Ireland, & Webb, as cited in Barney et al. (2011, p.1306).

⁵⁰ See Sirmon, Hitt, Ireland and Gilbert (2011)

⁵¹ See Habann (1999, p.296-297) who made a chronological review about various definitions and content of the concepts of firm resources in the context of resource-based view.

Prahalad, 1990, p.82). Moreover, they argue that “the people critical to core competencies are *corporate* assets to be deployed by corporate management” (Hamel & Prahalad, 1990, p.90).

Day (1994, p.38) defines *assets* as “the resource endowments the business has accumulated (e.g., investment in the scale, scope, and efficiency of facilities and systems, brand equity, and the consequences of the location of activities for factor costs and government support)”; whilst *capabilities* as “complex bundles of skills and accumulated knowledge, exercised through organizational processes, that enable firms to coordinate activities and make use of their assets.” Teece, Pisano and Shuen (1997, p.516) introduced the concept of *dynamic capabilities* which reflect “an organization’s ability to achieve new forms of competitive advantage”, and define it as “the firm’s ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments.” Amit and Schoemaker (1993, p.36) define *strategic assets* as “the set of difficult to trade and imitate, scarce, appropriable and specialized resources and capabilities that bestow the firm’s competitive advantage.” According to Helfat and Peteraf (2003, p.999), a *resource* refers to “an asset or input to production (tangible or intangible) that an organization owns, controls, or has access to on a semi-permanent basis.”

These inconsistent definitions and terms of firm resources have caused some problems for RBV researchers. For example, according to Priem and Butler (2001, p.32), the RBV tends to classify resources toward **the all-inclusive approach**, which might have made it more **difficult to set up contextual and prescriptive boundaries and to measure it**. In respond to the critic, Barney (2001, p.51) argues that RBV theorists do not attempt to provide a list of all critical resources every company must have, as “the value of particular resources depends on the specific market context in which they are applied.” However, the theorists propose some attributes which can be used in identifying which resources have the potential to be the sources of (sustained) competitive advantage (Barney, 2001, p.51).

2.5.3 Characteristics of Firm Resources

As mentioned earlier, not all firm resources are strategically relevant resources and hold the potential to generate sustained competitive advantage; there are some conditions that firm resources must fulfill to be a source of sustained competitive advantage (Barney,

1991, p.105). Similar to the terms related to firm resources, one can find many different but overlapping criteria of strategically relevant resources as well in the RBV literature.⁵²

As stated previously, Barney's (1991) framework to assess whether or not particular firm resources can be sources of sustained competitive advantage is widely regarded as the first comprehensive theoretical framework of RBV (Newbert, 2008, p.747). Originally, Barney (1991, p.106-112) argued that company resources must be *valuable*, *rare*, *imperfectly imitable*, and *non-substitutable* in order to have the potential to generate sustained competitive advantage. Barney revised his framework in 1995 by integrating the non-substitutable into the imperfectly imitable attribute, and proposing four important questions which managers must answer in order to evaluate the competitive implication of a firm's resources and capabilities (Barney, 1995, p.50):

1. The Question of Value: “Do a firm's resources and capabilities add value by enabling it to exploit opportunities and/or neutralize threats?” (Barney, 1995, p.50).

How to determine or measure the value of resources has been difficult and there are different opinions about it (Barney, 2001, p.42-43).⁵³ Most scholars define the value of firm resources from the perspective of the company which owns it. For instance, in his 1991's paper, Barney argues that in order to be qualified as valuable resources, firm attributes must enable the firm (1) “to conceive of or implement strategies that improve its efficiency and effectiveness,” and (2) enable it to *exploit opportunities* and/or *neutralize threats* in its environment as well (Barney, 1991, p.106). In his 1995's article, only the latter argument was pointed out to operationalize the valuable characteristics of resources. Irwin, Hoffman and Lamont (1998, p.33) operationalized ‘value’ in their empirical study as the degree to which each service associated with a medical technology has the potential to increase the number of patients, occupancy, and/or increase hospital reputation. However, the value of a firm resource can also be determined from the perspective of the customers (Rasche, 1994, p.89).

Considering the market conditions under which a resource will be valuable or not is important because “the value of particular resources depends on the specific market context in which they are applied” (Barney, 2001, p.51). Some significant environmental changes may reduce or increase the value of particular resources (Barney, 1995, p.51). And even if firms compete in the same industry, they might exploit very different valuable resources (Barney, 1995, p.52).

Priem and Butler (2001, p.29) criticize Barney's definition of value which clearly shows that the resource value is determined from a source outside the RBV (the market environment through opportunities and threats), thus, it supports the market-based view. However, Barney has clearly stated before that this is an important complementarity

⁵² For example, see Coyne (1986), Dierickx and Cool (1989), Prahalad and Hamel (1990),

⁵³ For example, Barney (2001, p.43) mentioned about two existing models in estimating the value of a resource: The Structure-Conduct-Performance (SCP) and the industrial organization models of perfect and imperfect competition. Habann (1999, p.9-12) applied Porter's perspectives of ‘cost drivers’ and ‘drivers of uniqueness’, as well as the ‘economic rent’ concept in determining the value of firm resources.

between the environmental view of competitive advantage and the resource-based view (Barney, 1991, p.106; 1995, p.52).

2. The Question of Rareness: “*How many competing firms already possess these valuable resources and capabilities?*” (Barney, 1995, p.52).

So, after the value of a particular resource is determined, managers can also determine if the valuable resource has a potential to generate a competitive advantage by assessing if the valuable resource is *rare* (Barney, 1991, p.106).

If a large number of competing or potentially competing companies possess the same valuable resource, then the resource cannot be a source of either a competitive advantage or sustained competitive advantage (Barney, 1991, p.106). However, a valuable and common resource “can help ensure a firm’s survival when they are exploited to create competitive parity in an industry” (Barney, 1991, p.107). Based on Barney’s argument, Newbert (2008, p.748) argues that common resources (or capabilities) could contribute to the achievement of competitive advantage when they are paired with other capabilities (or resources) in such a way that the resulting combination in which they are leveraged becomes rare.

Similar to the ‘value’ characteristic, this ‘rareness’ attribute has some operationalization problems as well. Barney himself admits that it is difficult to define how rare a valuable firm resource must be in order to hold the potential to create a competitive advantage. Habann (1999, p.7) even argues that it is not necessary to use this ‘rareness’ attribute in the evaluation of firm resources because a particular firm resource will become rare when it is inimitable (another firm attribute which will be discussed next).

3. The Question of Imitability: “*Do firms without a resource or capability face a cost disadvantage in obtaining it compared to firms that already possess it?*” (Barney, 1995, p.53).

It is argued that valuable and rare firm resources can only be the sources of sustained competitive advantage if firms which do not have these resources cannot attain them (Barney, 1991, p.107). Imitation of resources can occur in at least two ways: **(1) Duplication**, when a company builds the same kinds of resources as the other company has; and **(2) substitution**, replacing some resources for other resources (Barney, 1995, p.53).

In Barney’s 1991 article, **non-substitutability** characteristic of firm resources was originally included as one of the characteristics that a firm resource must have in order to hold the potential to generate a sustained competitive advantage. However, scholars have argued that the non-substitutability characteristic of a resource is merely a form of inimitability (Newbert, 2007, p.138). This is probably why Barney eliminated the non-substitutability attribute and included it as a part of the imitability characteristic in his 1995’s article.

The operationalization of the inimitability of firm resources has varied considerably in many RBV-related studies as well, which demonstrates that a resource, capability, or core competence may be protected from imitation in many ways (Newbert, 2007, p.138-139). There are 11 different dimensions of inimitability which have been empirically

tested separately in various studies, nevertheless, there are still some dimensions of inimitability which were not addressed in previous studies (Newbert, 2007, p.138-139).

4. The Question of Organization: “*Is a firm organized to exploit the full competitive potential of its resources and capabilities?*” (Barney, 1995, p.56).

The potential of a firm resource to generate a sustained competitive advantage does not only depend on its value, rareness and inimitability, but also on how the company is organized in order to be able to exploit the full competitive potential of the resource (Barney, 1995, p.56). Numerous elements of a firm’s organization – e.g. *formal reporting structure, control system, and compensation policies* – are relevant to help the firm organize itself in order to be able to exploit the full competitive potential of its resources and capabilities (Barney, 1995, p.56). These elements are *complementary resources* due to their limited ability to generate competitive advantage in isolation (Barney, 1995, p.56).

That a firm needs to organize itself so that it can exploit the full competitive potential of its resources and capabilities *links* the resource based-view with the Miles and Snow’s strategy typology theory discussed earlier. It implies that merely having valuable, rare, and costly-to-imitate resources and capabilities, or merely implementing a reporting structure, control system and other organization’s elements, is unlikely to enable a firm to create a (sustained) competitive advantage. Both are needed by a firm to achieve success.

As mentioned earlier, not all firm resources can generate sustained competitive advantage. Barney (1986, p.663) agrees in his paper that **organizational culture** can be a source of sustainable competitive advantage if that culture is valuable, rare, and imperfectly imitable, and that companies without such cultures cannot expect that their attempts to change their cultures will generate sustained superior performance. However, there is no standard or consistent method to measure the value, rareness and inimitability of organizational culture in the literature (Habann, 1999, p.62-66). Previous studies discovered that a firm’s **information processing system(s)** may have the potential to generate sustained competitive advantage if it is “deeply embedded in the firm’s informal and formal management decision-making process” (Barney, 1991, p.114) and results in an “efficient flow of information among managers, the ability to consider large amounts of information quickly, and the ability to share this information efficiently (O’Brien, 1983, as cited in Barney, 1991, p.114).” Moreover, various RBV researchers indicate that **positive reputation** of a firm among its stakeholders (company reputation), or positive reputation of a product (product reputation), may hold the potential to generate sustained competitive

advantage under certain conditions.⁵⁴ For instance, Hall (1992, p.138) argues that reputation is impossible to buy or to sell and has to be earned usually over a long period of time, thus, could be a major source of competitive advantage through differentiation. Again, Barney (1991, p.115) stresses that only when a positive reputation is *rare* (only few competing companies own it) and *imperfectly imitable* (it has no substitute), then it could be a source of sustained competitive advantage.

Some authors have doubts if it is actually always possible for companies to sustain its competitive advantage. In dynamic business environments where uncertainty is high, it is argued that it is unlikely for companies to sustain its competitive advantage (Sirmon, Hitt & Ireland, 2007; O'Shannassy, 2008). In such environment, companies will attempt to create “**a series of temporary competitive advantages**” to allow them “to create new value while maintaining the value created in previous periods” (Sirmon, Hitt & Ireland, 2007, p.274). A dynamic business environment, particularly due to the *internet's impacts* on customer behavior and transaction capability, makes the achievement of a competitive advantage like a dynamic bargain – some companies in some circumstances are able to achieve a sustained competitive advantage, whereas some companies in some industries can only achieve “temporary competitive advantage” (O'Shannassy, 2008, p.176). Even the market-based view proponent, Porter, also admits that it could be difficult for a firm to sustain its competitive advantage because, e.g. each generic strategy that he suggests⁵⁵ is also vulnerable to different types of attacks, and in some industries, industry structure or competitors' strategy makes it difficult for a firm to implement one or more of the generic strategies (Porter, 1998b, p.21). However, Porter (1998b, p.21) argues further that sustainable competitive advantage is not impossible to achieve, and there are factors that lead to the sustainability of the strategies.⁵⁶

2.5.4 Classifications of Firm Resources

What constitute firm resources? In RBV literature, one can find many classifications of firm resources. For instance, according to Aaker (1989, p.91), “the **assets** and **skills** of the

⁵⁴ See Barney (1991, p.115), Hall (1992, p.138; 1993, p.614, 616), Teece et al. (1997, p.521), Habann (1999, p.59).

⁵⁵ Porter (1998a, p.35; 1998b, p.11) suggests *three generic strategies* that companies in any industry should probe to achieve a sustainable competitive advantage: *Cost leadership*, *differentiation*, and *focus*. For further details about the generic strategies see Porter (1998a) which originates from Porter (1980).

⁵⁶ For further details about the factors that could help each of the Porter's generic strategies achieve sustainability, see Porter (1998b, p.62, 119, and 231) which originates from Porter's work in 1985.

business, which are the *basis of competition*, provide the foundation of a sustainable competitive advantage (SCA) and long-term performance.” Aaker (1989, p.91) defines an *asset* as “something your firm possesses such as a brand name or retail location that is superior to the competition”, and a *skill* as “something that your firm does better than competitor such as advertising or effective manufacturing.”

Building on other scholars’ works, Barney (1991, p.101) classifies firm resources into three categories: **(1) Physical capital resources**, e.g. a company’s physical technology, plant, equipment, geographical location, and access to raw materials; **(2) Human capital resources**, e.g. “training, experience, judgement, intelligence, relationships, and insight of individual managers and workers in a firm”; and **(3) Organizational capital resources**, such as a company’s formal reporting structure, formal and informal planning, controlling, coordinating systems, and informal relations among groups within a company and between a company and the groups in its environment.

One renowned classification of firm resources was proposed by Hall (1992, 1993) who argues that the **intangible resources** that a firm possesses play a major role in contributing to sustainable competitive advantage.⁵⁷ Some studies even emphasize that a company should have certain intangible resources so that competitors cannot copy or buy it easily, thus, gain competitive advantage in the market.⁵⁸ Based on theoretical reasoning and empirical evidence, Hall (1992, p.136; 1993, p.609) classifies intangible resources into a set of relevant:

1. **Competencies** or **skills**, which include “the know-how of employees (as well as suppliers, distributors and servicers), and the collective attributes which add up to organizational culture” (Hall, 1992, p.136). The latter, cultural capabilities, may include perception of quality standards, perception of customer service, ability to manage change, ability to innovate, team working ability, etc. A firm is said to have skills or competencies when it is *doing capabilities*.

Hall’s case studies of six companies in the U.K. (1993, p.614) revealed that *employee know-how, perception of quality standards, ability to manage change* are considered as key competencies as they have contributed to business success. Hall categorized

⁵⁷ To identify and categorize intangible resources of a firm, Hall extended Coyne’s (1986, p.57-58) categorization of four *capability gaps* in business system, position, regulatory/legal, and organizational or managerial quality, and its relation to sustainable competitive advantage. Hall (1992, p.136) called Coyne’s capability gaps as *capability differentials* and identified and categorized the intangible resources which drive the capability differentials: Capability differentials based on *competencies* and capability differentials based on *assets*.

⁵⁸ See Barney (1991), Peteraf (1993), Cho and Pucik (2005).

‘perception of quality standards’ and ‘ability to manage change’ as parts of *organizational culture*.

2. *Assets*, which mean things which a firm owns, and may include the intellectual property rights of patents, trademarks, copyright and registered designs; contracts, trade secret; data bases; reputation, and networks. A firm is said to have intangible assets when it is *having capabilities*.

Hall’s national survey of 95 CEOs in the U.K. (1992, p.141) found that *company reputation*, *product reputation*, and *networks* are considered as key intangible assets for their contribution to business success.

Building on the works of Hall and some other RBV scholars, Habann (1999) developed a comprehensive systematization of firm intangible **core resources** that could contribute to the company success, which are classified into several **core competencies** and **strategic assets**. Example of core resources include *organizational learning capacity*, *innovation capacity*, *‘early recognition’ capability*, *relationship management*, etc., whilst strategic assets include *intellectual property rights*, *company/product reputation*, and *organizational culture* (Habann, 1999, p.24-66; 2000, p.15-16). Those competencies are ‘core’ and those assets are ‘strategic’ as they fulfill the constituting characteristics of core resources: Capacity to create value, non-imitability, and non-substitutability (Habann, 2000, p.15-16).

2.5.5 Resources Management Framework

Despite the importance of the management of firm resources discussed earlier, to date there are still few theoretical frameworks available concerning this concept. One can only find rudimentary approaches to a concept of (core) resource management of a firm, both in academic and in management practice literature (Habann, 1999, p.66).⁵⁹ Barney (2011, p.1306) finds that understanding where resources come from and how they develop is *vital* yet seldom observed. Similarly, Maritan and Peteraf (2011, p.1383) have observed that “...the literature on resource acquisition and development has been concerned primarily with ‘**what**’ questions. There has been less attention paid to ‘**how**’ questions and to process issues.”

⁵⁹ According to Habann (1999, p.66), most existing approaches concerning firm resources management only give a broad outline of the decision areas in resource management; some performed a thorough analysis of one decision area only; and mainly have focused on the management of core competencies only.

Drawing on some existing academic approaches about resources management, Habann introduced a conceptual framework of the core resources management (CRM) which integrates “all decisions and activities targeted at core resources of the company,” and which includes the following basic decision areas: **Identification**, **acquisition** (including **development**), **maintenance**, and **usage** of core resources (Habann, 1999, p.66).

Sirmon, Hitt and Ireland (2007) developed a **resource management framework** by correlating value creation in dynamic environmental contexts with firm resources management. They define a resource management framework as “the comprehensive process of structuring, bundling, and leveraging the firm’s resources with the purpose of creating value for customers and owners” (Sirmon et al., 2007, p.273). Moreover, they argue that the processes or resource management are **managerial capabilities**; that managers engage in these processes in order to effectively utilize the firm’s resources to achieve their objectives (Sirmon et al., 2011, p.1393). The components of their resource management model include: **(1) Structuring**, which involves the processes of e.g. acquiring, accumulating, and divesting, to gain the resources that the company will use for bundling and leveraging purposes; **(2) Bundling**, which refers to the processes used to integrate resources to build capabilities, e.g. stabilizing, enriching, and pioneering; **(3) Leveraging**, which involves the processes used to exploit capabilities to take advantage of specific markets’ opportunities, e.g. mobilizing, coordinating, and deploying (Sirmon et al., 2007, p. 273).

Concurrent to the development of the resource management research, an **asset orchestration** framework was introduced by Helfat et al. (2007, as cited in Sirmon et al., 2011, p.1393), which requires managers to perform two main processes: **(1) Search/selection**, includes identifying assets, making investments concerned with them, designing organizational and governance structure for the company, and creating business models; and **(2) configuration/deployment**, includes coordinating co-specialized assets, providing a vision for those assets, and nurturing innovation.

In 2011, Sirmon et al. integrated both ‘resource management’ and ‘asset orchestration’ frameworks into a single framework which they call **‘Resource Orchestration’**, as both frameworks have similarities and complement one another in important ways (Sirmon et al., 2011, p.1394-1395). The resource orchestration framework focuses on how managers’ actions concerning firm resources affect competitive advantage (Sirmon et al., 2011, p.1394).

2.5.6 Challenges in the Application of the RBV

During its long life development stages, the RBV has been experiencing numerous challenges and critics. The market-based view's proponent, Porter (1991, p.108) argues that the RBV's focus on firm resources must *complement*, not substitute for, the focus on market positions as origins of competitive advantage. Resources are only valuable when they are used to perform certain activities that create certain competitive advantages in particular markets (Porter, 1991, p.108). Porter (1991) also points out that "the resource-based view will have the greatest significance in environments where change is incremental, the number of strategic variables and combinations is limited..." (p.109). In contrast with Porter's argument, Grant (1991, p.116) points out that when a company's external environment is continually changing, focusing on the company's own resources and capabilities may be a much more stable or secure foundation to formulate long-term strategy than focusing on the company's external factors.

In the RBV literature, one can also find numerous methodological issues of measuring firm resources pointed out by scholars. The RBV has been experiencing ongoing challenges in measuring **how and why a particular intangible firm resource causes value creation for companies**. As noted by Godfrey and Hill (1995, p.529), "...advocates of the resource-based view have yet to solve the empirical problem posed by the inclusion of unobservable in the theory." Measuring firm capabilities and core competencies is much more difficult than measuring tangible resources such as human capital because of its greater need for primary data collection methods and greater potential for "slippage and respondent bias" (Newbert, 2007, p.137). Despite the difficulties in its measurement, a firm's capabilities and core competencies have been found to be far more significant than tangible resources in explaining the firm's competitive advantage and performance (Newbert, 2007, p.137).

This measurement problem is still faced by many RBV researchers today. Scholars have been encouraged to incorporate multiple approaches to measuring firm resources, however, which quantitative and qualitative approaches should be combined remains a major issue (Barney, 2011, p.1311). Moreover, as the work of RBV on micro-foundations or the integration of individual- and firm-level attributes has emerged, there is a need for the development of multilevel data sets and methodological approaches (Hitt et al., as cited in Barney et al., 2011, p.1311).

As mentioned earlier, in the early stage of the RBV development, the RBV was criticized due the “missing link between resource possession and resource exploitation” (Newbert, 2007, p.123). Merely possessing critical resources which are valuable, rare, and inimitable is not sufficient to generate sustained competitive advantage (Priem & Butler (2001, p.27). In addition to possessing core resources, it is argued that companies must leverage, manage, or exploit the resources in order to attain a sustainable competitive advantage (Mahoney & Pandian, 1992; Peteraf, 1993; Lippman & Rumelt, 2003). This has led to the emergence of the resources management framework which was discussed earlier.

2.5.7 The Application of the Research-Based View in the Context of Social Media Management in Organizations

The relevance of the resource-based view to explain the sources of the airlines companies’ successful social media-related performance has not yet been proven before. However, based on the findings of the previous studies about social media use in organizations which were discussed earlier, it is assumed in this study that certain social media-related competencies and (tangible/intangible) assets could contribute to the achievement of superior social media-related performance of the studied airlines companies.

A systemization of companies’ social media-related resources does not exist yet, and studies in the field of social media-related resources are still at its infancy and fragmented too. Thus, this study will focus on **exploring social media-related resources** which could impact on the social media-related performance of the studied airlines.

Due to the complication and intensive scope of work in measuring the characteristics of firm resources, it is *not* the focus of this study to evaluate if the identified social media-resources hold the potential to generate (sustained) competitive advantage. However, how the resources could potentially add value to the airlines will be explored. This study does *not* attempt to investigate how the social media-related resources of the studied airlines are acquired or developed, used, and maintained either (*resources management framework*). Future studies may wish to address these issues.

Some attempts have been made to identify the kinds of social media-related resources which organizations need to have, so that their social media activities could bring significant business benefits. Further discussions about the findings of previous studies regarding social media-related resources can be found in chapter 5 “Social Media-Related Resources,” followed with the empirical findings of this case study research.

For the purpose of this research, the airlines companies' **social media-related resources** will be classified into **social media-related competencies** and **social media-related assets**, adopting Hall's (1992, 1993) and Habann's (1999) classifications of firm resources.

Social media-related resources of a company are defined in this study as *a bundle of a company's social media-related competencies and assets, which have the potential to contribute to the social media-related performance of the company*. The term 'competencies' is chosen to emphasize that a company is *competent* in performing specific social media tasks, that it is in possession of the required skill, knowledge, capacity or qualification, not just that it is capable to do the tasks.

Adapting some of the definitions of firm distinctive competencies in the resource-based theory literature, this study defines **social media-related competencies** as: *Complex bundles of social media-related skills, capacities, accumulated knowledge or know-how of people who are involved in a company's management of social media activities, which enable them to achieve specific social media-related performance*. The 'people' in this definition may include but are not limited to the company's social media team, leaders, employees, and consultancies.

By adapting some of the definitions of firm assets in the resource-based view literature, **social media-related assets** of a company are defined in this study as: *A company's tangible and intangible social media-related things, which could enable the company to achieve specific social media-related performance*. Social media-related assets could be the result of a permanent application of social media-related competencies.

2.6 The Relationship Between Miles and Snow's Strategy Typology, Firm Resources, and Organizational Performance

Generally, it is argued that some strategies are potentially viable within a particular industry, but a high performance can be achieved when each strategy is supported with appropriate distinctive competences (Snow & Hrebiniak, 1980, p.317). Several studies have been conducted in diverse industry settings to investigate if there is a relationship between the Miles and Snow's strategic types, firm distinctive competences or capabilities, and

organizational performance,⁶⁰ but the relationships between Miles and Snow's strategy types, firm assets and organizational performance receive have not been explored.

For example, the findings of DeSarbo et al.'s study (2005, p.64) suggest that strategic business unit (SBU) managers should consider both the environmental factors of the business and their strategic capabilities when developing their strategy, because there is a clear relationship between these variables and the SBU performance.

The empirical study by Conant, Mokwa and Varadarajan (1990, p.376) found that **prospector organizations have better marketing-related competencies** than analyzer, defender and reactor organizations. Conant et al. (1990, p.374), who operationalized distinctive marketing competencies to 20 specific marketing activities, found that **prospectors and analyzers organizations are better than defenders** when it comes to the **knowledge of industry trends, marketing planning process, allocation of marketing department resources, advertising effectiveness. In new service development process**, the study discovered Prospectors and Analyzers are also better than Defenders, but Prospectors are better than Analyzers. This competency dimension, in fact, differentiates the three strategic types the most in the study. Moreover, it also confirmed one of Miles and Snow's major proposition that Prospector's main capability is to find and to exploit new product and market opportunities (Miles & Snow, 2003, p.55). In **control and evaluation of marketing activities**, Prospectors are better than Analyzers and Defenders, whilst in **integration of marketing activities**, Prospectors are better than Defenders. In many aspects of the marketing related competencies, it appeared in the study that Reactors do not perform better than the other strategy types. This study also revealed that **in terms of organizational performance, mainly of profitability, Prospectors, Analyzers and Defenders perform equally well and do better than Reactors**, if they respond to the challenges of the three adaptive cycles in a consistent manner.

Similarly, Hambrick (1983, p.21) found in his study that **marketing expenses or sales** of Prospectors were significantly greater than Defenders, in a way that Prospectors tend to devote more resources to motivate, inform, and educate their sales forces and customers. This reinforces Miles and Snow's perception of Prospectors as organizations which hold the importance of output task (Hambrick, 1983, p.21).

⁶⁰ See for example Snow and Hrebiniak (1980); Hambrick (1983); McDaniel and Kolari (1987); Conant, Mokwa, and Varadarajan (1990); Di Benedetto and Song (2003); and DeSarbo et al. (2005).

A study by Benedetto and Song (2003) found that Prospectors had significantly higher relative **information technology capabilities** than analyzers and defenders. Information technology capabilities are defined in their study as “those that allow the firm to diffuse market information effectively across all relevant functional areas and direct its new product development efforts more effectively.”⁶¹ These capabilities include having information technology systems in place for facilitating (1) cross-functional integration, (2) new product development projects, (3) internal communication across different departments, levels in the organization, etc., and (4) technology and market knowledge creation (Benedetto & Song, 2003, p.523). The reason why these capabilities are better in or more important for prospectors organizations is because they are most concerned about developing new products or services, thus, they need to effectively gather information from the marketplace and disseminate it throughout the organization.⁶² Excellent information technology capabilities can improve communication across departments in the organization, increase strategic flexibility, and eventually leads to greater new product success.⁶³ This finding also correlates with Miles and Snow’s argument that prospector organizations need to develop **surveillance capability**, that is “the capacity to monitor a wide range of environmental conditions, trends, and events” in order to spot and exploit potential opportunities for new product and market (Miles & Snow, 2003, p.55-56).

In terms of **innovative behavior**, Miles and Snow’s argued that it is important for Prospectors to maintain their reputation as innovator in product and market development (Miles & Snow, 2003, p.56). Some studies also confirmed that **prospector organizations are the most innovative**, followed by the **analyzers** who **prefer to be the ‘second-best’** with more cost-effective or value-oriented product or service, whereas the **defenders lack this capability** (Conant et al., 1990). Similarly, Hambrick (1983, p.21) found that Prospectors have relatively high expenditures for product research and development, which confirm Miles and Snow’s findings that Prospectors devote more resources than Defenders to develop more new products.

Based on the findings of the previous studies discussed above, it is assumed in this study that there is a correlation between **social media strategy, structure, processes; social media-related resources; and social media-related performance.**

⁶¹ See for example Day (1990, 1994), Day and Wensley (1988) as cited in Benedetto and Song (2003, p.518).

⁶² See Jaworski and Kohli (1993) as cited in Benedetto and Song (2003, p.520).

⁶³ See for example Day (1994), Griffin and Hauser (1992, 1993) as cited in Benedetto and Song (2003, p.520).

Moreover, based on those findings, it is also assumed in this study that the airlines' decisions concerning which social media-related resources they should focus on managing may be influenced by their social media strategy, structure and processes as well. For instance, one particular competence or asset may be more important for airlines A than airlines B, C and D, thus, airlines A allocates more resources to develop this competence or to acquire this asset. For example, the Prospector airlines may focus more on developing social media-related competencies that can sustain their competitive position as Prospector (being the first in the market) such as its innovative competency on social media. Thus, the Prospector airlines also appears to be innovative airlines as well on social media as they manage to keep on creating innovative social media campaigns.

The airlines' decision to focus on managing a particular social media-related competency may result in different levels of social media competencies between the airlines as well. Perhaps a particular social media-related competency may be found superior in one airline only than in other airlines. As discussed earlier, Conant et al. (1990) found that the distinctive marketing competencies of prospector organizations are better than analyzer and defender firms in a greater number of dimensions. As many airlines also use social media for marketing purposes (SimpliFlying, 2014), perhaps the Prospector airlines is superior as well in performing marketing-related activities in social media.

Thus, this study will also explore if the airlines' social media strategy, structure and processes are related to their social media-related resources.

2.7 Study Propositions

Study propositions are part of important components of a case study research design as they guide the researcher to move in the right direction within the scope of the study (Yin, 2014, p.30). Study propositions increase the likelihood that that the researcher will be able to limit the scope of the study and to increase the feasibility of completing the study (Baxter & Jack, 2008, p.551). Study propositions should be more specific than research questions which usually do not sufficiently point to what a researcher should study, reflect an important theoretical issue, and begin to guide the researcher where to look for relevant evidence (Yin, 2014, p.30). Thus, some propositions for this case study research need to be made.

Study propositions can be made based on literature, personal/professional experience, theories, and/or generalizations of empirical data (Baxter & Jack, 2008, p.551). Below are some study propositions in this case study research, which are formulated based

on the previous literature review on prior social media studies and the theoretical foundation in this study, the Miles and Snow's Adaptive Cycle and Strategy Typology Theory, as well as the Resource-Based theory:⁶⁴

Proposition 1

The airlines in this study differ in their social media strategy, structure, and processes. These differences correspond with Miles and Snow's types of organizational adaptation – Prospector, Defender, and Analyzer.

Proposition 2

The quality of the *fit* between the airlines' configuration of social media strategy, structure and processes contributes to their performance on social media. The greater the fit among a company's social media strategy, structure, and processes, the better social media-related performance the company has.

Proposition 3

The airlines need specific social media-related competencies and assets to achieve certain social media-related performance.

Proposition 4

There are correlations between the airlines' social media strategy types and their social media-related resources.

2.8 Conceptual Framework (Model of Analysis)

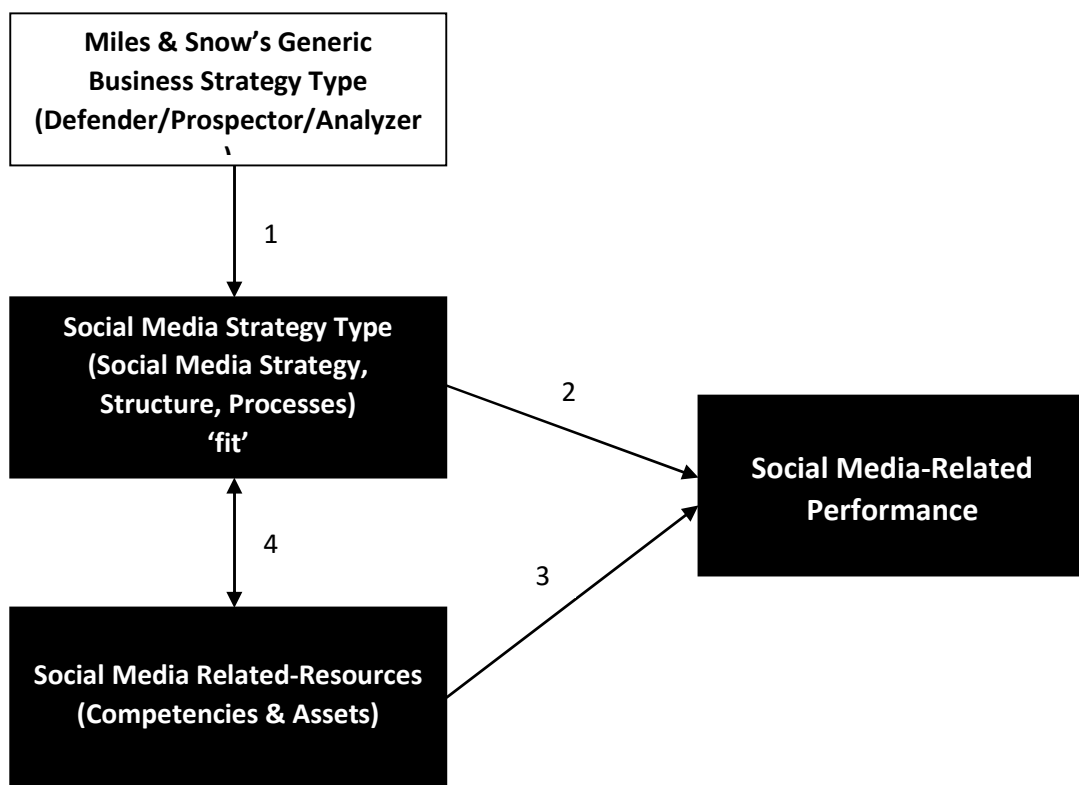
The potential relationships between all factors in this study, as mentioned above in a form of several propositions, can be better seen in a conceptual framework or model of analysis. Based on the resource-based theory, the adaptive cycle and strategy typology theory, and the previous social media studies, the conceptual framework below is provided in order to make it clear which variables will be included in the study, to show what relationships which may occur in the study, and to gather general constructs into intellectual 'bins' (Miles & Huberman, 1994, p.18).

The conceptual framework below shows that (1) a company's social media strategy type may be related to or correspond with the Miles and Snow's generic business strategy type (Prospector, Defender, or Analyzer). Then, (2) a 'fit' or a consistency between the

⁶⁴ Proposition 2 is related to research question 2 and 3.

company's social media strategy, structure, processes is assumed to be able to contribute to the company's social media-related performance. In addition to that, the conceptual framework also shows that (3) the company's specific social media-related competencies and assets may contribute to the company's social media-related performance as well. Lastly, the framework shows that there might be correlations between (4) the company's social media strategy, structure, processes, and its social media-related competencies and assets.

Figure 3: Conceptual Framework of Factors Contributing to a Company's Social Media-Related Performance



CHAPTER 3 METHODOLOGY

3.1 Justification for Selecting Case Study Research

This research is a qualitative research deploying a case study research design and method, one of the most challenging of all research methods in social sciences (Yin, 2014, p.3). There are two main factors which justify the researcher's decision in choosing the case study approach for this research:

In-depth Investigation. The main reason why case study is the most suitable research design for this study is because this study aims to investigate **in-depth** the sources of airlines companies' superior social media-related performance. As argued by several scholars, "...a case study investigates a contemporary phenomenon in-depth" (Yin, 2014, p.16). A case study itself is a focus, and the focus is on looking at something in depth and from many angles (Thomas, 2011, p.9). Case study method "can afford to consider a large number of details, so as to consider their possible relation to a decision or a pattern of events" (Schramm, 1971, p.3).

Form of research questions. The second reason why case study research best suits this research is because this study has a form of research questions which are more explanatory and deal with some potential correlations which need to be studied over time rather than through simple frequencies (Yin, 2014, p.10). This kind of research questions also reflects the in-depth nature of the case study research. This study aims to investigate multiple factors which could contribute to specific social media-related performance of airlines companies. Specifically, this study places the emphasis in investigating the processes of *how* and *why* certain social media-related resources, and social media strategy, structure and processes could contribute to specific performance on social media.

This is in alignment with many scholars' argument that a researcher should employ a case study research if the focus of the study is to answer "*how*" and "*why*" questions (Yin, 2014, p.10), and to understand "how and why something might have happened or why it might be the case" (Thomas, 2011, p.4). The dynamic *how* and *why* questions investigate and interpret the effects of a phenomena *in relation to process* (Flyvbjerg, 2001, p.136).

3.2 Definitions of Case Study Research

One can find some definitions of case study research method in qualitative research literature. It seems that for different people and in different disciplines, case study has different meanings (Simons, 2009, p.19). Disagreement among scholars about a case study definition and the purpose of doing it are part of the reasons why case study research has been criticized (Brown, 2008, p.9). For instance, Schramm (1971), one of the prominent communication scholars, pointed out that “the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result” (p.6). In this definition, “decisions” are the major focus of case studies, although in practice, “organizations,” “individuals,” and “processes,” have been the types of topics to which case study method has been applied (Yin, 2014, p.15).

According to **Stake** (1995, p.xi), one of the prominent scholars in the field of case study research, case study is “the study of the particularity and complexity of a single case, coming to understand its activity within important circumstances.” He argues further that case study as a form of research is defined “by interest in an individual case, not by the methods of inquiry used” (Stake, 2005, p.443). Stake’s definition is inadequate to set up a complete foundation for case studies as a research *method* (Yin, 2014, p.15). In fact, many definitions are unable to consider case study research as a formal method at all, because they consider case study research as the exploratory stage of some other research methods and as “fieldwork” like in ethnography or participant-observation (Yin, 2014, p.15).

Merriam (2009, p.40), another well-known case study scholar, argues that a case study is “an in-depth description and analysis of a bounded system.” Another attempt to provide an inclusive definition of case study is proposed by Simons (2009), who also emphasizes on the particularity, complexity and real-life circumstances within which the study takes place, acknowledges the multiple sources of data and different methods to conduct the case study, and includes the main purpose of case study research. Simons defines case study from a perspective of education and educational evaluation researcher:

Case study is an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, program or system in a ‘real life’ context. It is research-based, inclusive of different methods and is evidence-led. The primary purpose is to generate in-depth understanding of a specific topic (as in a thesis), program, policy, institution, or system to generate knowledge and/or inform policy development, professional practice and civil or community action. (Simons, 2009, p.21)

A more comprehensive and methodological definition of case study is offered by another prominent case study scholar, **Yin**.⁶⁵ Yin's definition of case study is twofold, which covers the *scope* and the *features* of a case study, and demonstrates how case study research contains an "all-encompassing method" (Yin, 2014, p.17). According to Yin,

1. A case study is an empirical inquiry that:
 - investigates a contemporary phenomenon (the "case") in depth and within its real-world context, especially when
 - the boundaries between phenomenon and context may not be clearly evident.
2. A case study inquiry
 - copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result
 - relies on multiple sources of evidence, with data needing to coverage in a triangulating fashion, and as another result
 - benefits from the prior development of theoretical propositions to guide data collection and analysis. (Yin, 2014, p.16-17)

This study will be conducted mainly by adapting Yin's design and methods of case study research as Yin's work is the most methodical and logical in comparison with two other foundational writers of case study research, Merriam and Stake (Brown, 2008, p.7).

3.3 Cases Selection

In case study research, there are five important components of a research design: (1) a case study's questions; (2) its propositions, if any; (3) its unit(s) of analysis; (4) the logic linking the data to the propositions; and (5) the criteria for interpreting the findings (Yin, 2014, p.29). The case study's questions and propositions have been made and can be found in chapter 1 and 2, whereas point number 4 and 5 will be addressed later in this chapter. This section deals with defining *the unit of analysis*, which is **the case** to be studied itself (Yin, 2014, p.31). Yin (2014) argues that a case should be "a contemporary phenomenon" which "has some concrete manifestation" such as individuals, small groups, organizations, and partnerships (p.34-35), whereas Miles and Huberman (1994, p.25) define a case as "a phenomenon of some sort occurring in a bounded context." Similar to Yin's argument, Merriam (2009, p.40) points out that a case could be "a single person, a group, an institution, a community, or a specific policy."

⁶⁵ Since his first well-known publication about the design and methods in case study research in 1984, Yin has been continually providing very comprehensive and systematic guidelines for undertaking a case study research, starting from planning, designing, preparing, conducting, analyzing, and reporting it.

In this research, the cases are *organizations*, which are **four international airlines companies** – KLM Royal Dutch Airlines, Emirates Airlines, American Airlines, and Garuda Indonesia Airlines. In each of the airlines, factors that can contribute to their social media-related performance will be investigated. So, this study has **four cases**, which is called a **multiple case study or collective case study** (Stake, 2005, p.445) or a **multiple-case design** (Yin, 2014, p.63), a study of more than a single case in investigating a phenomenon.

In comparison with a single-case design, it is argued in case study literature that a multiple-case design has more advantages. A multiple case study “will lead to a better understanding, and perhaps better theorizing” about a larger collection of cases (Stake, 2005, p.446), which is the sources of superior social media-related performance in airlines companies. The evidence collected from multiple cases is considered **more compelling**, thus, the overall study is regarded as being **more robust** (Herriott & Firestone, 1983 as cited in Yin, 2014, p.57) and **reliable** (Baxter & Jack, 2008, p.550). This is because a multiple-case design enables a researcher to identify some similarities or differences, so that the findings, be it similar or contrasting, can be replicated across the cases (Yin, 2014, p.54). On a similar note, Miles and Huberman (1994, p.29) also point out that “...by looking at a range of similar and contrasting cases, we can understand a single case finding, grounding it by specifying *how* and *where*, and if possible, *why* it carries on as it does. We can strengthen the precision, the validity, and the stability of the findings.” However, a multiple-case study can **require extensive resources and time** beyond the capacities of a single student or an independent researcher (Yin, 2014, p.57; Baxter & Jack, 2008, p.550).

In selecting these four cases to be studied, a lot of careful considerations have been taken. These cases are chosen by applying an **information-oriented sampling**, rather than using a random sampling method that emphasizes representativeness and is seldom able to produce rich information (Flyvbjerg, 2006, p.13). A deliberate theoretical sampling or case selection, not a random sample, is preferred in case study research (Stake, 1995, p.4; Eisenhardt, 1989, p.537). It means, prior to selecting the cases, the researcher has searched for some information about airlines which could be suitable to be studied, and has deliberately chosen the most promising ones.

The cases are chosen because the researcher is confident that one can learn the most from them (Stake, 2005, p.451), and because the cases “offer an interesting, unusual or particularly revealing set of circumstances” rather than typical or average cases (Flyvbjerg, 2006, p.13). Typical or average cases often cannot provide rich information, whereas atypical or extreme cases often reveal more information as “they activate more actors and

more basic mechanisms in the situation studied” (Flyvbjerg, 2006, p.13). In social media, KLM and American Airlines are considered to be at the forefront in harnessing the power of social media, but KLM seems to lead in social media. Both airlines are part of “the most socially devoted airlines” in the world (Socialbakers, 2012a) and have won several social media awards. However, both airlines seem to compete in the social media environment by implementing different strategies and resources, which would be very interesting to study what actually drives their success. Garuda Indonesia Airlines (GIA), in contrary, seems to make a rather slower move and to be less organized in social media in comparison with KLM and American Airlines. Based on the researcher’s preliminary observation of GIA’s social media platforms in 2010-2011, many of GIA’s Facebook pages and Twitter channels were not that active as they lacked of regular content and social media campaigns. So, the **polar types of cases** are deliberately chosen in this study: One case of seem-to-be very successful type (KLM), one case of quite successful type (American Airlines), and one case of not (yet) successful type (GIA), in order to identify factors that could, and perhaps also could not, contribute to social media-related performance. Choosing polar types of cases may build theories of success and failure (Pettigrew, 1988, as cited in Eisenhardt, 1989, p.537).

The decision to choose Emirates Airlines as a case was made much later than the decision for other airlines. Emirates Airlines, despite its much later entry in social media (in April 2012) in comparison with the other three airlines (in 2008-2009), is considered to be able to deliver good social media-related performance in less than a year since the official launch of its social media initiative (SimpliFlying, 2013). Thus, it would be interesting to learn what factors that can drive Emirates’ performance on social media in a such a relatively short time. Adding a case or cases even during the data collection process is legitimate in case study research (Eisenhardt, 1989, p.539).

Replication logic. In case study research, replication logic is used in multiple-case studies (Yin, 2014, p.57; Eisenhardt, 1989, p.537). Only with replications would the original findings of a study be considered robust (Yin, 2014, p.57). Replication logic must be distinguished from the sampling logic, although it is analogous with the sampling logic (Yin, 2014, p.59-60). Replication logic is totally different from the traditional, within experiment hypothesis-testing research which rely on statistical sampling (Eisenhardt, 1989, p. 537). Replication logic works as follow: Each of the cases is carefully chosen so that they predict **similar results** (*a literal replication*) (Yin, 2014, p.54), that all airlines in this study require social media-related strategy, structure, processes, and resources in order to achieve excellent social media-related performance. Furthermore, each of the cases is carefully

chosen to that they give **contrasting results** as well but for anticipatable reasons (a *theoretical replication*) (Yin, 2014, p.54), that each airlines' configuration of social media strategy, structure, processes and resources is unique, which may be influenced by their business strategy type.⁶⁶ To sum up, the goal of the cases selection is "to choose cases which are likely to replicate or extend the emergent theory" (Eisenhardt, 1989, p.537).

Access to the Cases. The cases are also chosen because the researcher is confident that there will be sufficient access and/or permissions to the potential data about the airlines, as this is very important in case study research (Yin, 2014, p.89; Stake, 1995, p.57). There are sufficient secondary data available about the airlines' social media-related strategy, structure, processes and resources to complement the data gained from the interviews and observations. Part of the airlines' social media activities are "transparently observable" as well in social media. As Pettigrew (1988, as cited in Eisenhardt, 1989, p.537) notes, usually there are only limited number of cases which can be studied, thus, it makes sense to choose cases with extreme situations and polar types in which the factors need to be studied are "transparently observable." Lastly, the cases are chosen because prospective informants from the companies could be identified and were willing to participate in the study (Stake, 1995, p.4).

3.4 Boundaries of the Case Study

After the cases have been defined, it is important to set boundaries of the cases (Yin, 2014, p.33) or to decide what the case will **not** be (Baxter & Jack, 2008, p.546) to prevent data overload. It is a common pitfall in a case study research that the question which researchers try to answer is too broad or the research topic has too many objectives for a single research to achieve (Baxter & Jack, 2008, p.546). To avoid this kind of problem, some scholars have suggested several ways to bind a case, such as by identifying issues questions as conceptual structure (Stake, 1995, p.16), sharpening the research questions and study propositions, and creating specific time boundaries (Yin, 2014, p.33-34), and creating a conceptual framework (Miles & Huberman, 1994, p.18).

To bind the cases in this study, some research questions, study propositions, and a conceptual framework have been made (see chapter 1 and 2). Moreover, it has been pointed out as well in chapter 2 what aspects that this study will **not** cover (e.g. testing if the

⁶⁶ How the researcher determined the strategy type of the airlines can be found under the 'Measurement of Miles and Snow's Strategy Types' section in this chapter.

identified social media-related competencies and assets are truly valuable and inimitable). Some other boundaries that are set in this study are as follow:

1. Type of Airlines

As there are different types of airlines companies (e.g. local, international, long-haul, short-haul, budget/low-cost, full-service), this study will only focus on studying the **global full-service carriers**, or airlines which serve international destinations and offer full service (not budget airlines), in order to gain a more or less balance comparisons about the airlines' social media management. It is also assumed in this study that global full-service airlines have a more complex configuration of social media strategy, structure, processes and resources, thus, there are a lot of things that can be learned from them.

2. Time boundary

This study will focus on investigating the airlines companies' social media-related strategy, structure, processes and resources *mainly* during the period of 2012 to 2014. This will give the researcher sufficient time to analyze thoroughly if and how these factors contribute to specific social media-related performance of the airlines, as well as to observe if there are changes made to these factors. However, some areas of analysis might require some data about the airlines prior to 2012, especially because KLM, American Airlines, and Garuda Indonesia have officially started their social media initiatives back in 2008-2009. Attempts will also be made to ensure that the data concerning the airlines are up-to-date.

3. Scope of Social Media Use

Studies have found that organizations harness social media for *external* (e.g. for customer service) and/or *internal* (e.g. for employee relation) purposes (e.g. Bughin et al., 2011, p.4; Kiron et al., 2012, p.25). This study focuses only on the *externally-directed social media activities* of the airlines companies.

3.5 Preparation for the Data Collection

One criterion for judging the quality of case study research design is in its *construct validity*, which can be achieved by ensuring that the **operational measures** for the concepts being studied are correct or sufficient (Yin, 2014, p.46). How the four variables in this research will be measured is outlined below:

3.5.1 Measurement of Miles and Snow's Strategy Types

Through a series of empirical studies of nearly 200 organizations' strategic behaviors in ten industries, Snow and Hambrick (1980) have discovered that there are four different approaches used in measuring business-level strategy type: *Investigator inference*, *self-typing*, *external assessment*, and *objective indicators* (p.532-537). In this **investigator inference** approach, the researcher uses all the information available to assess the organization's strategy (Snow & Hambrick, 1980, p.532). **Self-typing** approach is "to allow the organization's managers (specifically, its top managers) to characterize the organization's strategy," whereas **external assessment** approach is "to confirm the self-typing measures of strategy by obtaining the ratings of individuals external to the focal organization (e.g. competitors, consultants, industry analysts, and expert panels)" (Snow & Hambrick, 1980, p.533). The **objective indicators** approach does "not rely on the perceptions of individuals (either internal or external to the organization)," but relies on, for example, published product-market data (Snow & Hambrick, 1980, p.536). Each method has its own unique set of theoretical and methodological problems⁶⁷ when they are used independently, thus, it is best to combine them to the greatest possible extent to reveal the real strategy of the organization in question (Snow & Hambrick, 1980, p.528).

To measure the strategy types of the four airlines (if they are Defender, Prospector, or Analyzer), this study has attempted to combine the above approaches to the greatest possible extent as well. However, this goal is rather unrealistic. Conant, Mokwa and Varadarajan (1990, p.368) also observed that only very few studies have managed to employ multiple approaches to measure Miles and Snow's strategic type.

In an attempt to do the **investigator inference** approach, the researcher relied on the airlines' annual reports and corporate websites. In both sources, it is quite clear that both KLM and Emirates airlines have a strong orientation to innovation and strive to be market leaders and at the forefront in airlines industry, which clearly portray the main characteristics of Prospector organizations (Miles & Snow, 2003, p.55-57). Some examples of the airlines' statements which resemble Prospectors' strategy are as follows:

*KLM wants to be at the front of the industry by being smarter than the rest.
...KLM employees work to provide innovative products for our customers... (KLM, 2011c)*

⁶⁷ See Snow and Hambrick (1980, p.534-535), also Conant, Mokwa and Varadarajan (1990, p.369-370) for the advantages and disadvantages of each of the approaches.

Emirates is renowned for leading market trends - personal entertainment systems in all seats, as well as private first-class suites, are among its many notable firsts. It was also the first airline to offer passengers a facility to use their mobile phones, bolstering its in-flight services which were already heralded for the popular ice entertainment and communications system. (The Emirates Group, 2012)

It was however difficult to identify which strategy type American Airlines pursues just by analyzing its annual reports and corporate website. In regards with Garuda Indonesia, some statements in its annual report indicate the characteristics of a Defender organization, such as:

Efforts in business expansion through the opening of new flight routes and additional flight frequencies, the operation of new aircraft, implementation of cost efficiency measures and improved asset utilization, have resulted in significant performance improvement in terms of financial as well as operations. (Garuda Indonesia, 2013, p.1)

In conducting the **self-typing approach**, at first the researcher attempted to ask representatives of the airlines to fill out a widely-used *strategy typology questionnaire* developed by Conant, Mokwa, Varadarajan (1990, p.381-383). However, due to (perhaps) the representatives' time constraint and the difficulties in answering all the questions, the request was ignored. American Airlines even commented that the wordings used in the questionnaire should be put in "layman's terms" (Scott, Personal communication).

The second attempt to do the self-typing approach was to send the airlines' representatives another instrument called *the paragraph approach*, which has been the most widely used method to operationalize Miles and Snow's strategic typology (Conant et al., 1990, p.368), developed by Snow and Hrebiniak (1980, p.336). The airlines' representatives were requested to categorize their organization as Defender, Prospector, Analyzer, or Reactor, according to four paragraph descriptions of the strategy types. This time, the airlines' representatives responded to the request and could identify their company's strategy type quite easily. Based on this instrument, KLM and Emirates identified themselves as Prospector organizations, American Airlines as Analyzer, and Garuda Indonesia as Defender. Nevertheless, American Airlines commented that the company's line of products or services is indeed partly stable, but not "limited" like what is written in the instrument.

External assessment approach was deployed as well in this study. SimpliFlying, a social media consulting firm which clients are airlines and airports worldwide, also provided a great assistance in classifying the airlines, and even some other airlines, based on the Miles and Snow's strategy typology. The CEO of the consultancy received detailed information

about the characteristics of each of Miles and Snow's strategy types prior to classifying the airlines as Defenders, Prospectors, Analyzers, or Reactors. Based on the CEO's know-how, experience and expertise in airlines industry, he was certain that Emirates Airlines is definitely a Prospector, and KLM has been behaving like an Analyzer type but it is striving to be a Prospector airline. Nevertheless, KLM is not as successful as Emirates yet as an innovator or the first-to-market airlines in airlines industry. However, KLM is clearly leading in social media as an innovator and this could help KLM to become a real Prospector in the industry, whereas Emirates is not so innovative yet in social media. He also believed that American Airlines is striving to be an Analyzer in the industry but has been a Reactor airline for a while. Whereas in social media, American Airlines already behaves like an Analyzer as it tends to do social media initiatives which are similar to what others have done and have been proven successful.

Concerning Garuda Indonesia Airlines, as at that time the CEO of SimpliFlying did not have a sufficient knowledge about this airlines' strategy type, he did not classify the airlines into any strategy type. The researcher decided to ask for the professional judgement from another consultancy, Icon International Communications Indonesia, which had and has some business relationships with Garuda Indonesia. After the Country Director of the consultancy had been given information about the Miles and Snow's strategy types, he was certain that Garuda Indonesia is a Defender airline in comparison with its competitors.

Based on all the information about the airlines gained through combining the approaches in measuring Miles and Snow's strategy types as outlined above, it could be concluded that the four airlines in this study can be classified into three strategy types as shown on the table below:

Table 1: Classification of Airlines Based on Miles and Snow's Strategy Types

DEFENDER	PROSPECTOR	ANALYZER
Garuda Indonesia Airlines	Royal Dutch KLM Emirates Airline	American Airlines

3.5.2 Measurement of Social Media Strategy, Structure and Processes

As discussed in chapter 2, the Miles and Snow's Adaptive Cycle and Strategy Typology theory will be used as a theoretical framework in the operationalization of social media strategy, structure and processes of the airlines. In brief, Miles and Snow argue that organizations face three major adaptive cycles or problems requiring simultaneous solutions: *Entrepreneurial problem*, *engineering problem*, and *administrative problem*. To solve these problems, there are many strategic decisions which organizations have to make, which involve choosing a **strategy** (decisions about possible future domains), designing organization **structure**, and creating organizational **processes** (e.g. choosing a technology, controlling performance, etc.). These decisions differ across strategy types (Prospector, Defender, and Analyzer). Despite these differences, **organizational performance relies on the quality of the fit among the strategy, structure, and processes**. Prospectors, Analyzers and Defenders perform equally well if they respond to the challenges posed by the three major problems in a *consistent* manner.

Assuming that organizations also face these major adaptive problems in managing their social media initiatives and require the right social media strategy, and appropriate configuration of structure and processes to solve the problems, the relevant Miles and Snow's dimensions of strategy, structure, and processes will be used and labeled as social media-related strategic dimensions (see table 2 in the next page). In total, there are ten major social media-related strategic dimensions. It is assumed that there are different solutions in each dimension, and that the differences are likely to be influenced by the strategy type that the airlines are pursuing for the business. The solutions are further described in chapter 4.

In regards to the entrepreneurial phase, Miles and Snow mention about the importance of developing a set of **objectives** relative to the chosen domain. However, they did not discuss further if business objectives also differ among strategy types. Thus, this study will investigate the kinds of objectives that the airlines aim to achieve on social media, however, it will not be evaluated if their social media objectives are aligned with the configuration of other social media strategic dimensions.

Table 2: Social media-related strategic dimensions based on Miles and Snow's adaptive cycle and strategy typology theory

SOCIAL MEDIA-RELATED ADAPTIVE PROBLEMS	SOCIAL MEDIA-RELATED STRATEGIC DIMENSIONS AND SOLUTIONS (OPERATIONALIZATIONS)
<p style="text-align: center;">Entrepreneurial Problems (Strategy)</p>	<ol style="list-style-type: none"> 1. Social product-service-market domain establishment → <i>strategic dimension</i> <ol style="list-style-type: none"> a. Narrow/well-focused, relatively stable. (Defender) → <i>solution</i> b. Broad, continuously developing. (Prospector) → <i>solution</i> c. Hybrid. Both stable and changing/emerging. (Analyzer) → <i>solution</i> 2. Growth Pattern on Social Media <ol style="list-style-type: none"> a. Cautious growth mainly through market penetration. (D) b. Continuously develop new social media products/services and explore new markets. (P) c. Penetrating into current markets while carefully developing new products/services and markets. (A) 3. Surveillance mechanism (social media monitoring) <ol style="list-style-type: none"> a. Intensive, focused, tend to ignore developments outside domain. (D) b. Extensive, monitors wide range of aspects. (P) c. Extensive, monitors wide range of aspects. (A)
<p style="text-align: center;">Engineering Problems (Processes)</p>	<ol style="list-style-type: none"> 4. Technological breadth (social media platforms & social media-related tools) <ol style="list-style-type: none"> a. Single or few core technologies. (D) b. Multiple technologies. (P) c. Dual technological solutions. (A) 5. Technological goals <ol style="list-style-type: none"> a. Efficiency, minimize variability & uncertainty (stability) through e.g. standardization, vertical integration. (D) b. Flexibility through people-intensive approach. (P) c. Efficiency, stability and flexibility. (A)
<p style="text-align: center;">Administrative Problems Structure (6) and Processes (7-10)</p>	<ol style="list-style-type: none"> 6. Structure (for the corporate social media team) <ol style="list-style-type: none"> a. Functional, limited and specialized skills, high degree of formalization. (D) b. Project team, various skills, low degree of formalization. (P) c. Functional in stable areas, project team in newer/dynamic areas. (A) 7. Coordination mechanisms <ol style="list-style-type: none"> a. Simple, through standardization or scheduling. (D) b. Complex, through project coordinators. (P) c. Both simple (in more stable areas) and complex (in uncertain areas) forms of coordination. (A) 8. Social media-related planning processes <ol style="list-style-type: none"> a. Intensive, oriented toward problem solving, must be done prior to action. (D) b. Broad, problem oriented, must not be finalized before action is taken. (P) c. Intensive (in stable areas) and broad (in newer/dynamic areas). (A) 9. Social media-related control systems <ol style="list-style-type: none"> a. Centralized, long-looped vertical information systems/feedback loops. (D) b. Decentralized, participatory, short-looped horizontal information systems/feedback loops. (P) c. Centralized in more established areas, more participatory/decentralized in newer/dynamic areas. (A) 10. Social media-related performance measurement <ol style="list-style-type: none"> a. Emphasis on efficiency, measured against previous years. (D) b. Emphasis on effectiveness, compare past and recent performance with important competitors. (P) c. Balanced between effectiveness and efficiency measures. (A)

It is assumed that *the greater the fit among a company's social media strategy, structure, and processes, the better social media-related performance the company has.*

The quality of the fit (good, moderate, and poor) between a company's social media strategy and the configuration of its social media-related structure and processes (which is a multidimensional latent variable) is operationalized as an ordinal variable in this study as the

methodological approach of this study is qualitative. To evaluate the quality of the fit between those variables, the following steps will be done:

1. For each type of the airlines (Prospector, Defender, Analyzer), the airlines' solution in each social media-related strategic dimension will be analyzed if they are similar with the ideal solution that their type should choose. For example, it will be evaluated if KLM's and Emirates' product, service, and market domains on social media (*strategic dimension*) are broad and dynamic (*solution*), as this is how the product, service, and market domain should be in Prospector organizations. If they were broad and dynamic, then it is an ideal solution or matches with this study's assumption. The same principle also applies to the Defender (Garuda Indonesia) and Analyzer airlines (American Airlines).
2. Assessing the total ideal solutions each airlines has. Principally, the more ideal solutions an airline has, the better the quality of the fit between social media strategy, structure, and processes.

3.5.3 Measurement of Social Media-Related Resources (Competencies and Assets)

To date, there is no established systematization of social media-related competencies and assets available, which results in non-existence of an instrument to measure it. Therefore, the objective of this research should be first *to identify specific social media-related competencies and assets which have the potentials to contribute to social media-related performance of airlines companies*. However, it is not the focus of this study to provide an exhaustive list of all possible social media related-competencies and assets of airlines companies.

Various data sources were used to identify the competencies and assets, which are discussed in the next section in this chapter. Extensive literature reviews and some observations were undertaken prior to interviewing the airlines and social media consultants (see chapter 5 for the results of the literature reviews and observations).

The **potential values** that each of the social media-related competencies and assets has were evaluated and are outlined in chapter 5. The values are based on the perceptions of social media scholars, the airlines, and social media consultants. As the researcher's own general guidelines, the social media-related competencies and assets could be said to have potential values when they enable the company which owns it:

- (1) to conceive of or implement its social media strategies that improve its efficiency and effectiveness, and/or
- (2) to exploit opportunities and/or neutralize threats in social media; and/or when they (3) add benefits to the customers.

These operationalization of value are based on Barney (1991, p.106) for (1) and (2), and based on Rasche (1994, p.89) for (3).

However, it is not the focus of this study to measure if all the above social media-related competencies and assets are truly inimitable, which is considered to be an important characteristic that firm resources must have in order to be able to generate sustained competitive advantage (Barney, 1995, p.50-53).

Another boundary of the cases is, this study does not attempt to measure the level or the degree of the social media-related competencies of the airlines (e.g. if the airlines' competencies are strong, average or weak). However, any available information concerning the airlines' level of social media-related competencies, e.g. assessments of social media analysts, will be incorporated in the report, as this might influence the degree of the airlines' performance on social media as well.

3.5.4 Measurement of Social Media-Related Performance

“Organizational performance, or effectiveness, is a multifaceted phenomenon that is difficult to comprehend and measure” (Goodman & Pennings, 1977, as cited in Snow & Hrebiniak, 1980, p.319). The meaning of performance may vary, depends on whose viewpoint is taken (e.g. customers or shareholders), the time period observed, criteria used, etc., nevertheless, “it is clear that much of an organization’s behavior is directed at achieving satisfactory performance...” (Snow & Hrebiniak, 1980, p.319).

In chapter 2, several key social media-related performance indicators that are suggested for airlines companies as well as the measures or metrics that can be used to measure the KPIs have been discussed. The key social media-related performance indicators are the following:

- KPI 1: Responsiveness
- KPI 2: Brand Engagement
- KPI 3: Content Reach
- KPI 4: Revenue generated
- KPI 5: Insights gained
- KPI 6: Online reputation
- KPI 7: Effectiveness in social media crisis management
- KPI 8: Size of social media communities

Although the KPIs for social media use in airlines industry have been identified, this study will also investigate which key social media-related performance indicators that matter

for each of the airlines, and if the airlines have any other KPIs which are not included in this list yet. Then, it will be found out as well if and how these airlines measure these KPIs.

Concerning the airlines' social media-related performance itself, it is beyond the capacity of the researcher to measure all indicators of the airlines' social media-related performance. Nearly all of the suggested key social media-related performance indicators can only be measured with a special and costly social media analytics software (except the size of the airlines' social media communities). This software is usually possessed by the software developers, reputable social media consultants and the airlines themselves. Thus, the researcher will rely on external assessments and the airlines' self-assessments concerning information about the airlines' social media-related performance in all of the above indicators.

3.6 Data Collection

Another tactic to increase data validity when conducting a case study research is by using **multiple sources of evidence** or *triangulation* during the data collection phase.⁶⁸ Triangulation has been generally defined as “a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation” (Stake, 2005, p.454). Using multiple data sources in case study research enables a researcher to address a wider range of historical and behavioral issues, but most importantly, to develop *converging lines of inquiry* which makes the case study findings or conclusions more convincing and accurate (Yin, 2014, p.120).

Based on the above arguments, this study attempted to rely on multiple sources of data in collecting all the information required in this study in order to validate and cross-check the same findings, which refers to *data triangulation* (Patton, 2014, p.306) or *data source triangulation* (Stake, 1995, p.112). However, due to the high volume of information needed in this study and the differences in data availability and accessibility, it was not always possible to get multiple sources for each of the numerous factors investigated in this study. According to Yin (2014, p.122), using multiple data sources indeed imposes a greater burden on a researcher.

⁶⁸ See Yin (2014, p.46), Patton (2015, p.306), Stake (2005, p.454), Merriam (2009, p.215-216), Eisenhardt (1989, p.538).

Some scholars have suggested several sources of data which are useful in a case study research, such as interviews, direct observations, documents, participant-observation, etc.⁶⁹ The following data sources are employed in this study:

3.6.1 Primary Data Sources

Interviews

Interview is one of the most important sources of case study evidence: It is targeted directly on case study topics, *insightful* (it provides both explanations and personal views) (Yin, 2013, p.106), and it is “the main road to multiple realities” sought in a case study (Stake, 1995, p.64).

Some *in-depth semi structured* interviews were conducted with the airlines’ staff who are part of the airlines’ corporate social media team, and with the representatives of two reputable social media consultancies. In semi structured interview, “all of the questions are more flexibly worded or the interview is a mix of more and less structured questions” (Merriam, 2009, p.90). Semi structured interview was chosen to enable the researcher to be flexible to respond to the situation of the interview, to the emerging perspectives of the interviewees, and to new ideas on the theme (Merriam, 2009, p.90). The interviews were conducted either by face-to-face, Skype audio call, phone calls or emails, or by combining some of them.

Three out of the four airlines were willing to participate fully in this case study research and to be interviewed in-depth, except one airlines, KLM Royal Dutch Airlines. This is because of KLM’s policy which does not allow it to meet any request for interviews with any member of KLM staff within the context of studies. In spite of this, the researcher kept on including KLM as a case study due to the availability of information from other data sources about KLM’s social media-related resources, strategy, structure, processes, and performance.

Regarding the two social media consultancies which participated in this study, SimpliFlying was chosen because of the company’s expertise in the field of social media management in airlines companies, whereas LiquidThread was chosen not only because of its expertise in social media, but also because the consultancy was involved in the management of Garuda Indonesia Airlines’ social media activities. Brief profiles of the

⁶⁹ See Yin (2014, p.105-118), Stake (1995, p.60-68), Schramm (1971, p.12).

chosen airlines companies as well as the social media consultancies can be found in appendix. Table 4 on the next page displays brief information about the people interviewed in this study.

Interview Questions. For the interviews, the researcher had prepared a set of open-ended questions for each of the airlines and the social media consultancies. Except for some questions related to social media strategy, structure and processes, the possible answers were also informed. The questions were carefully formulated in order to avoid personal bias, which is a potential limitation of interview data (Patton, 2015, p.306). During the interview, the researcher tended to be a listener and let the interviewees give large amounts of information, as this method can prevent bias as well (Yin, 2014, p.74). Some unplanned questions were also asked during the interview as some new points of interest occurred. This is legitimate in case study research as the essence of case study research is to gain a holistic understanding of a bounded phenomenon (see the definition of case study at the beginning of this chapter).

As the interview times were limited, the researcher only asked for information which could not be obtained from other data sources or information that needed clarification. As a result, each airline received slightly different set of questions. Each of the social media consultant also received different questions as the researcher's objectives in interviewing them were also different (see previous paragraph). The questions and the answers from the informants can be found in the case study database in a CD enclosed in this dissertation.

Privacy and Confidentiality Issue. Garuda Indonesia Airlines, Emirates Airlines, American Airlines, LiquidThread and SimpliFlying clearly stated that all the information that they revealed during the interviews should be utilized for academic purposes only and shall not be passed on to mass media. Moreover, some questions were considered confidential as well that they were reluctant to answer it, such as concerning their internal social media policy. In this case, the researcher must respect their decisions and must assure the privacy and confidentiality of the case study's participants and the information that they gave (National Research Council, 2003, p.26). To protect the participants' privacy, their names are only written in initials in this dissertation.

Table 3: The Case Study's Interviewees

COMPANIES	CONTACT PERSONS	TIME OF INTERVIEWS	NOTES
Garuda Indonesia Airlines (GIA)	(1) IR, Senior Manager of Public Relations – Corporate Division) (2) BAN, Business Analyst – Business Strategy and Development	(1) March 2013 (2) August 2015	Interviewee (1) gave the researcher access to interview their social media agency as well.
Emirates Airlines	JS, Head of Social Media – Corporate Communication	April 2014	
American Airlines	(1) SS, Social Media Specialist (2) AOB, Social Media Analyst (3) BM, Manager of Social Media Insights	(1 & 2) Few times between September 2012 and February 2013 (3) May 2015	
KLM Royal Dutch Airlines	(1) JVD, Online Reputation Manager (2) KLM's Social Media Service Agent on Twitter	(1) 2012 (2) April 2015	(1) Participated only in determining KLM's strategy type (via email). (2) For few questions only (via Twitter)
SimpliFlying (Social media consultant for airlines and airports)	SN (CEO)	Few times in November – December 2012	As SimpliFlying regularly publishes articles about airlines' use of social media, this study also relies on its articles as data source.
LiquidThread (Social media consultant)	DT (Social Account Manager)	April 2013	Garuda Indonesia's social media agency (until ca. end of 2014)
Icon International Communications Indonesia	SS (Country Director)	2012	Participated only in determining Garuda Indonesia's strategy type.

Direct Observations

Another primary data source in this study is observations (Merriam, 2009, p.117). “Observations work the researcher toward greater understanding of the case” (Stake, 1995, p.60), and “represent a firsthand encounter with the phenomenon of interest rather than a secondhand account of the world obtained in an interview” (Merriam, 2009, p.117). Conducting observations in a more qualitative approach means “finding good moments to reveal the unique complexity of the case” (Stake, 1995, p.63).

Direct observations were also conducted in this study in order to find information about what actually the airlines have done on their social media platforms. The researcher becomes *a complete participant* (Merriam, 2009, p.124), or the member of the airlines' social media communities to be able to observe closely about all activities and interactions

that happen within the communities. Examples of activities or items that were observed during the study are:

- The airlines' social media campaigns
- Content on the airlines' social media channels
- How the airlines responded to questions, requests, issues, etc. on their social media channels
- Changes occurred in their social media channels
- How the airlines' social media communities engage with the airlines

3.6.2 Secondary Data Sources

Documentation

Searching for information from documents is likely to be relevant to every case study topic (Yin, 2014, p.105) and is needed in almost every study (Stake, 1995, p.68). As sources of evidence in a case study, documentation have some strengths, such as it can be reviewed repeatedly and can cover many events, settings and a long span of time (Yin, 2014, p.106), and can substitute records of activity that a researcher cannot observe directly (Stake, 1995, p.68). This type of information may take many forms, such as newspapers, annual reports, formal studies or evaluations related to the case being studied, audiovisual documents, etc. (Yin, 2014, p.106; Stake, 1995, p.68; Schramm, 1971, p.17). This study also relied on many different kinds of documents as sources of data. The types of documents used in this study are:

- | | |
|---|---|
| • Academic journals | • Airlines' publications, e.g. Annual reports, news releases, websites. |
| • Reports of previous relevant social media studies | • Blog posts |
| • White papers | • Audiovisual documents, e.g. YouTube videos, published presentation slides |
| • Business magazine articles (printed and online) | • Statistical analysis |
| • Books (printed and e-books) | • Published interviews |

Of the above types of documents used as data sources in this study, most of them are produced by some reputable institutions, as shown in table 4 below.

Table 4: Sources of Documents Used in the Study

ORGANIZATIONS	DESCRIPTIONS	TYPES OF DOCUMENTS USED
MIT Sloan Management Review	A reputable publication about new management research, innovative ideas, and advances in management practice directed to academic researchers, business executives, and influential thought leaders. Social business has been one of the main themes of the publication.	Research reports Published interviews Magazine articles
McKinsey & Company	A global management and consulting firm which has conducted several studies about social media use in businesses.	Research reports Journal articles
SimpliFlying	A leading consulting firm that has advised over 35 airlines and airports worldwide about how to reap benefits from social media. SimpliFlying is one of the informants in this study as well.	Research reports Blog posts Published interviews Published presentation slides
Altimeter Group	A leading independent social media researcher, analyst and consulting firm in the USA.	Research reports E-book
Socialbakers	A social media analytics company which offers solutions to companies to measure and compare the success of their social media campaigns with competitive intelligence.	Statistical analysis Blog posts Videos
Harvard Business Review	A reputable management publication for academic, corporate and individual managers. Social media use in businesses has been one of HBR's main topics as well.	Magazine articles Research reports

The evidence collected in a case study research may involve qualitative data only, quantitative data only, or both, but combining both of them can be “highly synergistic” (Eisenhardt, 1989, p.538). Besides qualitative data as primary evidence, this study also collected some **quantitative data**, mostly in a form of statistical analysis of the airlines’ social media-related performance, such as their response rate and average response time in a particular social media platform for a certain period of time.

A **case study database** has been developed to increase the *reliability* of this case study research, and to preserve the collected data (Yin, 2014, p. 124). The case study database increases the reliability of the entire case study by enabling other persons to inspect the entire database apart from reading the case study report (Yin, 2014, p.124). The case study database concerning the transcripts of all the interviews conducted in this study can be found in a CD attached to the dissertation, whereas a list of all the documents used as data sources in this study including the links of all electronic files can be found in the References.

3.7 Analysis of Case Study Evidence

Analyzing case study data is a difficult process as the techniques in analyzing case study evidence still have not been well defined (Yin, 2014, p.132). This is probably because data analysis itself is still interpreted not exactly the same way by the foundational methodologists in case study research. According to Yin (2014, p.132), data analysis consists of “examining, categorizing, tabulating, testing, or otherwise recombining evidence, to produce empirically based findings,” whereas Stake (1995) defines data analysis as “a matter of giving meaning to first impressions as well as to final compilation” (p.71). Merriam (2009) argues that data analysis is “the process of making sense out of the data. And making sense out of data involves consolidating, reducing, and interpreting what people have said and what the researcher has seen and read – it is the process of making meaning” (p.175-176). Similar to Stake, Merriam (2009, p.169) also argues that qualitative data can or should be collected and analyzed simultaneously, however, she also adds that the analysis is not finished when all the data have been collected, but it is quite the opposite, “analysis becomes more intensive as the study progresses, and once all the data are in” (p.169). The dissimilarities in the way the three scholars conceive reality and knowledge seem to have impacted their approach to case study analysis as well (Yazan, 2005, p.144).

In analyzing the data from the four cases in this case study research, the researcher has decided to combine some of the strategies suggested by Yin, Stake, and Merriam which suit this study. Basically, Yin’s general strategies and techniques of data analysis are well-defined and highly structured which are very helpful for novice case study researchers. The general strategies used in this case study to analyze the case study data are “*relying on theoretical propositions*” that led to the case study (Yin, 2014, p.136), as well as “*examining plausible rival explanations*” (Yin, 2014, p.140).⁷⁰ In analyzing the case study data, the researcher endeavored to do it within the scope of the theoretical propositions only, although the data could also be analyzed from many other interesting angles. Moreover, this study is already implementing the strategy of examining plausible rival explanations as it is investigating the sources of superior social media-related performance from the two contrasting management views about the sources of firm success: The market-based view (Miles and Snow’s theory) and the resource-based view of the firm. Therefore, the case study data is analyzed according to the two rival theories as well.

⁷⁰ See Yin (2014, p.136-142) for other general strategies to analyze case study evidence.

Content analysis. Content analysis is actually a less common data analysis technique in qualitative research as “in one sense, all qualitative data analysis is content analysis in that it is the *content* of interviews, field notes, and documents that is analyzed” (Merriam, 2009, p.205). But when dealing with a lot of very rich data that requires some interpretation, qualitative content analysis can help researcher describe the meaning of the data *only in certain respects* which the researcher has to specify (Schreier, 2013, p.3). In qualitative content analysis, developing *categories* which capture the research questions would be useful (Merriam, 2009, p.205; Schreier, 2013, p.6). As this study collected numerous rich data (e.g. transcripts of interviews, field notes of the observations, documents, videos), categories that represent multiple variables being studied need to be constructed, so that the voluminous data can be reduced to relevant aspects only (Schreier, 2013, p.7). The categories developed in this study comprise each of (1) the social media-related strategic dimensions, (2) the assumed social media-related solutions, (3) social media-related competencies, (4) social media-related assets, and (5) key performance indicators. After analyzing the collected data, it is found that *in some situations, the same set of data can be put in more than one categories, or can be used to explain more than one variables.*

Stake’s (1995, p.78) suggestion to search for patterns, consistency, and consistency within certain conditions, which he calls “**correspondence**,” is taken into account as well in analyzing the case study data, especially in analyzing if there is a fit or consistency between social media strategy, structure, and processes in each airline.⁷¹

In regards to the more specific analytic techniques, this case study research follows the **cross-case synthesis** technique, which applies to the analysis of multiple cases only.⁷² All the four cases are used to test the same theoretical propositions which include rival explanations (the chosen general strategies mentioned earlier), if specific social media-related resources and/or the fit between social media strategy, structure and processes could contribute to social media-related performance (chapter 4 and 5). Moreover, all the four cases are also used to explain if the social media-related resources are influenced by social media strategy, structure, processes. But before the cross-case analysis was conducted, a **within-case analysis** or an analysis of each case was performed, following Merriam’s

⁷¹ Stake (1995, p.74) also acknowledges two general strategies to handle and analyze case study data: Categorical Aggregation and Direct Interpretation. However, he also points out that these strategies might distract attention to various contexts of a case, instead, he believes that “each researcher needs, through experience and reflection, to find the forms of analysis that work for him or her” (Stake, 1995, p.77).

⁷² See Yin (2014, p.164), Miles and Huberman (1994, p.207), and Merriam (2009, p.204). For other analytic techniques, see Yin (2014, p.143-163). Besides cross-case displays, Miles and Huberman (1994) also mention within-case displays (p.90) and matrix displays (p.239).

suggestion, as each case in this study is a comprehensive case in and of itself (2009, p.204). Each of the airlines is assumed to have its own and unique configuration of social media strategy, structure, processes, and social media-related competencies and assets.

3.8 Methods Used in Case Study Report

Generally, there is no fixed or stereotypic format of a case study report, nevertheless, there are some suggestions about how case studies can be reported (Yin, 2014, p.177). As this study is a multiple-case study, existing guidelines about reporting a multiple-case study have been taken into consideration.⁷³ This multiple-case study is reported in the following ways: There is *no* separate chapters or sections devoted to the individual cases. It means, there is *no* chapter or section which is devoted to an airline only. Rather, each section in chapter 4 and 5 would be dedicated to a separate *cross-case issue*, e.g. about a social media strategic dimension, and a particular social media-related competency or asset. Under each issue or topic, information from the individual cases (from each of the airlines) related to the issue would be dispersed throughout the section. This method is based on Yin's (2014, p.186) suggestion for reporting multiple-case study only. Similarly, Stake (2005, p.457) also suggests researchers to report his or her case as a case "knowing it will be compared with others."

Lastly, besides reporting the empirical findings, this case study report (chapter 4, 5) also outlines the findings of relevant previous studies and the discussions in social media literature that are related to the topics of this study, to support the importance of the research questions and the case study work itself (Yin, 2014, p.192).

⁷³ See for example Yin (2014, p.184, 186), Stake (2005, p.457), Merriam (2009, p.258-262), Stake (1995, p.123).

CHAPTER 4 SOCIAL MEDIA STRATEGIES, STRUCTURES, AND PROCESSES

This chapter is organized according to the structure displayed in Table 2 in chapter 3. The first three sections are devoted to the airlines' solutions to the three major social media-related problems or adaptation cycles – *entrepreneurial*, *engineering (technological)*, *administrative* – that are assumed to be faced by the airlines in adapting to the social media environment. Each section (major problem) contains several social media-related strategic dimensions, which represent more detailed decisions that the airlines have to take. The decisions made in the entrepreneurial cycle refer to *social media strategy*, the decision concerning appropriate *organization structure* to accommodate social media-related projects takes place in the administrative cycle, and the decisions concerning social media-related *processes* occur in the technological and administrative cycles. The last section discusses if the 'fit' between the airlines' social media strategy, structure and processes contributes to their social media-related performance.

4.1 Solutions to Social Media-Related Entrepreneurial Problems

Adapting Miles and Snow's Adaptive Cycle theory into the organizational use of social media context, it is assumed that in entrepreneurial phase, companies are challenged to **choose a feasible product and/or service and a target market** or market segment⁷⁴ (*product-service-market domain*) on social media (e.g. a particular community or social customer service), and to decide how narrow/broad or stable/dynamic their product/service-market domain should be.

In addition to establishing their domain on social media, they should **formulate a set of appropriate social media objectives** relative to their chosen social product and/or service and target market as well. In this phase, companies also make a decision about **how they would grow or expand their existence on social media (growth pattern)**. Depending on the domain, objectives, and growth strategy they choose, the companies shall also **decide on the scope, intensity and the resources allocation of their surveillance activities on social**

⁷⁴ *Market segments* are "distinct groups of customers within a market that can be differentiated from each other on the basis of their distinct attributes and specific demands" (Jones & Hill, 2010, p.41).

media (social media monitoring). In this study, *a pattern of major and minor decisions about a company's possible future product/service-market domain on social media (the decisions made in this cycle) is called social media strategy.*

This chapter begins with a literature review about the importance of choosing a viable product/service and market domain on social media, followed with a report about the kind of product/service-market domain on social media that the airlines choose, the social media objectives they aim to achieve, and their growth patterns on social media. As an organization's surveillance activity on social media or social media monitoring is an integral part of social media-related learning competency which will be discussed in chapter 5, the airlines' social media monitoring mechanisms will not be discussed in detail in this chapter.

4.1.1 Product, Service and Market Domain on Social Media

4.1.1.1 *The Importance of Establishing a Viable Product, Service and Market Domain on Social Media*

In social media literature, the importance of choosing a viable service and market domain on social media and how to do it has been sporadically discussed, whereas the importance of developing relevant social products is hardly discussed.

In regards to the establishment of market domain on social media, Li and Bernoff (2008, p.45) argue that by making a classification or a segmentation of a company's stakeholders on social media, the company can develop a good understanding of how social media are being adopted by any group of people. If a company knows to which group(s) most of their customers belong, it can assist them in formulating the right social media strategy for the group (Li & Bernoff, 2008, p.45). Li and Bernoff propose a *Social Technographics Profile*, a method of generating a company's stakeholders' profiles based on their participation or activities on social media (2008, p.41-59).⁷⁵ According to Li and Bernoff, social media generally consist of the following groups of people:

1. *Creators* who create their own content (e.g. publish a blog, upload videos).
2. *Critics* who react to other content (e.g. post ratings, reviews or comments).
3. *Collectors* who gather and aggregate information (e.g. use RSS feeds, add tags on social-bookmarking service).

⁷⁵ Some social media channels also provide its own segmentation system which companies can take advantage of. For example, Google+ enables and encourages segmentation into different "circles". Lieb (2012, Loc.1217) suggested companies to segment their followers or fans on Google+ by product group, or separate their customers from investors, or as customers, prospects (potentials), or into different geographical areas.

4. *Joiners* who maintain profiles on a social networking site or just visit social networking sites.
5. *Spectators* who consume what others produce (e.g. read blogs, watch video of other users).
6. *Inactives* who do none of the above activities on social media.

A study conducted by McKinsey & Companies to nearly 200 German companies also found that by *defining or specifying the audience* they aim to engage with using social media, then applying different outreach strategies to different audiences, companies can obtain a sustained impact from their social media usage (Mattern et al., 2012, p.21). So, companies who aim to build relationships with consumers should create different outreach strategies than if they aim to present themselves on social media as an attractive employer to potential employees (Mattern et al., 2012, p.21).

In regards to the establishment of service domain on social media, Sadowski (2011, Loc.2825-2840) points out that there are numerous missteps done by organizations which try to deliver customer service via social media, such as applying a one-size-fits-all customer service model across every customer segment and social media channel, and trying to handle the thousands or even millions customer messages effectively themselves. Customer service can be delivered via social media in many ways, but there are some successful examples of how to incorporate social media into the organizations' customer service model, such as defining a unique customer service strategy on social media; getting marketing, sales and service to establish a unified social customer service channel; creating online communities which enable customers to help other customers; and using social media channel to surprise and delight customers (Sadowski, 2011, Loc.2753).

Based on Miles and Snow's theory, it is assumed that **Prospectors** (KLM and Emirates) tend to have a *broad and dynamic product, service and market domain*; whereas **Defender** (Garuda Indonesia) tends to have a *narrow and stable set of products or services targeted at a clearly defined and limited segment on social media*, either because of their limited resources, or it is a deliberate choice by the management. The Defender might also try to offer their customers the full range of products or services they desire on social media to maintain their prominence within the limited target market. The **Analyzer's** (American Airlines) domain on social media is assumed to be *a mixture of fairly stable, limited or focused, and changing products, services and markets (hybrid domain)*.

4.1.1.2 Empirical Findings: The Airlines' Service Domain on Social Media

Based on the researcher's observation, *all* airlines in this study provide customer service on social media or *social customer service*. KLM argues that companies which are active on social media *must* offer customer support there (Haar, 2015). "You can do all sorts of cool stuff on social media – run campaigns, make great offers, post cool pictures and otherwise entertain and engage your audience – but if you don't offer customer support, you're bugged," explains Haar (2015a) from KLM.

However, there are some similarities and differences in the ways the customer service is being delivered by the airlines via social media. It seems that of all the airlines in this study, **KLM has the broadest service domain on social media which is in a continuous state of development**. This **matches** this study's assumption about how the service domain on social media should be for the Prospector type. In terms of the range of service provided, generally, all airlines strive to respond to and solve as many customers' complaints, requests, questions or issues as possible on social media.⁷⁶ Although, in practice, this is difficult to achieve. Since mid-2012, KLM has declared that they strive to provide a personal and accessible "**one-stop-shop**" social customer service, which means, to answer and solve *all* kinds of questions they receive within the same social media channels where they receive the questions or requests, without redirecting the people who ask or make a request to other customer service channels like what other airlines still often do.⁷⁷ This has positively impacted on KLM's response time and response rate on social media as well.⁷⁸ Whereas Emirates, American Airlines, and Garuda Indonesia still redirect people who contact them via social media to contact their other service channels (e.g. call center, reservation center, or to fill out a formal complaint or feedback form) for certain kinds of inquiries, such as changing dates of travel, paying a booking, and reporting lost items.⁷⁹

⁷⁶ This information also relies on JS (Personal communication) from Emirates, IR (Personal communication) from Garuda Indonesia, and SS (Personal communication) from American Airlines.

⁷⁷ See Drimmelen (2012d), Haar and Groeneveld (2013, 2014). Later on, KLM's 'one-stop-shop' strategy is also implemented by American Airlines (Pierce, 2012d). However, American Airlines is still considered unable to practice this strategy, as they often still redirect their customers to contact other customer service channels to get solutions (Groeneveld, 2014)

⁷⁸ KLM's, and also other airlines' average response rate and average response time on social media will be discussed in the 'Social Media-Related Performance' section, and in the 'Responsiveness on Social Media' section.

⁷⁹ Based on the researcher's observation on American Airlines', Garuda Indonesia's and Emirates' Twitter and Facebook channels.

KLM even provides *additional services* on social media which are not provided by the three other airlines, such as ticket payment via Facebook and Twitter (KLM, 2014d), choosing a seat partner based on other passengers' Facebook, LinkedIn or Google+ profile (KLM, 2012a), requesting a seat, check-in, requesting upgrades, and allowing passengers to report their lost items via Facebook and Twitter instead of by filling out formal forms at the website or at the airport (KLM, 2014i). Furthermore, KLM also uploads relevant passenger information from their conversations with KLM on social media onto iPads which a number of flight attendants carry during the flight.⁸⁰ This enable them to offer passengers a more personal service.

In terms of the social media platforms used for customer service, KLM is committed to answers to people's questions and help with their requests in three global social media platforms, Facebook, Twitter, and LinkedIn.⁸¹ In addition to that, KLM also provides social customer service in some local Chinese, Russian, and Korean social media platforms.⁸² Garuda Indonesia, American Airlines, and Emirates primarily utilize Twitter as their social customer service channel. Garuda also responds to customer service-related questions on Facebook, whereas American Airlines and Emirates only do it occasionally. Since 2014, Emirates has extended their social customer service channel to a local Chinese social media platform.

To sum up, as a **Defender** type of company, Garuda Indonesia's decision to have a *limited* or *focused* service domain on social media matches the assumption about how Defender's service domain should be, whereas as a **Prospector**, Emirates still needs to expand their line of services on social media. As an **Analyzer**, American Airlines' service domain on social media is still limited and stable, and not yet a mixture of stable and dynamic services like how it should be in Analyzers, although they have been on social media much longer than the three other airlines.

⁸⁰ See Drimmelen (2012d), Lassalle (2013b)

⁸¹ See KLM (Unknown year, where to find KLM on social media sites)

⁸² See KLM (2012g, 2013b, 2014h, 2015b).

4.1.1.3 Empirical Findings: The Airlines' Product Domain on Social Media

In terms of product domain on social media, KLM has consistently developed relatively many products that are targeted mainly at social media users or are referred to as *social products*, such as Aviation Empire game, Stewardess Yourself App, Travel Planner, Meet and Seat, and so forth.⁸³ Emirates has not developed any social product and does not aim to make it yet. American Airlines has not produced any social product anymore either since one Facebook application which was launched in 2008.⁸⁴ This application was discontinued too. To date, Garuda Indonesia has developed and managed only one social product, the Garuda Social Miles, which is their own user-generated social media platform that is closely tied with their newly-rebranded frequent flyer program.⁸⁵

Thus, it can be concluded that as Prospectors, KLM's *broad and dynamic* social product domain already matches the assumption in this study about how Prospector's social product domain should be, whereas Emirates' social product domain does not match it yet, as they do not have any social product. Garuda Indonesia's *limited* social product domain also matches with the assumed Defender's product domain. But as an Analyzer, American Airlines' product domain on social media is not even a mixture of fairly stable and dynamic social product yet, as they have not developed any new social product since 2008.

4.1.1.4 Empirical Findings: The Airlines' Market Domain on Social Media

In terms of market domain, this study found that all airlines are generally targeting global market on social media as they utilize *popular global social media platforms*⁸⁶ – such as Facebook, Twitter, YouTube – for various business purposes.⁸⁷ However, the breadth of the market that of each the airlines is targeting on social media is rather different. It is noticeable that of all the airlines in this study, KLM aims to target the widest markets on social media, which matches this study's assumption about Prospector's market domain on social media. Not only KLM is active in many popular global social media channels, KLM

⁸³ Further details about KLM's social products can be seen in the 'Social Products' section in chapter 5.

⁸⁴ See American Airlines (2008).

⁸⁵ See Garuda Social Miles platform: <http://www.garudasocialmiles.com/>

⁸⁶ Popular global social media platforms are defined in this study as Facebook, Twitter, YouTube, Google+, LinkedIn, Instagram, Pinterest, and Foursquare.

⁸⁷ Further details about the global social media platforms that the airlines use will be discussed in the next chapter (Engineering problems). Global social media platforms are defined in this study as social media platforms which are targeted at users worldwide. Whereas country-specific social media platforms are defined in this study as social media platforms which are targeted at users from a specific country only.

has been continuously expanding their market to popular local social media channels: The Chinese, Russian, and Korean social media platforms.⁸⁸ Even in the global social media platforms (Facebook and Twitter), KLM maintains the most country-specific Facebook pages and Twitter accounts such as KLM Germany, KLM Brazil, KLM Thailand, and so forth. The reason for these some country-specific social media accounts is most likely so that KLM can cater the needs of their customers who reside in particular regions better and deliver social media content that are relevant to the locals' need.

Similarly, Emirates also aims to have a broad market segment on social media.⁸⁹ Besides targeting the global market through its presence in the global social media channels, Emirates is also tapping into the Chinese market. However, unlike KLM, Emirates does not maintain any Facebook page nor Twitter account that is dedicated to serve specific countries only, which shows that Emirates' market domain on social media is not as broad as KLM yet.⁹⁰

American Airlines' principle on social media is *to be wherever the customers are, where the conversations about the airlines is happening, and where the customers want to talk to them* (Phillips, 2003), which may indicate that they are willing to expand to new markets if it is necessary. But the fact is, American Airlines only targets the global market through its presence on *many* global social media channels.⁹¹ American Airlines does not maintain any separate Facebook page nor Twitter account at all that is targeted at specific countries, and is not present in any local or country-specific social media platform either, even though their customers are also based in Asia and Russia, where local social media channels are also popular.

Garuda Indonesia is present on multiple global social media channels too, but not in any local social media platform. On Garuda Indonesia's official global Facebook page, one can see that Garuda Indonesia used to target several countries separately, such as UK, Thailand, and Korea, by having a dedicated Facebook page for each of the country. Garuda has decided to deactivate those separate country-specific Facebook pages and to integrate those pages into their global Facebook page (Garuda Indonesia, 2015b). However on Twitter, one can see that apart from targeting worldwide users in a single account, Garuda

⁸⁸ Further details about KLM's social media platforms will be discussed in the next chapter.

⁸⁹ This information relies on JS (Personal communication) from Emirates.

⁹⁰ A list of Emirates' social media channels will be outlined in section II in this chapter.

⁹¹ A list of American Airlines' social media channels will be outlined in section II in this chapter.

Indonesia also targets the UK, Netherlands and Australian market separately.⁹² Garuda Indonesia also targets several domestic markets in Indonesia separately on Twitter.⁹³

The number of languages that the airlines ‘speak’ on social media can also be used as an indicator of which market domain they are targeting on social media. In comparison to the other three airlines, KLM communicates with the most languages on social media. To date, KLM communicates in 14 different world languages on social media: Dutch, English, Italian, Spanish, German, Portuguese, Japanese, Norwegian, Russian, French, Chinese, Thai, Turkish and Korean.⁹⁴ So people can contact KLM on social media in any of these languages. Meanwhile, Garuda Indonesia provides social customer service and communicates with their social media communities in Indonesian and English,⁹⁵ whereas American Airlines’ and Emirates’ main language on social media is English.⁹⁶ However, Emirates will also respond to inquiries in Arabic on their customer service channel on Twitter (@EmiratesSupport).

To summarize, KLM’s market domain on social media is the broadest of all airlines in this study, and in a continuous development, which matches this study’s assumption about Prospector’s market domain on social media. As another Prospector, Emirates’ markets on social media are not as broad as KLM’s yet, nevertheless, they are in a continuous development. As an Analyzer, American Airlines’ market domain on social media is not a mixture of focused, stable and dynamic domain yet, as assumed in this study. Their market domain is the narrowest of all the airlines in this study, and has not developed much in the past years. In regards to Garuda Indonesia, their market domain is relatively broad or is not focused, which does not suit this study’s assumption about the ideal market domain for the Defender on social media. However, Garuda Indonesia’s decision to deactivate some of their Facebook pages shows that they intend to narrow their markets down or to stabilize their markets there.

⁹² Garuda Indonesia’s Twitter accounts for these markets can be searched simply by typing Garuda Indonesia UK, Garuda Indonesia Australia, and Garuda Indonesia NL.

⁹³ A list of Garuda Indonesia’s social media channels will be outlined in section II in this chapter.

⁹⁴ This information relies on the information page of KLM’s global Facebook page.

⁹⁵ Except on its Twitter account for the Netherlands market, the official language is Dutch. The account is managed by Garuda Indonesia’s branch office in Netherlands.

⁹⁶ In June 2015, American Airline published a picture with a Chinese caption for the first time on Facebook.

4.1.2 Social Media Objectives

Besides having to establish their product, service, and market domain on social media, it is assumed that companies should **formulate a set of appropriate social media objectives** relative to their chosen social product and/or service and target market as well. In this case, Miles and Snow do not mention any distinct business objectives for each strategy type, which implies that business objective is not a distinct characteristic which can significantly differentiate Prospector from the Defender and Analyzer. Nevertheless, it is still necessary to investigate what kind objectives that the airlines aim to achieve on social media, as when they have achieved these objectives, it can be said that their social media initiatives are successful. It will be discussed in ‘Measurement of Social Media-Related Performance’ if the airlines have achieved their social media objectives.

4.1.2.1 *The Importance of Social Media Objectives*

Social media literature and previous studies note that **it is imperative for companies to define clear and appropriate business objectives of what they intend to achieve via social media before they even start their social media activities.**⁹⁷ Business goal definition is even success factor number 1 in social business strategy (Li & Solis, 2013). Companies who are in social media without concrete goals and thorough planning are not likely to succeed, because social media are all about building real and personal relationships or connections with people, therefore companies should identify the right ways to communicate with them (Weinberg, 2012, p.23). Moreover, without knowing what the companies are attempting to accomplish via social media and how they will approach it, it would be difficult for the companies to measure the impacts of their social media initiatives (Etlinger and Li, 2011, p.7).

Li and Solis (2013, Loc.278-279) argued that it is not enough only to have social media objectives in place, because companies need to establish **a long-term vision statement** as well that communicates to all its stakeholders why its social business journey takes place and the result of it.⁹⁸ When the vision statement for the social business strategy is properly done, it can lead the companies toward change or transformation (Li & Solis,

⁹⁷ See for example Owyang et al. (2011, p.20), Weinberg (2012, p.23), Li & Solis (2013, Loc.170-264).

⁹⁸ See also Li, Solis, Webber & Szymanski (2013, p.21).

2013, Loc.279). Similarly, MIT Sloan Management Review and Deloitte's social business global executive study in 2012 also reported that one of the top facilitators of social media adoption was having a clear and long-term vision of how social media can support business strategy (Kiron et al., 2012, p.17).

In airlines industry, a clear vision from the companies' leaders for how social media can support business strategy and the courage to pursue it are one of key success factors in airline marketing. But airlines which only respond to what competitors did or which only act if something wrong happens is not a vision.⁹⁹

Besides the importance of formulating clear social media objectives, prior social media studies also discovered that **it is essential to tie or link the social media objectives with corporate or business goals**, as social business initiatives that can help solving business problems and support business strategy will deliver sustained impacts to the companies.¹⁰⁰ Before even starting social media initiatives, companies are suggested to first identify what business problems that social business activities can solve, then developing strategies to make it happen, and choosing the right social networks and technology to support the objectives and strategies (Kiron et al., 2012, p.17).

In 2013 and 2014, MIT Sloan Management Review and Deloitte's social business global executive studies found that organizations which have developed more social media capabilities and are mature in social business have **shifted its social media efforts beyond marketing activities, focus it on key business challenges, and integrate it into multiple functions** across the enterprise, such as in strategy and operations, in daily decision making process, in encouraging innovation, in improving leadership performance and in managing internal talents (Kiron et al., 2013; Kane et al., 2014). For these organizations, social media now provide a business solution and are used to address business objectives across the organizations such as "to understand market shifts," "to improve visibility into operations," and "to identify internal talent or key contributors," and "to improve strategy development processes" (Kiron et al., 2013; Kane et al., 2014). A longitudinal study conducted by McKinsey & Company also found that when organizations **adopt social technologies at scale across the organization and integrate it into their work processes**, their financial performance and market share can be boosted (Bughin, Byers & Chui, 2011).

⁹⁹ All information in this paragraph is based on Nigam (2014a).

¹⁰⁰ See for example Kiron et al. (2012, 2013); Kane et al. (2014); Li and Solis (2013, Loc.170-264), SimpliFlying (2014, 2012).

Similarly, McKinsey & Companies' study in Germany found that companies can gain a sustained business impact from their social media use if they **closely integrate social media with their general strategy** (Mattern et al., 2012, p.20-21). The integration between social media efforts and the general strategy can be done by **identifying which value chain steps hold the greatest potential for the company's social media applications** then prioritizing on it. For example, companies who create value from the development of innovative products should probably focus on utilizing social media as a source of idea generation, whilst service-driven companies should start its social media engagement by utilizing microblogs as optional or additional service channels.¹⁰¹

The following table shows several ways social media can add value to different organizational functions or value chains within and across the company based on the findings of McKinsey Global Institute's study, thus, they argue that companies should endeavor to achieve it via its social media initiatives:

Table 5: Several Ways Social Media Can Add Value to Different Organizational Functions

Source: McKinsey Global Institute (Chui et al., 2012, p.8)

Organizational Functions	Social Media Objectives	Across Entire Company	Social Media Objectives
Product development	4. Gain customer insights* 1. Co-create products	Enterprise-wide levers (Social media as organizational technology)	9. Use social technology to improve intra- or inter-organizational collaboration and communication. 10. Use social technology to match talent to tasks
Operations and distribution	2. Leverage social media to forecast and monitor 3. Use social media to distribute business processes		
Marketing and sales	4. Gain customer insights 5. Use social media for marketing communication/interaction 6. Generate and foster sales leads 7. Social commerce		
Customer service	8. Provide customer care via social media		
Business support**	Improve collaboration and communication, match talent to tasks.		

* Gaining customer insights for product development is included in customer insights (lever 4) under marketing & sales.

** Business support functions are corporate or administrative functions activities such as human resources or finance and accounting.

*** Levers 9 and 10 apply to business support functions as they do across the other functional value areas.

In airlines industry, a study by SimpliFlying consultancy showed that the top three business goals that many airlines attempt to achieve through its social media efforts are **brand engagement, customer service, and revenue**. Nevertheless, the study found there are still airlines who use social media just for marketing purposes.¹⁰²

¹⁰¹ All information in this paragraph relies on Mattern et al. (2012, p.20-21).

¹⁰² All information in this paragraph is based on SimpliFlying (2012, p.7-8).

Lastly, the study also showed that **customer loyalty** is an important business goal that many airlines have yet to pursue on social media, although there are a lot of opportunities for airlines to integrate their social media activities into their customer loyalty program. Only some airlines have achieved great success with their social media loyalty programs. If an airline can get customers loyalty via social media, it demonstrates the level of trust and reliability that the customers commit to the airlines, and surely the customers will spread their experience with the airline via word-of-mouth to their network of friends and families.¹⁰³

4.1.2.2 Empirical Findings: The Airlines' Social Media Objectives

KLM's Social Media Objectives

As a number one brand on social media, Haar (2013) of KLM advises other companies to set very clear goals within their organization, and to avoid using social media just because every organization is doing it. Haar added that to respond on social media, organizations must do it with a clear strategy and a clear vision.

KLM's social media objectives are reflected in its social media strategies which cover three main pillars: **Reputation, service, and commerce** (Drimmelen, 2012d). KLM believes that excellent reputation can be achieved through *brand awareness, issue management, tone of voice* and *sharing engaging content* on social media; whereas service is providing a personal and accessible *one-stop-shop* on social media; and commerce means to derive revenue from social media (Drimmelen, 2012d). This shows that KLM understands how social media can add values to different organizational functions or value chains, as discussed earlier.

Reputation. Concerning KLM's goal to manage issues via social media, it can be understood because historically, the Icelandic volcano "Eyjafjallajökull" eruption in 2010 which shut down European's air traffic, was a defining moment for KLM to accelerate and formalize its social media efforts, and to invest heavily on social media. Drimmelen (2012a) of KLM shared that "from the ash cloud we learned that, as a company, we could tackle a crisis situation effectively using social media. We also learned that the public really

¹⁰³ All information in this paragraph are from SimpliFlying (2012, p.8-9). SimpliFlying also argues that airlines loyalty programs even have to adapt to social media. There was still a disconnect between the traditional loyalty program and the new social loyalty program, which has created confusions about which of the two should be preferred.

appreciated this form of communication. ...Not long thereafter our CEO, Peter Hartman, gave us the green light to set up a Social Media Hub and formalize our efforts.”¹⁰⁴

Service. KLM’s Social Media Hub Manager, Haar and Groeneveld, informed that although KLM’s customer service has been done mostly on social media, it does not mean a closure for other channels that they have been using for so long for customer care. Despite a huge increase of inquiries on Facebook and Twitter and a decrease of email inquiries, the volume of phone calls that they receive do not decrease because KLM invites their customers to contact them. Being active on social media means that KLM is open to be contacted. Haar and Groeneveld believed that customer care will always be there in many forms. Despite social customer care, regular claim via complaints form will not disappear. But the more and more social they become, social customer care will be more significant and important as well within the whole new atmosphere of customer service. Social customer care will be the basis of their social media strategy, in fact, the basis of everything. KLM is not conducting a marketing campaign and answering little questions on social media, but they create a solid basis in answering questions through customer care. Then they build campaigns on top of that.¹⁰⁵

Through delivering service on social media, KLM aims *to gain customers feedback and insights* in order to improve its products and service. KLM carries out social media monitoring to get feedback and insights from its customers about its products and service. The feedback and insights that it gets from the customers via social media will be forwarded to the relevant departments within the company, so that they can improve their products and service.¹⁰⁶

Commerce. KLM is also an early adopter of social media as a mean *to increase customer loyalty*. Pal of SimpliFlying consultancy also confirmed this and shared that KLM is one of only few airlines which has managed to shift from traditional airline loyalty programs to driving customer loyalty via engaging customers online. For example, through its popular ‘KLM Surprise’ campaign, KLM managed to drive loyalty and to earn estimated over one million Twitter impressions. Pal argued that airlines which offer people real-world rewards for their virtual actions create brand champions, “people who think highly of the brand and are willing to gladly promote and recommend it.”¹⁰⁷

¹⁰⁴ See also KLM’s 2010-2011 Annual Report (2012h, p.20).

¹⁰⁵ All information in this paragraph relies on Haar and Groeneveld (2014).

¹⁰⁶ All information in this paragraph relies on Groeneveld (2014).

¹⁰⁷ All information in this paragraph relies on Pal (2012a) unless stated otherwise.

Like most airlines on social media, KLM also utilizes social media to carry out some *marketing-related activities* such as promoting its aircrafts and their features¹⁰⁸, the destinations it flies to¹⁰⁹, its events¹¹⁰, and special deals or sales.¹¹¹ Besides promoting those things, sometimes KLM also promotes the Dutch culture on social media by relating it to its products, service and staff.¹¹²

Besides aiming to achieve the above three major goals, KLM also runs social media activities for other secondary purposes, which can be seen from KLM's activities or content on various social media channels. For example, using social media to create awareness among its social media communities of the company's activities related to *Corporate Social Responsibility (CSR)*.¹¹³ This particular social media goal is also linked with or supports the company's goal to be a socially responsible company.¹¹⁴

KLM also uses some social media channels for **recruitment** and **employer branding** purposes. For example, KLM utilizes LinkedIn to promote its job vacancies¹¹⁵ and uses YouTube, Instagram, Facebook and a blog to make its followers and fans aware of

¹⁰⁸ To see examples of KLM's social media content that promote its new aircrafts can be found on its Pinterest board titled KLM's new World Business Class (<http://www.pinterest.com/KLM/new-world-business-class/>), whilst content that introduced new features of the aircraft can be seen on some of its Facebook's photos on 21st August 2013 (<https://www.facebook.com/media/set/?set=a.10151570331195773.1073741832.273795515772&type=1>)

¹⁰⁹ See videos that promote some of KLM's best destinations on its YouTube channel:

<https://www.youtube.com/playlist?list=PLB02938746C6440A1>

¹¹⁰ For example, KLM promoted on its Facebook page on 22nd June 2013 about how it celebrated the World Music Day with the Royal Concertgebouw Orchestra on board of its flight to São Paulo (<https://www.facebook.com/KLM/photos/a.378259560772.168963.273795515772/10151461769910773/?type=1>).

¹¹¹ See KLM's Twitter post about its World Deal Weeks on 8th January 2015 (<https://twitter.com/KLM/status/553200211628412928>) and KLM's Facebook post on 14th August 2012 which promoted a flexible suitcase cover and offered its Facebook fans a 30% discount by using the code Fbsuitsuit (<https://www.facebook.com/KLM/photos/a.378259560772.168963.273795515772/10150974662935773/?type=1>).

¹¹² How KLM included the Dutch culture in its social media content can be seen on its Facebook page on 1st October 2013 (<https://www.facebook.com/KLM/photos/a.378259560772.168963.273795515772/10151647420490773/?type=1>).

¹¹³ See KLM's Corporate Social Responsibility videos on its official YouTube channel which showcase KLM's commitment in creating sustainable society and KLM's care for the environment: <https://www.youtube.com/playlist?list=PLABD6D7B1F5E510E1> See also Socialbakers (2012i, p.1).

¹¹⁴ See KLM's statement about CSR in its corporate website: <http://www.klm.com/corporate/en/about-klm/profile/>

¹¹⁵ See KLM's LinkedIn profile page which showcases its job vacancies and corporate-related information: https://www.linkedin.com/company/klm/careers?trk=top_nav_careers

several professions at KLM and the staff who do that, and of their passion and pride in their jobs.¹¹⁶

Besides having clear social media objectives, Nigam of SimpliFlying consultancy observed that KLM has a vision as well of how its social media initiatives can support its business. Its vision can be seen from KLM's full investment in a team of 150 full time staff on social media activities. Nigam also shared that every other airline they work with wants to figure out how many resources KLM is investing in its social media strategy, as they want to secure their budgets internally.¹¹⁷

Emirates' Social Media Objectives

Likewise, Emirates Airlines shared that since the beginning they realized the importance of formulating clear objectives of what they intended to achieve through social media. At the early phase of their social media adoption in 2012, Emirates airlines' first and foremost objective was to create a solid social media strategy. Then their second most important objective was to have their key decision makers embrace the social media strategy. The third objective was to launch their social media efforts successfully. Emirates reported that they have accomplished all the three objectives successfully in such a short time.¹¹⁸

JS from Emirates Airlines informed that **gaining a high level of brand engagement** on social media is the most important thing for Emirates, followed by **providing social customer service**. Although Emirates is aware that other airlines brands strive to derive revenue from social media, at the moment Emirates is not focusing its social media efforts on social commerce.¹¹⁹

To complement its traditional methods of communication with its customers, Emirates has created some other 'touch points' on various social media channels for their customers to get in touch with them. This is because the customers nowadays are on mobile devices and social media, thus, it would be very convenient for them to use social channels to get in touch with Emirates, especially on matters related to customer service.¹²⁰

¹¹⁶ See for example KLM's videos on YouTube (<https://www.youtube.com/playlist?list=PL1oW5GhG9jll5pmnxB16RfyyAobxxTtzO>), KLM's pictures on Instagram (http://instagram.com/p/sNbvwbKp_W/?modal=true), and KLM's blog postings (<https://blog.klm.com/95-years-the-different-faces-of-klm/>) which showcase several professions at KLM and how the employees feel about their job and working at KLM.

¹¹⁷ All information in this paragraph relies on Nigam (2014a).

¹¹⁸ All information in this paragraph relies on Saydam (2012).

¹¹⁹ All information in this paragraph was obtained from JS of Emirates Airline (Personal communication).

¹²⁰ *Ibid.*

On its social media channels, Emirates has attempted to build and manage social media communities in order **to recruit brand enthusiasts and to engage with them within these communities** by consistently being relevant to them and to Emirates. Although Emirates has achieved a high level engagement rate and they were preparing a few new social media objectives at the time of the interview, Emirates thought that it is also essential to maintain all the things they have achieved so far.¹²¹

Besides that, Emirates also pointed out that their social media objectives should be carefully formulated so that they are linked to the corporate goals as well. In other words, the social media objectives should also support the corporate's goals. The corporate goal which is fully supported by Emirates' social media efforts is to be a top global lifestyle brand. Emirates' new 'brand platform' called *Hello Tomorrow*, which marked Emirates' evolution from a travel brand to an inclusive global lifestyle brand, is about lifestyle. Emirates has decided to become more of a lifestyle brand is because Emirates wanted to stay away from the typical airlines brands. As a global lifestyle brand, Emirates believes that it has the best position **to serve the needs and earn the loyalty of the Globalistas**¹²², people who view travel as important part of their lifestyle. Thus, Emirates' social media initiatives have been created in a way that can support the company's goal to serve the Globalistas.¹²³

To serve the Globalistas' needs through social media, Emirates is always striving to 'push things out' on social media, such as contents and campaigns, which go along the line with the airline's new brand platform. So one can look from Emirates' social media content that they are really about the lifestyle. It was even already acknowledged in the Emirates Group Annual Report (Emirates, 2013b) that the airline's social media activities have been successfully supporting the corporate's evolution from a travel brand to an inclusive global lifestyle brand, as well as assisting the company in meeting the needs of the Globalistas.¹²⁴

Unlike American Airlines, KLM and other airlines who are present on many social media platforms, Emirates is focusing its social media activities only on Facebook, YouTube, Google+, LinkedIn, and Twitter. In all of these platforms, Emirates positions itself using the same brand platform 'Hello Tomorrow'. And through these social media channels, Emirates aims to **“create meaningful connections with their passengers, fans and**

¹²¹ *Ibid.*

¹²² According to Emirates (2013b), Globalistas are “people who live for new experiences, people for whom the world is getting smaller. They are well-travelled, or have aspirations to become well-travelled. For them travel is about connectivity – a bridge between people and cultures, places and ideas, imagination and exploration. Put simply, Globalistas view travel as essential part of their lifestyle” (p.28).

¹²³ All information in this paragraph relies on JS (Personal communication) and Emirates (2013b).

¹²⁴ *Ibid.*

advocates beyond their travel experience", as well as **"to build greater brand loyalty and reinforce their brand pillars**, through their "always on engagement" on their choice of social media channels (Emirates, 2013a).

Concerning the utilization of social media for issues and crisis management, until now Emirates has never had any crisis on social media and in general. Nevertheless, Emirates utilize social media to manage issues and crisis as well, in case that really happens. Even Emirates has created a specific plan about issue/crisis management via social media.¹²⁵

Lastly, Emirates' Human Resources team also uses the LinkedIn platform for **recruitment and employer branding** purposes, as well as **to manage the company reputation**. Besides posting its recent job vacancies, the team also posts content that showcases its excellence as an employer and the attractiveness working at Emirates.¹²⁶ Besides that, the team also regularly publishes various information related to Emirates airlines, such as new aircrafts, the company's achievements and activities as a socially responsible company.¹²⁷

Garuda Indonesia's Social Media Objectives

Garuda Indonesia decided to join the social media landscape mainly because they realized that the needs of their customers have increased and changed due to nowadays trends in Indonesia such as increasing usages and users of social media, and increasing uses of smart gadgets like smartphone and tablet. This has caused people's behaviour and paradigm to change as well and Garuda Indonesia wanted to adapt to these changes. And it is part of the company's programs as well to continue improving its service to the customers. Through its social media efforts, Garuda Indonesia aims to make all processes easier for their customers.¹²⁸

Garuda Indonesia argues that as part of its commitment to Customer Centricity value and to encourage the ease of communication between the Company and its customers, Garuda Indonesia provides several accesses for the customers to easily give their voices or aspirations. One of the accesses is through social media. Garuda Indonesia also monitors all feedback they receive from their stakeholders on social media in order **to consistently**

¹²⁵ *Ibid.*

¹²⁶ See Emirates' Career page at LinkedIn:

https://www.linkedin.com/company/emirates/careers?trk=top_nav_careers

¹²⁷ See Emirates' main page at LinkedIn: https://www.linkedin.com/company/emirates?trk=top_nav_home

¹²⁸ All information in this paragraph relies on IR of Garuda Indonesia (Personal communication, 2013).

improve their service. Garuda Indonesia is fully committed to translate the customers' feedback gained from social media into a series of improvements and innovations.¹²⁹

Besides for social customer service purposes, Garuda Indonesia also leverages social media to achieve few other objectives. As reported in their 2012 Annual Report, Garuda Indonesia carries out “promotions through social media **to strengthen their relationship between the company and communities served by the company, to improve sales** due to increasing trend of social media usage, and **to optimally interact with their customers**” (Garuda Indonesia, 2013, p.86). This is also clarified by Unmetric consultancy which observes that most South East Asia airlines, including Garuda Indonesia, use Facebook primarily for **brand awareness purposes** and a channel to promote its new services and offers (Bysani, 2013). Their original use of Facebook was not intended for social customer support purposes (Bysani, 2013). In addition to that, Garuda Indonesia also aims **to reduce marketing costs** by using social media as a marketing communication channel (IR, Personal communication).

Furthermore, as Garuda Indonesia has been having progressive transformation programs throughout all aspects of the company (at the time of the interview, Garuda Indonesia was preparing itself to be a 5-star airline), Garuda Indonesia takes advantages of the powerful social media to support this major corporate transformation and to maintain its favorable image¹³⁰ as well. In order to get the stakeholders' support, Garuda Indonesia makes sure that they are informed about the company's news, events, and achievements through its social media content.¹³¹

Garuda Indonesia has realized that nowadays airlines cannot manage issues by using traditional media only. Garuda Indonesia believes that social media are powerful channels **to manage issues and crisis** as it can give the company a wider reach. By grabbing the issues on social media, Garuda Indonesia is able to respond quickly and be responsive to issues and to prevent or minimize issues to escalate. This way, Garuda Indonesia will be seen as a responsible company in the eyes of their public.¹³²

¹²⁹ All information in this paragraph relies on Garuda Indonesia's 2013 Annual Report (2014a, p.89).

¹³⁰ See a video of Garuda Indonesia Operation Center on YouTube on 3 June 2014 that showcases the airline's excellence in maintaining its on-time performance:

<https://www.youtube.com/watch?v=elAsti3HdMw&list=PLqntOQSw4dArGcPkZa42ua0CtTGknUqQ4&index=4>

¹³¹ All information in this paragraph relies on IR, *op. cit.*

¹³² All information in this paragraph was obtained from IR, *op. cit.*

Lastly, like other airlines in this study, Garuda Indonesia also makes use of social media for **recruitment**¹³³ and **employer branding** purposes¹³⁴, as well as to inform its stakeholders about its *CSR activities*.¹³⁵ In addition to that, Garuda has partnered with the world's largest traveling platform, TripAdvisor, to enhance the **customer loyalty**. By writing reviews about recent travel experience at TripAdvisor, the customers can get up to 1500 extra loyalty miles. In early 2015, Garuda Indonesia even has launched a new travel community platform "Garuda SocialMiles", which is dedicated to travelers and customers to share travel-related information and inspirations in forms of pictures, articles and videos. The users of the platform will get special points for each information they share at the platform. The points can then be converted with loyalty miles and exchanged with various special offers from the airlines.¹³⁶

At the time of the interview in 2014, Garuda Indonesia informed that neither they use social media for communication nor collaboration purposes internally. Garuda Indonesia was not aware as well that other airlines utilize certain social media platforms or even developed their own social media platforms for internal communication purposes.¹³⁷

American Airlines' Social Media Objectives

American Airlines shared that it takes social media very seriously and it emphasizes the importance of setting clear objectives what they want to achieve on social media. Therefore, they had set two clear social media objectives at the very beginning: (1) To understand and target each social media channel according to its strengths and the audiences' behavior on it, as this would enable the strategies **to bring value to both the airline and its customers**; and (2) **to inspire people to travel more on American Airlines**.¹³⁸

¹³³ See Garuda Indonesia's Twitter channel, @recruitmentGA, that is dedicated for staff recruitment only: <https://twitter.com/recruitmentGA>

¹³⁴ See a video of Garuda Indonesia Training Center (GITC) on YouTube: <https://www.youtube.com/watch?v=H-w6OybwNJs&list=PLqntOQSw4dArGcPkZa42ua0CtTGknUqQ4&index=3>

¹³⁵ For example, see Garuda Indonesia's videos on YouTube that showcase the airline's social activities 'Bring People Together' program (<https://www.youtube.com/playlist?list=PLqntOQSw4dAr0LYfwNCHGdWJxkev23jzZ>) and Garuda Indonesia's posting related to its Community Development Program on the airline's LinkedIn page: <https://www.linkedin.com/company/37539/comments?topic=5945449990376677376&type=U&scope=37539&styp=C&a=AL1f&goback=>

¹³⁶ See www.garudasocialmiles.com

¹³⁷ The information was obtained from IR, *Op. cit.*

¹³⁸ All information in this paragraph relies on Pierce (2012b) from American Airlines.

Besides that, American Airlines has realized since the beginning that its first and foremost priority on social media has to be **providing excellent social customer service**. Only when American Airlines is already competent in social customer service, then it can use this competency as a foundation to use social media for other purposes, such as for **marketing and social customer engagement**.¹³⁹ Social customer engagement is much more than marketing; It is engaging with American Airlines' communities in general, which include their customers and employees (BM, Personal communication). American Airlines also aims to identify, to communicate and to develop relationship with key influencers and brand advocates on social media. American Airlines believes that when it has managed to build a good relationship with them, it can then get their support and leverage their influences for American Airlines' benefits.¹⁴⁰

American Airlines has attempted **to drive customer loyalty** through its social media initiatives as well. According to Pal (2012a), American Airlines' Mystery Miles contest in 2011, which invited people to "like" their Facebook page, resulted in an increase from 100 to 100,000 miles for the AAdvantage loyalty program. Pal reported that, "While the first two weeks since the inception of the Facebook Page had seen fans grow to more than 2000 in number, this campaign saw fan numbers gallop to over the 200,000 mark in just over 50 hours!"¹⁴¹

American Airlines' social media team is also proud that they can help the company **to manage a lot of issues and crisis more effectively** through social media. For example, when the most destructive Hurricane Sandy stroked the United States in 2012, American Airlines' responses to abundant of inquiries from their customers on its Twitter channel was judged by Socialbakers as the best one (American Airlines, 2013b).

Besides the social media team, American Airlines' Human Resources department also attempts to gain some benefits from social media, by using the company's official account on LinkedIn **to make people aware of the current job vacancies** offered by the airlines and of recent updates about the airlines.¹⁴² Some other social media channels are also used for **employer branding purposes**, for example to honor 80 years of flight

¹³⁹ All information in this paragraph relies on SS of American Airlines (Personal communication).

¹⁴⁰ *Ibid.*

¹⁴¹ All information in this paragraph relies on Pal (2012a).

¹⁴² The information was obtained from SS of American Airlines (Personal communication).

attendants' progress and innovation, American Airlines published some videos related to the topic on its YouTube channel and Pinterest board.¹⁴³

In 2012, American Airlines reported that they had not used social media for **internal communication purposes** yet but they planned to develop an internal social media platform soon. To realize the plan, they worked with an external vendor. Finally in 2013, American Airlines launched this new internal social media platform, on which its employees can write blogs, comment on and like features, as well as look at other employee profiles.¹⁴⁴ The platform is a communication and coordination channel between the employees and the management, and among the employees. The channel is also used frequently as a knowledge-sharing platform among the employees and as a channel to coordinate man things.¹⁴⁵

An additional social media objective had been set in 2014. In 2014, American Airlines focused on sharing employee-related content on their social media channels, in order to **make their employees 'the heroes' and to highlight the incredible work the American Airlines' team members do around the world** (BM, Personal communication).

Based on the empirical findings about the kinds of objectives that the airlines are targeting on social media, it can be concluded that generally the airlines understand how they can add values to the business and the customers through conducting social media activities. Providing customer service appears to be the airlines' main goal on social media, which is not unexpected as the core business of airlines is providing services to passengers. Interestingly, only KLM (Prospector) and Garuda Indonesia (Defender) which clearly state that they aim to generate revenue on social media, although American Airlines and Emirates also use social media for marketing-related purposes. Moreover, the empirical findings reveal that social media can also be used as a communication channel to manage corporate reputation, issues and crises. Nevertheless, there are still some areas that they are still not exploring through their social media activities, which could be good opportunities for them, e.g. to co-create products and to improve intra- or inter-organizational collaboration and communication, as suggested by McKinsey Global Institute's study discussed earlier.

¹⁴³ See American Airlines' Pinterest board titled 'The Faces of the new American': <http://www.pinterest.com/americanair/the-faces-of-the-new-american/>

¹⁴⁴ Scott, *op. cit.*, 2013.

¹⁴⁵ Scott, *op. cit.*, 2012.

4.1.3 Growth Patterns on Social Media

Based on Miles and Snow's theory, it is assumed that each strategy type also has its own growth pattern on social media. It is presumed that Prospectors' (KLM and Emirates) growth primarily results from *continuous expansion to or exploration of new markets on social media*, and *continuous development of new social products and services*. On a contrary, a Defender (Garuda Indonesia) may expand its existence on social media by penetrating deeper into its current markets and service on social media, making a simple extension of its current social product/service line, or expanding into a closely related market. Whereas an Analyzer's (American Airlines) growth on social media may occur both through market penetration and development of social media-related products, services and markets. It is assumed that when a portion of Analyzer's domain is already reasonably stable, Analyzer will imitate the best of social products or services that Prospectors have developed. The Analyzer's version of a social product or service may arrive on social media shortly after the Prospectors have introduced it. So, while Prospector is a creator of change or an innovator on social media, Analyzer is assumed to be an *"avid follower of change."*

4.1.3.1 Empirical Findings: The Airlines' Growth Patterns on Social Media

On social media, the four airlines share some similarities and differences in the ways they expand their existence there. Generally, all airlines in this study realize that to succeed on social media, they must provide excellent customer service.¹⁴⁶ KLM and American Airlines even emphasize that stellar and solid customer service should be achieved first before conducting campaigns and other commercial activities on social media.¹⁴⁷ Therefore, all airlines in this study expand their existence on social media by extending their customer service in some aspects.

The airlines' most obvious strategy to grow their service on social media can be seen from the extension of their operational service hours on social media. All airlines aim to provide 24/7 social customer service. However, only KLM, American Airlines, and Garuda Indonesia which can achieve that by the time this research was conducted. KLM was the

¹⁴⁶ This information relies on SS (Personal communication); IR (Personal communication); JS (Personal communication); Phillips (2003); Haar and Groeneveld (2014).

¹⁴⁷ See Lassalle (2013b) and Haar (2015a) for KLM, and for American Airlines, this information relies on SS (Personal communication).

first airlines which provides 24/7 customer service in 2011 (Haar & Groeneveld, 2014), followed by American Airlines in early 2013 (Phillips, 2013), and by Garuda Indonesia in early 2015.¹⁴⁸ Emirates believes that it will expand its service to 24/7 at some point when they are ready for that.¹⁴⁹

Furthermore, the airlines also broaden their social customer service from Twitter to other social media platforms, in order to reach more users or markets. KLM expands their 24/7 social customer service to Facebook, LinkedIn, and VKontakte (Russian social media), and also to Chinese social media (Sina Weibo, Tencent Weibo, Renren, and WeChat) and Kakao Talk (Korean social media) but not on a 24/7 basis. Emirates has expanded their social customer service to Facebook, and at the time of the interview, they were preparing to expand their social media presence to two Chinese social media platforms (Saydam, Personal communication). Whereas Garuda Indonesia and American Airlines have extended their social customer service to Facebook only.¹⁵⁰

KLM is the only airlines which broadens their service on social media and their everyday communication with social media communities by continuously expanding their range of languages. In 2013, KLM communicated in 7 world languages on social media.¹⁵¹ By mid-2015, KLM has doubled its languages portfolio to 14 languages: Dutch, English, Italian, Spanish, German, Portuguese, Japanese, Norwegian, Russian, French, Chinese, Thai, Turkish and Korean.¹⁵² KLM has even announced that they plan to expand its range of languages in the future to serve better and *more* passengers via social media (KLM, 2014e).

To date, KLM is the only airlines in this study which implements a strategy to integrate their social media services into the line of services of their core business. According to Lassalle (2013b) from KLM, social media are even integrated throughout the whole organization to make their customers' life easier and to help KLM improve the quality of their service. KLM's newest line of service which integrates social media is the "Lost & Found" which was launched in September 2014. With this service, passengers who lost or forgot something in a KLM plane or at the Amsterdam Airport Schiphol can simply contact

¹⁴⁸ Garuda Indonesia has launched its 24/7 customer service in January 2015 together with the launch of its new Twitter channel for customer service @Garuda_Cares. See https://twitter.com/garuda_cares

¹⁴⁹ *Ibid.*

¹⁵⁰ All information in this paragraph relies on the researcher's observation on the above mentioned social media platforms, unless stated otherwise. Moreover, KLM also displays on the heading of its Instagram channel (<https://instagram.com/klm/>) that for service-related questions KLM can be contacted via Facebook, Twitter, LinkedIn or VKontakt.

¹⁵¹ See Lassalle (2013b)

¹⁵² KLM's range of languages on social media is written on the information page of KLM's global Facebook page.

KLM via Facebook or Twitter within 3 days instead of filling out a formal form, and the ‘Lost & Found’ team will quickly search the lost personal belongings (KLM, 2014f).

Besides growing their social customer service, all airlines also expand their existence on social media by extending their presence to more social media platforms, which also demonstrates the airlines’ **expansion to new market domain** on social media. KLM, American Airlines and Emirates are relatively quick in expanding their global social media platforms, whereas Garuda Indonesia is rather slow.¹⁵³ Garuda Indonesia has established its presence in YouTube, Instagram and LinkedIn much later than other airlines. Garuda Indonesia does not expand to Pinterest either unlike the other airlines. KLM’s continuous extension in their language portfolio on social media, as well as expansion to some local social media platforms, clearly indicate that their growth strategy on social media is **continually exploring new markets**, which matches this study’s assumption about a typical growth strategy in Prospectors. Although Emirates also aims to explore local markets on social media, they are doing it in a much slower pace than KLM. Lastly, only KLM broadens their social media portfolio by establishing a blog.¹⁵⁴

Unlike the other airlines, Garuda Indonesia seems to aggressively **maintain their prominence within their current market segments only**, especially the UK market. Since 2012, Garuda Indonesia has been running various social media campaigns that are related to their partnership with the Liverpool football club only.¹⁵⁵ Simultaneously, they also expand their markets on social media by joining other global social media platforms, nevertheless, they do it in a much slower pace than the other airlines. This decision resembles the predicted Defenders’ growth pattern on social media.

One growth strategy which is only evident in KLM is **continually developing new social media-related products or social products**, which also matches this study’s assumption about Prospector’s typical growth pattern on social media. As mentioned earlier, KLM is the only airlines with the most social products, ranging from virtual products such as social media games and some social media applications, to a combination of virtual and real product such as the “Stewardess Yourself” application and “Must See Map.”¹⁵⁶ Emirates, on the contrary, does not aim to grow on social media through developing new

¹⁵³ For further information in which year each airline joined which social media channel, please see section II in this chapter.

¹⁵⁴ Further discussion about the airlines’ social media platforms can be found in section II (Solutions to Social Media-Related Engineering Problems) of this chapter.

¹⁵⁵ See Garuda Indonesia (2014b)

¹⁵⁶ KLM’s social products portfolio will be discussed further in chapter 5

social products yet.¹⁵⁷ At the moment, Emirates prefers to explore and expand to new markets on social media, and plans to extend the scope of their social customer service.¹⁵⁸ To date, Garuda Indonesia has only developed one social product, whereas American Airlines has not developed any new social product yet since 2008.

And although maintaining the prominence on social media by **creating new social media campaigns** seems to be many airlines' strategy, KLM is the only airlines which frequently develops many new social media campaigns.¹⁵⁹ KLM argues that their social media campaigns spotlight their remarkable efforts and are “bursts of energy” to prove what they are about.¹⁶⁰ Whereas American Airlines tends to develop their social media campaigns and any other social media-related initiatives *more carefully*, by *adopting new ideas and innovations* created by others on social media, only after it has been proven that they are accepted on social media. So they always do a careful analysis about it before imitating or modifying it, which matches this study's prediction about the growth pattern of Analyzers. American Airlines admits that they do not have a reputation for being innovative and creative in using social media.¹⁶¹ For instance, its ‘GoingforGreat’ campaign which has been running since end of 2014 and is simultaneously a social media campaign as well, is not a purely new idea in the aviation industry either, as Delta Airlines and Pan American had done a similar campaign before (Elliott, 2014). American Airlines seldom launches or publishes something that is innovative, except the AAdvantage-Mystery Miles campaign which was considered as an innovative way to connect with the airlines' loyal members and to garner numerous Facebook fans organically and instantly (Nigam, 2011a).

It is also evident that in the past few years American Airlines has been attempting to maintain the life of some particular content or campaigns on social media, for instance, the following video series on YouTube: Behind the Scene @AmericanAir, American Airlines Broadway Concert Series at the JFK airport, and The New American. American Airlines keeps on producing and publishing videos for these playlists, and promoting them as well on its other social media channels. While maintaining the longevity of those campaigns,

¹⁵⁷ This information relies on JS (Personal communication) from Emirates.

¹⁵⁸ *Ibid.*

¹⁵⁹ See Drimmelen (2012c) for examples of KLM's various social media campaigns, also KLM's YouTube channel. Also based on the researcher's observation on the airlines' social media channels and Shashank Nigam (Personal communication) from SimpliFlying. A list of KLM's and other airlines' social media campaigns can be seen in chapter 5.

¹⁶⁰ See Lassalle (2013b).

¹⁶¹ All information about American Airlines in this paragraph relies on SS (Personal communication) from American Airlines, except stated otherwise.

American Airlines also produces other kinds of social media campaigns and content which only lasted for a short period of time.

To sum up, KLM's growth strategy on social media – *continuous development of products, services, markets, campaigns* – really matches this study's assumption about how the growth pattern of Prospector should be on social media. Although the other Prospector (Emirates) also aims to continuously develop their services, markets and campaigns on social media, they do not expand their prominence on social media by developing new social products at all. Thus, the way they grow on social media as a Prospector is not optimal yet. Whereas Garuda Indonesia's growth strategy on social media – *by penetrating deeper into its current markets, developing a limited line of social product, and expanding into a closely related market* – resembles the predicted growth pattern in a Defender. In regards to the Analyzer (American Airlines), it can be concluded that the way they grow on social media is not optimal yet, especially because they are no longer 'new comer' on social media. As an Analyzer, besides penetrating their current global market, adopting other companies' social media initiatives, and maintaining the longevity of some social media campaigns to achieve stability on social media, they may also need to substantially grow by developing new social media-related services and products, and exploiting new market opportunities. This way, a hybrid domain on social media that is both stable and dynamic can be achieved.

4.1.4 Surveillance Mechanisms on Social Media (Social Media Monitoring)

Based on Miles and Snow's theory about environmental scanning activities (2003, p.21), it is assumed that monitoring the environmental elements on social media that are deemed most critical to an organization is also crucial. Depending on the social media-related product/service-market domain, objectives, and growth strategy that a company has chosen, the company shall decide on the right **scope**, **intensity** and the **resources allocation** of their social media monitoring activities.

In order to be able to find and exploit new product, service and market opportunities on social media continually, it is presumed that **Prospectors** monitor *a wide range of aspects* on social media, such as customers' conversations, competitors' social media activities, current and future trends, issues, and so forth, and tend to have more advanced or to invest more in monitoring activities than other strategy types. In contrary, the **Defender's** scope of social media monitoring is assumed to be *narrow* or *focused on few important factors only* as they direct their product or service on social media only to a limited segment.

Developments outside of their domain on social media, such as other organizations, events, and trends, might be ignored or monitored by a small amount of time and personnel, which cuts down on expensive social media monitoring mechanisms. In regards to the **Analyzer**, it is assumed in order to be a successful follower of change or adopter of the most promising innovations on social media, they must have *extensive social media monitoring mechanisms*. This will make them always poised, ready to quickly imitate the best of the social products, social customer service offerings, markets, campaigns and content developed by Prospectors.

4.1.4.1 Empirical Findings: The Airlines' Social Media Monitoring Mechanisms

KLM shares that their Social Media Hub monitors **a wide range of aspects** on social media on a **24/7 basis** because they believe that *issues* can be enormous in a matter of hours on social media (Haar & Groeneveld, 2014). This implies that KLM monitors *emerging issues or problems* on social media. *The changes of customers' sentiment* about KLM is also monitored at the beginning and at the end of each conversation on social media (Haar, 2013). KLM closely monitors social media to identify *the focus, the sentiment, the countries, and the peak hours* of the numerous messages the get every week on social media, as well as to track their *performance* on social media (Zee, 2014). KLM uses **social media monitoring tools** to identify *what is being said about KLM* on social media and to monitor *any other things that are relevant* to KLM via approximately 1 billion external sources (Meijer, 2014b). Based on the number of users that KLM follows on its Twitter account (57,600 users as of July 2015), it is assumed that *key influencers* on Twitter are monitored too. KLM did not want to disclose if they monitor their competitors' social media activities, and there is no information available concerning this either.¹⁶² Nevertheless, it can still be concluded that how KLM performs social media monitoring resembles this study's assumption about Prospector's way in scanning their social media environment as outlined above (*extensive social media monitoring*).

American Airlines claims that the scope of their social media monitoring is *very extensive* and they use **social media monitoring tools** for that (SS, Personal communication). The social media team continuously spends a lengthy amount of time and personnel on monitoring many things on social media, such as *emerging issues* (Pierce,

¹⁶² KLM's social customer service agent on Twitter refused to give this information.

2012f) *customers' sentiment, customers' behavior, changes, trends, and events in the marketplace or industry* (SS, Personal communication). In addition to that, American Airlines attempts to identify their *key influencers* and *brand advocates* on social media (Phillips, 2013). Their *competitors'* social media activities are also monitored (BM, Personal communication). Based on this, it can be concluded that American Airlines' social media monitoring mechanisms also match this study's assumption about the scope, intensity, and resource allocation of Analyzers' surveillance activities on social media.

Similarly, at **Emirates Airlines**, social media monitoring is performed *extensively* and special **monitoring tools** are used as well. Many things on social media are monitored constantly **on a daily basis**, such as *customers' sentiment, performance of their social media content, competitors' activities and performance, customers' issues, key influencers and trends in the market and industry*.¹⁶³ Thus, Emirates' approach to social media monitoring also matches this study's prediction about Prospectors' way in monitoring their social media environment.

What **Garuda Indonesia** monitors on social media are usually focused on *issues* that are related to customer service and the corporate (IR, Personal communication). Moreover, they also monitor the flow of their *social media campaigns, trending topics* on social media, and plan to monitor their social media communities in order to identify *key influencers* (LiquidThread, Personal communication). However, Garuda Indonesia does not monitor what their competitors do on social media (LiquidThread, Personal communication). This also matches this study's assumption about Defenders' surveillance mechanism on social media which excludes the developments outside of their domain (*intensive, few important factors*). This decision could cut down Garuda Indonesia's social media expenses because every time a company adds a topic for monitoring and analysis, its costs increase as the data and insights derived from it need to be analyzed, even if the company analyzes it itself (Boudreaux, 2011a, p.30). Moreover, at the time of the interview, Garuda Indonesia assigned an external social media agency to perform regular monitoring activities on various social media channels instead of allocating their own time and personnel to do it. This is because the agency already has the required social media monitoring software and the competency to do it. By not purchasing expensive monitoring software and not conducting extensive monitoring, Garuda Indonesia saved time and money, avoided making any mistake in monitoring as this is an important activity for Garuda Indonesia, but still obtained the

¹⁶³ All information in this paragraph relies on JS (Personal communication) from Emirates.

information that they were looking for. But at the time of the interview, Garuda Indonesia shared that they also plan to equip their Call Center with a social media monitoring tool in the near future, which indicates that the social media monitoring activities will be conducted in-house as well soon.

To sum up, the airlines' surveillance mechanisms on social media match this study's assumption about how their social media monitoring activities should be for each strategy type. Social media monitoring is performed extensively in Prospectors (KLM and Emirates) and Analyzer (American Airlines), and rather intensively in Defender (Garuda Indonesia).

4.2 Solutions to Social Media-Related Engineering Problems (Configuration of Social Media-Related Technologies)

Adapting Miles and Snow's theory into the organizational use of social media context, it is assumed that in the engineering cycle, organizations are challenged to choose appropriate social media platforms and supporting social media-related software or tools to serve their chosen product and/or service and market domain on social media, and to facilitate their social media activities. Afterwards, they may have to create the right technological processes for serving their chosen domain on social media to make sure that the operation of their social media platforms and supporting social media tools runs properly.

To support their continuous development of new social products and services, and exploration of new market opportunities on social media, it is assumed that **Prospectors** (KLM and Emirates) harness *multiple social media channels* and *multiple social media-related technologies*. The goal of their social media-related technological processes is likely to be *technological flexibility*, for example through employing a large number of individuals (*people-intensive approach*) who possess a variety of skills and are able to judge which skills to apply in a certain situation. Prospectors are likely to assure that the people, resources, and social media-related tools required to develop new services and products on social media are available and accessible.¹⁶⁴

In contrast, it is assumed that the main goal of a **Defender's** (Garuda Indonesia) technological processes on social media is to produce and deliver their service and/or product or to serve their market there *as efficiently as possible* (e.g. by keeping costs under control¹⁶⁵) and *to minimize variability and uncertainty (technological stability)*. Thus, they rely heavily on *a single or few social media platforms and supporting social media-related technology*. This technological stability is made possible by their relatively limited and stable product/service-market domain on social media. Moreover, perhaps the Defender will also attempt to implement *standardization* or *vertical integration*¹⁶⁶ as much as possible in their social media-related technological processes to achieve efficiency and protect technological stability.

¹⁶⁴ Based on Conant, Mokwa, and Varadarajan's (1991, p.381) operationalization of Miles and Snow's technological goal for Prospectors.

¹⁶⁵ Based on Conant et al.'s (1991, p.381) operationalization of Miles and Snow's technological goal for Defenders.

¹⁶⁶ Vertical integration means combining all or most stages of production or service delivery into a single technological system (Miles and Snow, 2003, p.40).

In regards to the **Analyzer** (American Airlines), it is presumably that their technological solutions for social media should enable them to achieve and protect *a balance between technological flexibility* (to selectively generate new services or products or enter new markets) *and efficiency* (to keep costs under control).¹⁶⁷ They are likely to use *dual technological solutions* (a mixture between Defender's and Prospector's solutions).

This chapter begins with a literature review about the importance of and challenges in choosing appropriate social media platforms and supporting social media tools. Afterwards, it will be reported which social media platforms and supporting social media tools or software that airlines companies use, and their rationale for choosing them, as well as which technological process they have implemented. Lastly, it will be evaluated if their technological solutions for social media match the assumptions how they should be for the strategy type that they pursue, as outlined before.

4.2.1 The Importance of and Challenges in Choosing Appropriate Social Media Platforms

There are numerous social media channels which organizations can utilize, which is good in one side, but in other side, it could be challenging for organizations to choose the right ones for them. At the time of writing, there were 113 global social media channels available (Solis, 2013ab).¹⁶⁸ There are also a large number of country-specific or regional social media channels such as the social microblogging site 'Sina Weibo' in China and 'VKontakte' the Russian version of Facebook (Solis, 2009a). Studies showed that social networking sites like Facebook are the most used or popular social media channel by many companies (Harvard Business Review Analytic Service, 2010, p.6). The average organization is utilizing three different social media platforms and the most common combinations are social networking sites, blogs, and either multimedia sharing sites like YouTube, or microblogs (Harvard Business Review Analytic Service, 2010, p.7).

Furthermore, social media continue to change in a rapid pace, in a sense that some channels which once were popular had now disappeared or have merged with other channels, whilst new channels keep on emerging offering different attractive features for companies (Solis, 2009b). Existing social media channels also continuously revamping themselves in

¹⁶⁷ Based on Conant et al.'s (1991, p.381) operationalization of Miles and Snow's technological goal for Analyzer.

¹⁶⁸ The emerging social media landscape has been well documented by Brian Solis and Jesse Thomas since 2008. To date they had created four global social media maps which they called "the Conversation Prism" based on their continuous observation and study of the social media landscape.

order to keep up with the dynamics of the social media sphere. Facebook, for instance, has been continuously changing and improving itself since the platform was launched.

According to a study conducted by McKinsey & Companies in Germany, companies can gain a sustained impact from their social media use if they select the right social media platforms and its related applications which reflect the overall goal of a company's social media activities (Mattern et al., 2012, p.21). For instance, if a company aims to disseminate promotional videos and change its brand image, a video-sharing platform may be suitable for that; but if a company intends to utilize social media for open innovation, then it typically require more sophisticated interfaces (Mattern et al., 2012, p.21).

To succeed on social media, it is important to understand the media, but as it changes rapidly just like any other technologies, companies should concentrate more on the relationships than the technologies themselves (Li & Bernoff, 2008, p.18). In social media landscape, the thing that determines how the power shifts is the way people connect with each other through the community that is created (Li & Bernoff, 2008, p.18). Thus, companies should first get a comprehensive understanding of the way people connect with each other in social media before choosing the right one for them. To do that, companies can group social media according to (1) how some particular social media work, (2) how many people use them or the participation they create, (3) how they form part of the social media landscape or how they enable relationships, (4) how they can threaten organizations and (5) how to use them or what organizations can do about them (Li & Bernoff, 2008, p.18-19).

In choosing a new social media technology, Li and Bernoff (2008, p.36-37) also suggested companies to ask themselves if (1) the technology enables people to connect with each other in new ways, such as more interesting, more varied or more frequent. Besides that, (2) companies should also make sure that it is effortless to sign up for that particular social media, and (3) if the social media alter power from organizations to people, which means the technologies should benefit people not companies such as Twitter and Facebook which enables people to connect without corporate supervision. Lastly, companies should also check (4) if the community of the social media generates enough content to sustain itself, and (5) if the social media is an open platform that attracts partnerships such as Facebook which allows external developers to create new applications or functionalities which can be integrated into Facebook's interfaces.

Another way for businesses to choose the right social media for them is offered by Solis and Thomas (Solis, 2013a). *The Conversation Prism 4*, an updated list of global social media channels, was created in 2013 by them to help companies select the right social media

channels by looking at (1) the main functions offered by the media, for example social networks or social commerce, (2) the opportunities to listen, learn or adapt which businesses can get on social media, and (3) which department or functional in a company is responsible to run social media activities. In that list, several departments, such as Communications, Marketing, and Service, are provided with suggestions of several social media channels they can utilize.

4.2.2 The Importance of and Challenges in Choosing Appropriate Supporting Social Media Tools

MIT Sloan Management Review and Deloitte found in their study in 2013 that organizations which are mature in using social media for business purposes or are already socially networked, share a similar characteristic: High level of use of a variety of social media-related tools and technologies for business, including media, software, data, and technology-based networks (Kiron et al., 2013, p.6).

Besides the large volume of social media channels available, there are also plenty of technology platforms or tools or software available in the market to support social media use in businesses. The two common ones are **social media monitoring and analytics tool**, and **Social Media Management System (SMMS)** (Li & Solis, 2013, Loc.943). Effective users of social media utilize social media analytics tools *to continuously monitor and understand what people are saying about their company, brands, products and/or services on social media*, as reported by a study of Harvard Business Review Analytic Services (2010, p.14). Social media analytics are also “the tools used for measuring, analyzing and interpreting the results of interactions between brands and consumers across digital channels” (Harvard Business Review Analytic Service, 2010, p.15). There are also **customer sentiment analysis tools** which “gather information about the topics and opinions – positive and negative – that appear in conversations on the Web...filter out the noise, identify relevant content and understand trends” (Harvard Business Review Analytic Service, 2010, p.16).

A Social Media Management System (SMMS) is “a software tool that uses business rules and approved employees and partners to manage multiple social media accounts such as Facebook, Twitter, and YouTube. This system contains features such as governance, workflow, intelligence, and integration capabilities across the enterprise” (Owyang, Jones &

Tran, 2012, p.9).¹⁶⁹ So, SMMS is developed in order *to assist organizations whose social media activities get more complex or to scale their social media efforts, and to help them manage, analyze, control and measure their social media activities on various social media accounts* (Owyang et al., 2012, p.9).

There are abundance of vendors offering social media monitoring and analytics tools, and other social media management system. They range from the basic ones with limited functionalities that cost nothing to the expensive ones with much more sophisticated features. They are created by different vendors such as HootSuite, SalesForce, SAS, and Cisco. Some of the tools can be downloaded on the Internet without any cost such as *Facebook Insights, Google Alerts* and *Klout*, but many of them must be purchased directly from the respective vendors who developed it. The tools are varied depend on its functionalities, complexity or simplicity, and price range.

As a consequent of the rapid growth of and the abundant options of social media channels and social media management system, choosing the right technologies which can cater various needs of an organization and can help them obtain their goals has been a challenging task for many companies (Owyang et al., 2012, p.10-12). Not only companies are confused by the oversaturated market of SMMS vendors with similar features, these vendors also *lack of full capabilities to satisfy the needs of enterprises* (Owyang et al., 2012, p.10-12). So many companies are uncertain about which measures and tools they should use (Harvard Business Review Analytic Services, 2010, p.16). Furthermore, organizations in which more functions engage in social media, different teams may purchase different social media applications when this is not well coordinated, which may result in redundant functionality of the applications and costs to the organizations (Boudreaux, 2011, Loc.586).

Many organizations jumped immediately into selecting and implementing many social media channels and purchasing some social media management tools without having a clear strategy, roadmap and alignment with the organization's structure (Li & Solis, 2013, Loc. 943). As a result, organizations may get stuck with the technology platforms that do not meet their needs or their expanded social media team's needs (Li & Solis, 213, Loc. 943). Abandoned social media accounts or uncoordinated efforts in various social media channels also often occur, because the more channels an organization uses, the more efforts are needed to manage it (Owyang et al., 2012, p.6-8).

¹⁶⁹ Social media management systems (SMMS) is a term created by Altimeter Group in 2010 (Owyang et al., 2012, p.9).

To achieve success on social media, companies are suggested *to choose tools or technology platforms which map to their social media strategy* or to what they are trying to accomplish on social media (Li & Solis, 2013, Loc.943). But companies should first have a clear definition of their social media objectives in order to choose the right technology platforms (Owyang et al., 2012, p.20). Moreover, they should *choose tools which are in line with the metrics or how they will measure the success of their social media initiatives, and with what resources they have available in the organization* (Etlinger & Li, 2011, p.8). For example, if a company's key strategic goal is to drive innovation, the company's social media goal maybe to drive contributions from the social media community or to identify the likes and dislikes of the customers through social media, so that the company can later work on the ideas they have got within the organization (Li & Solis, 2013, Loc. 955). Having such a social media goal, the company should choose a monitoring tool which enable the company to measure the "idea resonance," which includes tracking the acceleration and reach of ideas of certain topics over a period of time (Li & Solis, 2013, Loc. 955). Whilst the company which has a goal to generate revenue on social media will need a web analytics platform which has the ability to measure how the companies' social media channels can lead to conversions or sales or drive customer loyalty (Etlinger & Li, 2011, p.13).

In choosing supporting social media tools, there is no "one tool to rule them all" or a single best tool that can cater every social media objective or every business (Etlinger & Li, 2011, p.31; Owyang et al., 2012, p.21). Large companies may end up using *multiple* social media monitoring and measurement tools to get their job done as their social media needs across the organizations are different (Etlinger & Li, 2011, p.31). But it is not the number of tools used is important, but whether they are the right ones for the social media jobs in terms of effectiveness, price, service, support, and results (Etlinger & Li, 2011, p.31). Moreover, "the success of these tools is dependent upon a business-led strategy, defined processes, trained staff, and ability to measure efforts" (Owyang et al., 2012, p.9).

4.2.3 Operational Problems in Deploying Social Media and Its Supporting Tools

Few years ago companies reported that they were still struggling with how to best use different social media channels (Harvard Business Review Analytic Service, 2010, p.3). Besides that, businesses also faced problems due to the utilization of different kinds of social media tools and by different departments such as **inconsistent social media data points** which they have to patch together in order to tie their social media initiatives to their business

objectives (Etlinger & Li, 2011, p.31). This may function in the short term but in the long run it will not work out if the organization aims to scale its social media efforts (Etlinger & Li, 2011, p.31).

Another problem that organizations have to face when using social media platforms and supporting tools is in **integrating data gained from social media into existing technology systems**. A study by Altimeter Group found that companies have difficulties in incorporating or integrating customer data from various social media platforms and social interactions into their existing business systems like Customer Relationship Management (CRM), support software, marketing automation and email marketing (Owyang, Jones, Tran & Nguyen, 2011, p.19). Most companies in the study do not have a process in place to conduct this, and even among the social media advanced companies, some of them have yet to formalize this process. This has resulted in fragmented data sources, lack of internal funding and concerns over customer privacy (Owyang et al., 2011, p.19).

Another problem is “*a fragmented or disparate and unwieldy set of immature technologies*” to support social media use in organizations (Owyang et al., 2011, p.19). Altimeter Group’s study also discovered that many social media software and services do not interoperate with each other. Because of this, advanced companies who invest on social technologies have to spend a lot of money every year for custom technology development, and only few companies have standardized social media-related internal tools, such as monitoring, analytics, or community platforms (Owyang et al., 2011, p.19).

Companies which use customer sentiment analysis tools are usually **concerned with the accuracy of the findings** from these tools due to linguistic nuances, different context, or cultural factors in customers’ conversations on social media (Harvard Business Review Analytic Services, 2010, p.16).

After choosing and deploying the right social media channels and other supporting tools, Li and Solis (2013, Loc. 955) argue that organizations also have to evolve their technology platforms as their social media needs and the complexity of their social media activities change.

4.2.4 Empirical Findings: Airlines' Configuration of Social Media-Related Technologies

The airlines in this study started their journey on social media on different social media platform and in different year. The following table shows social media platforms that are currently used by the four airlines studied in this research, and when they first used it:

Table 6: Social Media Platforms Utilized by Airlines
(Own development)

Social Media Platforms	KLM	Emirates	Garuda Indonesia	American Airlines
Twitter	√ Since 2009	√ Since 2012	√ Since 2009	√ Since 2009
Facebook	√ Since 2010	√ Since 2012	√ Since 2012	√ Since 2007
YouTube	√ Since 2009	√ Since 2012	√ Since 2013	√ Since 2006
Google+	√ Since 2012	√ Since 2012	√ Since 2013	√ Since 2011
Pinterest	√ Since 2013	-	-	√ Since 2013
Instagram	√ Since 2011	√ Since 2013	√ Since 2014	√ Since 2011
LinkedIn	√ Since 2013	√ Since 2013	√ Since 2014	√ Since 2013
Foursquare*	√	-	-	√
Blog	√ Since 2009	-	-	-
Internal social media platform	√*	-	-	√ Since 2012
Others	Chinese, Russian and Korean social media	Chinese social media	Garuda Social Miles (Since 2015)	-

* = Data is unavailable concerning when these social media platforms were first used by the airlines

KLM Royal Dutch Airlines

As seen from the table above, **KLM is present in the most social media platforms** than the three other airlines. To be able to provide responsive service on social media, Haar and Groeneveld (2014), both are KLM's Social Media Hub Manager, inform that KLM is being very critical in choosing social media platforms to communicate with customers. The principle that they hold is **to be where the customers are** (Haar, 2015).

Besides being present in popular **global social media platforms** such as Facebook, Twitter, YouTube, LinkedIn, Pinterest, Instagram, and Google+, KLM is also harnessing popular **local social networks**¹⁷⁰ such as the Chinese *Sina Weibo*, *Tencent Weibo*, *Renren*,

¹⁷⁰ See KLM (2012f, 2014h),

and *WeChat*; a Russian social network *Vkontakte*¹⁷¹; and a Korean one-to-few platform *Kakao Talk*.¹⁷² KLM argues that these Chinese social media platforms are chosen because KLM serves eight different routes to China, which means that KLM has the largest network between Greater China and Europe (KLM, 2012g). The rationale for choosing *Vkontakte* is because many Russians are really into social media, so KLM believes that their Russian customers should be provided with extra service on their own social media platform (KLM, 2013b). In regards to *Kakao Talk*, “more and more customers want service assistance on one-to-few networks, *Kakao Talk* represents a valuable addition to KLM’s one-to-many platforms like Facebook and Twitter” (KLM, 2015b).

In addition to those global and local social media platforms, KLM also utilizes a corporate blog to share stories about (1) behind the scenes at KLM, such as their campaigns, events, history, and other interesting stories, (2) travel, such as travelers’ destination tips and travel experiences, stories of ‘magical destinations, (3) lifestyle, especially about music and sports, and (4) life of the people at KLM or its staff. Moreover, KLM also treats its blog as a platform where people can find numerous information about their products and services. In the blog, one can also see that those who post stories in it, or the bloggers, are KLM’s own employees from various divisions.¹⁷³

Regarding its presence on Facebook and Twitter, KLM has decided to **maintain many country-specific Facebook pages and Twitter channels**, such as KLM Germany, KLM Brasil, KLM Thailand, and so forth. In addition to that, KLM also maintains separate Twitter channels for promoting its best fares (@KLMfares), and for corporate-related news (@KLM_press). Another regional social media account which KLM once had was *Hypes*, a small social networking site in Netherlands which is now has become a gaming platform since 2013. By 2015, KLM has around 50 local Facebook pages (Haar, 2015a).

It is also found in this study that only KLM and American Airlines integrate social media into their corporate newsroom. American Airlines and KLM list all social media channels they are present in and showcase its Tweets, Facebook posts, and YouTube videos in the newsroom. In addition to that, only American Airlines and KLM as well who really take advantage of the location-based service platform, *Foursquare* (Pal, 2011a). KLM’s campaigns in this platform, the KLM Surprise, was considered as one of the top ten in 2011 (Pal, 2011a).

¹⁷¹ See KLM (2013b).

¹⁷² See KLM (2015c)

¹⁷³ See KLM’s blog: <https://blog.klm.com/>

Several service processes have been created by KLM in order to integrate their social media platforms into their day-to-day operations, and to gain a competitive edge by meeting customer needs in new ways (Kane et al., 2014, p.15). For instance, KLM has allowed their customers to contact them via Facebook and Twitter instead of via call centers to book upgrades. Customers can now request and pay for upgrades via these sites and receive a new boarding pass within minutes (Kane et al., 2014, p.15). KLM also utilizes social media to improve their lost-and-found service. When passengers lost their belonging on a KLM's plane or at the Amsterdam Schiphol airport, now they can report within 3 days through Facebook and Twitter instead of undertaking the formal procedures, then KLM's cabin crew on board or airport staff will search the item in the plane, lounges and boarding areas (KLM, 2014i).

Social Media-Related Tools. As the number one brand in social media, KLM advises other companies to make sure that they have the right tools in place (Haar, 2013). KLM has made a big investment in social media tools (Zee, 2014). Through **listening tools, advanced analytics tools** and **heat maps**, KLM tracks and analyzes around 30,000 to 50,000 messages they get every week on social media, then engage with passengers about those issues (Zee, 2014; Kane et al., 2014, p.12). KLM's van der Zee shares the advantages of deploying these tools:

...we know exactly what the focus is, what the sentiment is, which countries, peak hours. We really have a good view on what is being said about our company and what is working well and what is not working well. And we are extreme in that. We know everything. (Zee, 2014)

According to Drimmelen (2012b), as KLM has a large number of members in its Social Media Hub (150 staff), they use **Salesforce** and **Radian6** in order to *share a broad internal network and stay connected between each other*. These tools are powerful as they can *give valuable insights and direct customer relationship management (CRM) access* in the 'cloud' (Drimmelen, 2012b). KLM uses these CRM tools to *manage its social customer care* as well. As soon as a customer contacts KLM through social media platforms, KLM will create a personal account in their CRM system, where all of the conversations, previous conversations, flight numbers, future trips, and so forth, are attached in it (Haar, 2013). These customers' profiles are built in the CRM because KLM aims to enrich these profiles with as much data as it can, so that a more effective conversation with its customers can be achieved (Haar, 2013).

Van der Zee (2014) shared that KLM also uses an **Application Programming Interfaces**¹⁷⁴ (APIs) from Facebook, Twitter and VKontakte, a Russian social media, in order to connect all messages that they receive from their own customer on these three channels to KLM's ticketing, customer and customer complaints databases. This connection enables KLM's social customer service staff to see *everything* on their screen and pushes their internal systems to be *real-time*. As a result, **KLM is able to respond within maximum one hour** to the inquiries they get on those three social media platforms. Of course Zee admitted that KLM's excellent responsiveness on social media is not merely supported by this application, but there are a large number of KLM's social media staff around the globe who are working on that.¹⁷⁵

In 2014, van der Zee shared that KLM was still working on **tech content** to stack all of KLM social media activities and to follow their customers in the whole process. KLM wants to be able to connect voluminous social media data that they get and analyze every week with their customer API. This connection will result in a kind of 360-degree customer view, so that *KLM will be able to steer whatever they do towards their customers in an analytical way*. For instance, when customers send KLM a tweet asking if they can get their favorite seat, not only KLM can get their seat, but KLM can also check them in and can suggest all kinds of upgrades based on their behavior on social media.¹⁷⁶

Besides assisting KLM in operating across geographies, van der Zee acknowledged social tools have also introduced new challenges to KLM. In 2014, KLM still cannot connect its APIs with Google+ although they have been having continuous discussions with Google to make it happen. As a result, it is not possible to integrate the fans' posts at Google+ into KLM's databases. Therefore, KLM has decided to not utilize Google+ fully yet. KLM wrote on its Google+ account: "We are not yet equipped to offer full service on Google+. You can, however, get in touch with us 24/7 on Facebook and Twitter, as well as by phone. See our contact details per country".¹⁷⁷ Another challenge faced by KLM is to connect with China, which is a quite big country for KLM. Although China is one of the most social savvy countries in the world, China does not allow Facebook and Twitter to enter the country. That

¹⁷⁴ API is a computer programming which "specifies how some software components should interact with each other." See https://en.wikipedia.org/wiki/Application_programming_interface

¹⁷⁵ All information in this paragraph relies on KLM's Martijn van der Zee (2014).

¹⁷⁶ *Ibid.*

¹⁷⁷ See KLM's official Google+ account: <https://plus.google.com/+KLM/about>

has really caused problems to KLM, because China is totally not connected to the rest of KLM's social media infrastructure.¹⁷⁸

Another technological solution that KLM has developed for social media is '**Social Payment.**' KLM is the first airline in the world to have developed a payment platform that enables their customers to pay their booking via Twitter and Facebook. The system has been launched in early 2014 and works like this: Customers who use Facebook or Twitter to book or rebook a flight, make a seat reservation or to arrange extra baggage, can pay through these channels. KLM will send them a private message on their Facebook or Twitter account with a link to select their preferred method of payment and to complete the transaction. When the booking has been paid, the social media service agent at KLM will receive a notification and the customer will receive a confirmation of the payment.¹⁷⁹ As KLM (2014d) noted:

Customers are already able to arrange extra services through social media, but until now payment has taken place over the telephone. Customers have regularly indicated that they would like to pay online through our social media channels. With this new method, contact with the customer takes place exclusively through the social media channel they have used. This enables KLM to provide an even better, more convenient service. (KLM, 2014d)

Based on the empirical findings above about KLM's technological solutions for their social media activities, it can be concluded that they match the assumed ideal solutions for the Prospector type. KLM is present not only in *multiple* global social media platforms, but also in local social media channels; has several Twitter channels and Facebook pages that are dedicated to specific countries; and deploys some high-end social media-related tools. Moreover, KLM has also formed *new* and *flexible* technological processes to support their operations on social media, and embraces a *people-intensive approach* which enables them to achieve maximum flexibility in their social media operations.

Emirates

JS from Emirates Airline shares that his team agrees on the importance of choosing the right social media channels to engage with their customers. He even admits that they are **very selective in choosing the right channels** for them. They always want to make sure that before they launch a channel, there is already a solid strategy behind it and a maturity plan

¹⁷⁸ All information in this paragraph relies on Zee (2014).

¹⁷⁹ All information in this paragraph relies on KLM (2014d)

that supports the channel. Emirates does not want to launch a channel just for the sake of launching it and being present in many social media channels. Therefore, the way they decided which social media channels to use was based on their solid and proven methodology that is defined as their *Social Media Maturity* road map. As part of this road map, they first looked at all the conversations happening about their brand and where or on which social media platforms these conversations were taking place first.¹⁸⁰

Their early investigation gave them a clear answer that *Facebook* was the right platform to start their social media engagement. Emirates' first social media presence was marked by the launching of their new brand platform on Facebook called "Hello Tomorrow" in April 2012.¹⁸¹ The purpose of the launch was to meet the needs of *Globalistas*, as well as to mark Emirates' evolution from a travel brand to an inclusive global lifestyle brand (Emirates, 2013b).

Apart from establishing their fan page on Facebook, Emirates refurbished their presence on YouTube as well. Now Emirates is focusing its social media activities on *Facebook, Twitter, YouTube, Google+, LinkedIn, and Instagram*. In all of these platforms, Emirates positions itself using the same brand platform 'Hello Tomorrow.'

Unlike other airlines in this study, Emirates was the last which launched an account on Twitter, in early 2014. They argued that this decision was related to their selective approach that they do not want to launch a channel before a solid strategy and maturity plan that support the channel are already formulated as discussed earlier. And despite being late in entering Twitter, they managed to launch not one but two Twitter channels at a time: @emirates and @emiratesSupport. The first one is the airlines' official Twitter channel, and the latter is the airlines' official customer service Twitter channel.

At the time of the interview, Emirates shared that they were preparing the launch of their 6th and 7th social media channels to serve the China market.¹⁸²

Emirates Airlines **employs a variety of supporting social media tools** to manage their social media activities as well. Most of the tools they use are related to *efficiency and measurement*, for instance, **Sysomos** for listening and social media monitoring, moderation, data analytics, and analyzing the competitors' activities on social media. To measure their social media performance, Emirates employs a tool from *Socialbakers* and a marketing platform which they purchased.

¹⁸⁰ All information in this paragraph relies on JS (Personal communication) from Emirates.

¹⁸¹ See Emirates (2013b) and Emirates' official Facebook account: <https://www.facebook.com/Emirates>

¹⁸² See <http://www.weibo.com/emirates>

Moreover, almost all the tools they have at the moment are *for managing, scheduling and publishing their social media content*. They once used *BuddyMedia* for it, but not anymore now. Although they use tools to manage, schedule and publish their social media content, Emirates does not do automated content scheduling. They use the marketing platform to push out their content, to create quick application and quick campaign. So everything that they do related to content is being pushed out by their social media team which consists of four staff. So, on Twitter and on Facebook, there is no machine that is doing it for them. Everything is hand written and goes to the approval system. Images which have been selected also go to the approval system. When they have agreed on timing, then they push the content out. JS thought that an automated system of social media content which many airlines use has their advantages, that one does not have to sit and do everything. But Emirates Airlines really focuses on the quality, and the quality really comes from really thinking about it and not letting any computer doing it for them.¹⁸³

Based on the empirical findings above about Emirates' technological solutions for their social media activities, it can be concluded that Emirates' solutions are *nearly* ideal or nearly match the assumed ideal solutions for the Prospector type. Although Emirates is already present on *multiple* top global social media platforms, Emirates is still in the early phase concerning exploring new markets other than the global ones. Their presence on local social media platforms is still very minimum, and they do not maintain any separate country-specific Facebook pages nor Twitter channels either. Nevertheless, they understand that they have to expand to more social media channels, and have deployed various social media-related tools to manage their various social media initiatives. And unlike KLM, Emirates is not implementing the people-intensive approach yet to maximize their flexibility in operating all their social media channels and social media-related tools. This human resources constraint has made them more selective than KLM in choosing social media channels.

Garuda Indonesia

In deciding which social media channels to tap into, IR from Garuda Indonesia (Personal communication) reported that they did not have a particular strategy in choosing the social media platforms, but **they just chose the mainstream social media in Indonesia.**

¹⁸³ All information in this paragraph relies on JS (Personal communication).

Garuda Indonesia started their social media presence with two official Twitter accounts in 2009. The @IndonesiaGaruda account is mainly for customer service purposes and also to grab, to manage and to respond to issues that are being talked on social media.¹⁸⁴ Whilst the other one, @Garuda_Promo, is for promotional purposes and selling discounted tickets.¹⁸⁵ According to IR, the airlines' Twitter accounts are now functioning more like a call center as well.

Over the course of its social media activities, Garuda Indonesia has added some more Twitter accounts. Garuda Indonesia's recruitment team has added an own account, @recruitmentGA, for recruitment purposes.¹⁸⁶ In 15th January 2015, Garuda Indonesia has launched another Twitter account, @Garuda_Cares, for its 24/7 social customer service.¹⁸⁷ According to Bysani (2013) of Unmetric consultancy, Twitter seems to be a favourable platform for customer service purposes for South East Asia airlines. Garuda's public relations team has opened a separate Twitter account as well, @GarudaPR, for disseminating corporate-related news.¹⁸⁸ In addition to that, there are also separate Twitter accounts for several provinces in Indonesia, and for three countries, the UK, Netherlands and Australia.¹⁸⁹ However, some of the province-specific Twitter channels are inactive.¹⁹⁰

Just like other airlines, Garuda Indonesia also maintains an official global fanpage on *Facebook* to engage with its customers and fans. Garuda Indonesia's global Facebook fanpage is one of the fastest growing airlines Facebook pages in Indonesia (Socialbakers, 2014b). Garuda Indonesia used to target several countries separately, such as UK, Thailand, and Korea, by having a dedicated Facebook page for each of the country. Garuda has decided to deactivate those separate country-specific Facebook pages and to focus on its global Facebook fanpage only. According to Bysani (2013) of Unmetric consultancy, most South East Asia airlines, including Garuda Indonesia, use Facebook primarily for brand awareness purposes and a channel to promotes its new services and offers. Their original use of Facebook was not intended for social customer support purposes. But now this has changed. Garuda Indonesia will also respond to customer service-related questions on Facebook.

¹⁸⁴ See Garuda Indonesia's official Twitter accounts: <https://twitter.com/indonesiagaruda>

¹⁸⁵ See https://twitter.com/garuda_promo

¹⁸⁶ See <https://twitter.com/recruitmentga>

¹⁸⁷ See https://twitter.com/Garuda_Cares

¹⁸⁸ See <https://twitter.com/GarudaPR>

¹⁸⁹ See https://twitter.com/garuda_uk ; <https://twitter.com/GarudaAustralia> ; and

https://twitter.com/Garuda_NL

¹⁹⁰ See for example <https://twitter.com/GARUDApalembang> ; <https://twitter.com/GAPromoMedan>

In addition to that, Garuda is also present in YouTube, Google+, Instagram and LinkedIn. However, Garuda Indonesia entered all those platforms much later than other airlines, even than Emirates which is a newcomer on social media. Unlike other airlines in this study, Garuda Indonesia does not use *LinkedIn* for recruitment and employer branding purposes, but only to inform its stakeholders about the corporate-related news and the airlines' achievements.¹⁹¹

Furthermore, although Garuda Indonesia already launched their YouTube channel in mid-2012, they have started to be active on it a year after that.¹⁹² This shows that Garuda Indonesia neither has a clear content strategy before deciding which social media platforms to use nor enough human resources to maintain the regional channels. Or it could be a deliberate decision to maintain a narrow or focused stable domain on social media.

Social Media-Related Tools. In terms of supporting social media tools, Garuda Indonesia uses ***Brandtology***, an online brand intelligence and monitoring tool, in order *to listen to the online conversations related to their brand* on various social media platforms. With this tool, Garuda Indonesia can also *capture any corporate-related issues that need immediate management*. Besides that, they also utilize another social media monitoring and measurement software called ***MediaWave***, which is custom made for Indonesian market and language only. For its Twitter account, Garuda Indonesia does not use any tool yet to send all its Tweets; but it uses its own customer care people (Shankman, 2014). Lastly, Garuda Indonesia has not deployed any technology yet which can integrate the insights they gain from social media into their existing technology systems (LiquidThread, Personal communication).

Based on the empirical findings above about Garuda Indonesia's technological solutions for their social media activities, it can be concluded that Garuda Indonesia's solutions do not match this study's assumption about how the solutions should be for the Defender type. With *multiple* global social media platforms and multiple Twitter channels and Facebook accounts, it would be difficult for Garuda Indonesia to coordinate and control all of them, and to maintain satisfactory engagement rates from time to time in each of the account.

¹⁹¹ See Garuda Indonesia's LinkedIn page: <https://www.linkedin.com/company/garuda-indonesia>

¹⁹² See Garuda Indonesia's official YouTube channel: <https://www.youtube.com/user/GarudaIndonesia1949>

However, their efforts to deactivate some of them demonstrate that they are working towards achieving more efficiency on social media.

Moreover, Garuda Indonesia has not established any technological process to integrate the information they gain from social media monitoring and analytics with their existing customer-related databases. Thus, it would be difficult for them to achieve maximum technological efficiency and stability in their operation on social media. As Miles and Snow have proven, the design of Defenders' technological system *should minimize variability and uncertainty*.

American Airlines

American Airlines shares that they do not want to rely their social media engagements on one or two social media platforms only, and it seeks to experiment with different social media platforms that are currently popular.¹⁹³ Moreover, Phillips (2013) of American Airlines argued that they cannot dictate their customers in which social media they should be. It was their customers who demanded American Airlines to be available in the social media channels in which they want to communicate with them. Thus, American Airlines has to be wherever the customers are, where the conversations about the airlines are happening, and where the customers want to talk to them. Phillips argued further that if American Airlines is not part of the conversations in a particular channel, like it or not the community will still talk about the airlines. Thus, it is much better to be there where the customers are to join the conversation and to turn any negative sentiment into positive.

According to Pierce (2013b), Director of Social Communications at American Airlines, they view social media channels as “a portfolio of different channels rather than just lumping everything together as social media, having a strategy duplicated for each.” Therefore, American Airlines has a strategy for each social media channel.

American Airlines' largest presence on social media is their 24/7 customer service operation on *Twitter* and *Facebook*. On *Twitter*, the airline receives the largest volume of messages, followed by *Facebook*. But American Airlines has not put a process in place yet for converting their interactions with customers on these channels into transactions.¹⁹⁴

Facebook is also used to grow the American Airlines' brand and to share with the communities about what is happening in the business and other stories. On *Facebook*,

¹⁹³ This information relies on SS (Personal communication) from American Airlines.

¹⁹⁴ All information in this paragraph relies on Phillips (2014) from American Airlines.

customers can also share their views and enable the social media team to handle it directly. *LinkedIn* is more a Business-to-Business channel for American Airlines, as well as for recruitment purposes as there are a lot of employees on that site. In *Google+*, American Airlines has a very large number of and active international based users from Asia and the middle East, more than the US domestic market. So, their content strategy in that channel is more about international relevance. *YouTube* is used to share different types of video, helps to give a lot more character behind the American Airlines brand, and gives insights to the customers about the decisions that are made. Whereas *Pinterest* and *Instagram* play a similar role. *Pinterest* is just about sharing interesting visual content, such as destinations and aircraft imagery, and the team is also experimenting with promotions on that channel.¹⁹⁵ However, it can be seen that American Airlines' *Pinterest* channel is not as active as KLM's yet, judging from the much less content it produces there.

Moreover, as American Airlines also uses social media for internal communication purposes, an internal social media platform developed by *Jive* has been launched. With this tool, employees can write blog posts, comment on, like certain features, and look at other employees' profile.¹⁹⁶

Social Media-Related Tools. American Airlines argues that it is important to identify the best social media supporting tools as the social data captured by the tools can be used as a business case internally to grow the social media team (Phillips, 2014).

American Airlines' social media team uses **a variety of social media-related technological solutions** for various purposes. They utilize different tools for measuring their social media-related performance (*NetBase*), to produce social media content, to publish their posts to dozens of social media platforms at once (*Adobe Context Optional*) and for promotion (SS, Personal communication). They have tools to track and measure content and campaigns (*SharePoint*), as well as communicate regularly with customers on social media (Pierce, 2013b).

Besides that, they also have developed some tools in-house, which they think are really important to support the company's social media presence, for example, a robust listening, monitoring and responding tool which was developed by the IT team in 2012 (SS, Personal communication). Monitoring social media conversations and content that is relevant to American Airlines is really challenging due to the volume of the conversations

¹⁹⁵ All information in this paragraph relies on Pierce (2013b) from American Airlines.

¹⁹⁶ All information in this paragraph relies on SS (Personal communication) from American Airlines.

and the content associated with the brand (Scott, 2013b). Therefore, sophisticated social media monitoring tools are deployed to enable them *to mine all relevant conversation on social media* (Scott, 2013b).

To enable a feedback loop on American's product and services, straight from the customers via social media to the organization, American Airlines also uses *NetBase*. AOB, American Airlines Social Media Analyst, explained that the owner of a particular product or service will approach her and request the data. For example, when American Airlines announced its new International Premium Experience, she was asked to pull social media data on that topic. A query in *NetBase* was set up and a dashboard to share volume of mentions, sentiment, and the actual text of some of the conversations are created. The product owner can then take that data to make decisions about the product.¹⁹⁷

NetBase enables American Airlines to gather relevant social data they need – e.g. the volume of social media conversations related them, where the conversation is happening, who is driving it, its main themes, its tone or sentiment – to understand the conversations and to develop an effective social media strategy (Phillips, 2014).

American Airlines has observed that the *NetBase* tool is very accurate in *picking up the tone or sentiment* of social media posts. It has a ‘Sentiment Tracker’ that uses Natural Language Processing to evaluate the sentiment of posts. American Airlines’ social media team can filter by sentiment and categorize tweets as positive or negative. And the team is very comfortable with the way the tool categorizes mentions. Because of the comfort and trust that the team has in the tool, they use the results produced by the tool all the way up to the executive level.¹⁹⁸

Moreover, *NetBase* also gives the team the ability *to see American Airlines’ top influencers by follower accounts*, to give an idea of who was interacting regularly and positively with the airlines. The tool also enables the team *to review each of the previous month’s posts* and to see which post performs well, so they can evolve their engagement strategy.¹⁹⁹

Another social media management tool which American Airlines uses *to manage their social customer service on Twitter* is ***SNAP100***, which focuses on conversation and customer support. American Airlines uses this tool for 100% of its Twitter activity. This tool enables American Airlines to give a much faster response rate to customer issues than any

¹⁹⁷ The information relies on AOB of American Airlines (Personal communication).

¹⁹⁸ All information in this paragraph relies on Phillips (2014).

¹⁹⁹ *Ibid.*

other airlines. Whilst other airlines' average reply time is 829 minutes, American Airlines manages to reply in 12 minutes in average.²⁰⁰

Based on the empirical findings above about American Airlines' technological solutions for their social media activities, it can be concluded that American Airlines is still working towards achieving both technological flexibility and stability or efficiency on social media. They leverage *multiple* global social media platforms and social media-related technologies, and have been quick and flexible in adopting and experimenting with these technologies as well, nevertheless, their new market exploration seems to be stagnant. Neither they explore local social media platforms nor they have separate social media accounts to serve specific countries. They could have started exploring some local markets on social media, as their presence on global social media platforms is already relatively long enough. Moreover, it appears that they do not have a process in place yet to integrate all the customer-related data they gain from all their social media channels or from various supporting tools with their existing business systems or databases.

²⁰⁰ All information in this paragraph relies on Clampet (2014).

4.3 Solutions to Social Media-Related Administrative Problems

Adapting Miles and Snow's Adaptive Cycle theory into the social media context, it is assumed in this study that companies also face some *administrative problems* in adjusting to social media environment, which include how to rationalize and stabilize social media activities which have successfully solved their problems during the entrepreneurial and engineering phases, and to formulate and implement processes that can enable the companies to continue to innovate on social media (Miles & Snow, 2003, p.23). It is assumed that in this administrative cycle, companies have to make many strategic decisions including planning, altering their organization structure, creating appropriate control systems, choosing the right form of coordination for their social media initiatives, and measuring their social media-related performance.

This chapter begins with a literature review and the four airlines' decisions concerning (a) organization structure to accommodate their social media efforts (which also incorporates forms of coordination that they choose), followed with (b) social media-related planning processes, (c) control systems, and (d) social media-related performance measurement.

4.3.1 Social Media-Related Organizational Structure and Coordination Mechanism

4.3.1.1 Overview of Organization Structure and Coordination Mechanisms

To pursue a business model and to implement its strategies successfully, organizations must make a decision in how they create, use, and combine organizational structure, control systems, and culture (Jones & Hill, 2010, p.380).²⁰¹ Organization structure is "the set of subunits which comprise the organization and the relationship among these subunits" (Miles & Snow, p.43). "The purpose of organizational structure is *to coordinate and integrate* the efforts of employees at all levels – corporate, business, and functional – and across a company's functions and business units so that they work together in a way that will allow it to achieve the specific set of strategies in its business models" (Jones & Hill, 2010, p.380). "Organizational structure, control and culture shape people's behaviors, values, and attitudes and determine how they will implement an organization's business model and strategies" (Jones & George, 1998, in Jones & Hill, 2010, p.381).

²⁰¹ Control systems and organizational culture will be discussed in other chapters.

Prior social media studies also found that to implement social media strategies successfully, companies should design the right organizational structure which should also evolve as the organization matures in its use of social media.²⁰² The right organization structure will result in **better coordination** of the company's social media activities, and can anticipate the scaling of social media engagement with bigger groups of customers and employees as well (Li & Solis, 2013, Loc.697). Companies which are considered pioneers on social media not only have dedicated human resources for their social media activities, but also distinct ways to organize or structure their social media team, according to McKinsey & Company's study in Germany (Mattern et al., 2012, p.24).

In strategic management literature, there are numerous discussions about how a company should design its organization structure, which have resulted in various types of organization structures.²⁰³ Similarly, there have been plenty of arguments as well in social media literature about the kinds of organizational structure that companies should implement to succeed in utilizing social media for business, which will be discussed later in this section as well.

Adapting Miles and Snow's approaches to organization structure to social media context, it is assumed that **Prospectors** are willing to change their organization structure to facilitate their rapid responses to the dynamic social media environment. They probably *tend to choose an organization structure that enables them to change it rapidly in case of changes on social media*. So they assign most of their social media staff to relatively *nonpermanent groups* such as *project teams and task forces*, which activities are decentralized and are not constrained by the management. As a consequence, Prospectors must maintain the ability to frequently shift a lot of social media employees from one project team to another. It is assumed that Prospectors have a *people-intensive approach* as well and tend to *employ individuals who possess a variety of skills*, so that the skills can be transferred easily to other social media projects. To coordinate the social media project teams or task forces, it is presumed that Prospectors prefer to employ *complex and expensive forms of coordination* such as *employing social media managers or project coordinators*.

Whereas in **Defenders**, it is assumed that they would be reluctant to alter their organization structure to facilitate their social media activities. Instead, they would try as much as possible to keep their *functional organization structures* like the way it is, and to

²⁰² See Li and Solis (2013, Loc.697); Eberle (2011, p.237).

²⁰³ For example, tall and flat structures, centralization and decentralization (Jones & Hil, 2010, p.383-385).

avoid forming a dedicated social media project team. Perhaps they would put their staff who have similar social media skills into separate units, or employ individuals who have only limited and specialized social media skills, in order to keep costs to a minimum. To coordinate the social media division, it is presumed that the Defender would choose *simple forms of coordination* such as *standardization* or *scheduling* their social media-related processes, instead of assigning a project coordinator.

To accommodate both stability and changes in their operations on social media, it is assumed that **Analyzers** opt for *matrix structure*, which depends on how stable social media are perceived as a domain in the company. Analyzer's structure may be a *highly formalized functional division* when social media are already considered as fairly stable areas. To coordinate this division, it is assumed that Analyzers rely on a *simple and straightforward form of coordination*, mainly through *standardization* and *detailed planning*. But when social media are still considered as dynamic areas, Analyzers may choose to form a *self-contained group with specific social media responsibilities* which are small and operate with minimum standard procedures. It is also assumed that this self-contained social media team operates largely independent from the functional divisions within the company, except in certain situations do they become highly interdependent. To coordinate this self-contained and dynamic social media project group, Analyzers may require *more complex forms of coordination* such as *social media project coordinators*.

4.3.1.2 Variety of Models of Social Media-Related Organization Structure

Previous studies showed that different organizational structures for social media exist as organizations still experiment with a variety of models or structure to support their social media activities.²⁰⁴ Usually companies start with a structure that resembles their corporate culture, and as their social media efforts develop, they will test new models to expand their social media activities across departments and lines of business (Solis et al., 2013, p.4). At companies who were new to social media, Altimeter Group found through their study in 2010 and 2012, that they were most likely to organize their social media efforts in a *centralized formation*, in which a single group leads social media strategy and organizes social media activities on behalf of the entire company (Owyang, 2011a). Similarly, a study of communication managers and business, media and science experts in Germany 2012


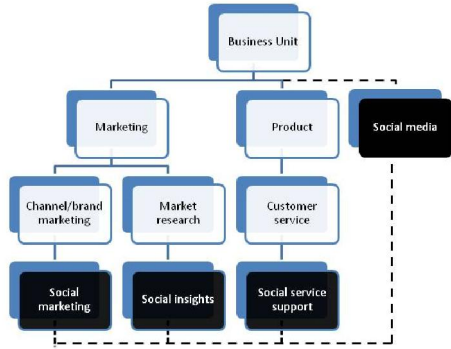
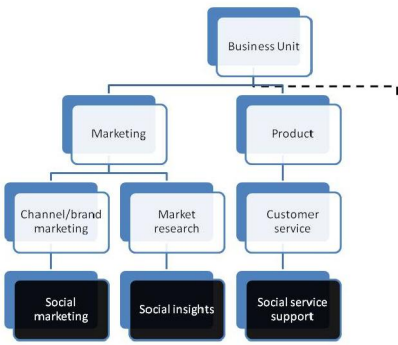
²⁰⁴ See for example Solis, Li, Groopman, Szymanski & Tran (2013, p.4); Mattern et al. (2012, p.24); SimpliFlying (2012)

found that most organizations who participated in the study have a *centralized social media department* within the organizations which is responsible and coordinates all social media activities (Zerfaß, Fink & Linke, 2012).

Social media efforts may reside throughout the organization, but the default location of many social media activities is or the core social media team mostly resides in *marketing* or *corporate communications* or *public relations department* (Li & Solis, 2013, Loc.710; Solis et al., 2013, p.5); and they are are mostly responsible for the development of the organization's social media strategy (Harvard Business Review Analytic Service, 2010, p.10). However, Zerfaß, Fink and Linke (2012) argue that in regards to a centralized coordination of social media, *public relations* and *corporate communication* will have an important role in the planning of social media use and a leadership role in social media, replacing the marketing and sales. Nevertheless, this centralized approach may be impractical, difficult, or impossible in some organizations. In this case, organizations should first focus on critical business areas or the most relevant parts of the organization where social media can make the biggest impact (Ghani and Bentley as cited in Wollan et al., 2011, p.99).

Through its study of companies which are considered social media pioneers in Germany, McKinsey & Company has discovered three alternatives of basic organizational structure that facilitate social media (Mattern et al., 2012, p.24), which are displayed in table 7 on the next page. Through its studies in 2010 and 2012, Altimeter Group also found that several structures or models that support social media activities exist in many organizations (Solis et al., 2013, p.4), which are displayed on table 8.

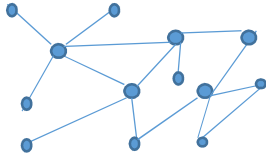
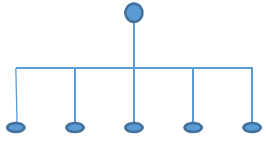
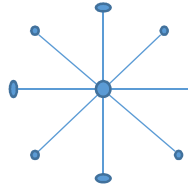
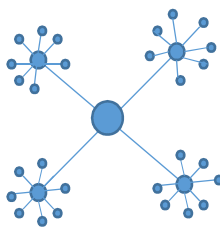
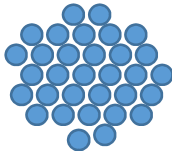
Table 7: Social Media-Related Organization Structures in Social Media Pioneers in Germany
Adapted from McKinsey & Company (Mattern et al., 2012, p.24)

<p>1. Central team (31%): One central unit for social media activities across all functions.</p>	
<p>2. Embedded in functions with coordination (48%): Social media experts embedded in all relevant business functions, coordinated through a central team. Most social media pioneers tend to favor this model over the other two models.²⁰⁵</p>	
<p>3. Embedded in functions (21%): Embedded experts in all relevant functions without central coordination.</p>	

²⁰⁵ MIT Sloan Management Review and Deloitte Consulting also found in their longitudinal studies that organizations who are mature in social business or already socially networked share similar characteristics in terms of integrating social business significantly into many functions e.g. marketing, IT, sales, customer service, strategy and operations. See Kane, Palmer, Phillips & Buckley (2014); Kiron, Palmer, Phillips & Berkman (2013); Kiron, Palmer, Phillips & Kruschwitz (2012).

Table 8: Social Media-Related Organizational Structures

Based on Altimeter Group's Research Findings

<p>1. Decentralized. This model has no department who manages or coordinates the social media activities. Social media efforts rise from the edges of the company. A common starting point.</p>		<p>Pros: Conversations and programs close to the customers/authentic.</p> <p>Cons: Inconsistent customer experience across social media, lacking integration & leverage of organization's social media assets.</p>
<p>2. Centralized. One department (e.g. Corporate Communications) or one team manages all social media activities and supports various groups.</p>		<p>Pros: Ensures consistent user experience; faster response; streamlined processes; integrated, shared resources.</p> <p>Cons: Could appear inauthentic if content production is centralized outside BU/spoke participation.</p>
<p>3. Hub and Spoke. A cross-functional team sits in a centralized position and helps or empowers others to participate. This model is used by most companies.</p>		<p>Pros: Ensures consistent user experience; distributed (but coordinated) decision-making efficient; shared resources for efficiency and streamlined ops.</p> <p>Cons: Requires leadership support; costly; program management, and cross-departmental buy-in.</p>
<p>4. Multiple Hub and Spoke (like "Dandelion"). Similar to Hub and Spoke but most suited for large multinational companies where "companies within companies" act nearly autonomously from each other under a common brand.²⁰⁶ This model is increasingly used by organizations as they move along stages of social media maturity because it brings different groups together to solve for social media challenges and enables the integration of social media into everyday workflow.</p>		<p>Pros: Business units are given own freedom to deploy social media as they see fit, yet a common experience is shared amongst all units.</p> <p>Cons: Requires constant communication from all teams to be coordinated which can result in excessive internal noise; requires considerable cultural and executive buy in, as well as dedicated staff.</p>
<p>5. Holistic. Everyone in the company uses social media safely and consistently across the organizations. Very few companies will ever achieve this as it stems from internal culture.</p>		<p>Pros: Tapping into entire workforce to support and help customers</p> <p>Cons: Requires executives that are ready to let go to gain more, a mature cultural ethos, and executives that walk the talk.</p>

Source: Altimeter Group's studies (Owyang, 2010; Solis et al., 2013, p.4; Terpening et al., 2014, p.11)

²⁰⁶ Zerfaß, Fink and Linke (2012) argue that *particularly large and international organizations* are recommended to establish social media teams comprising *interdisciplinary boards* who are in charge of the strategic approach, and act as centers of competence that provide guidance in decentralized social media communication.

Altimeter Group identified that 16 out of 18 companies who are advanced or already mature in social media have developed a dedicated, cross-functional group, either at the corporate or division level, often called the **Center of Excellence (CoE)** at the “Hub”, to help the rest of the organization understand social media activities and to scale the social media programs as well (Owyang et al., 2011b, p.15). CoE functions as “spokes” as it coordinates how social media strategy, campaigns, technologies, and governance are developed and deployed throughout the rest of the organization (Li & Solis, 2013, Loc.710). CoE is “a centralized program that provides resources, training, and strategy to a variety of business units that are deploying social media in order to reduce costs, increase efficiency, and provide standardization” (Owyang, 2011a). But CoE can only be successful if it is given the authority from the executive or management to set processes and policies for social media activities throughout the organization (Li & Solis, 2013, Loc.710).

Having seen different organization structures for social media in companies across industries, Li and Solis (2013, Loc.695) conclude that:

There is no perfect organizational model for social business, and it’s likely that the model will evolve as the social business strategy evolves. The key is to have *one* model and to ensure that everyone across the organization understands how roles, responsibilities, and resources work within that model. (Li & Solis, 2013, Loc.695)

For airlines companies, designing an organization structure that facilitates social media efforts has been the second most common or top challenge in implementing social media strategies, according to SimpliFlying consultancy which conducted a longitudinal study of global airlines’ use of social media in 2011, 2012 and 2014. The demands for social media have been growing much faster than the airlines expected, but the structure of their social media team is not flexible enough to cope with it (SimpliFlying, 2014, p.4).

In 2011, SimpliFlying discovered that there were two ways how 25 airlines allocated their human resources for social media activities: (1) *Dedicated model*: Staff are solely dedicated to social media function. Airlines who applied this model were, for example, Virgin America, Air Asia, KLM, American Airlines and West Jet; (2) *Integrated model*: Staff from a wide variety of different departments such as corporate communication, marketing, and e-commerce are social media-trained. Airlines who opt for this model are, for instance, Delta, Southwest Airlines, JetBlue, and AirBaltic. According to SimpliFlying’s observation, airlines who applied the *integrated model* seemed to have a better performance

in social media at that time in terms of their number of Facebook fans, Twitter followers, and true reach in Klout.²⁰⁷

In 2012, SimpliFlying conducted a follow-up study and found that over 85% of 29 airlines surveyed favored a *cross-functional model* for the structure of their social media team. The meaning of cross-functional in this study is the staff who carry out the social media activities also perform other departmental roles. Moreover, they also found that *customer service* appears to be the most common cross-functional role in airlines companies, which is different compared to the previous year's result when corporate communications department was dominating this role. This is probably because the nature of airlines companies is a service company. Other cross-functional roles performed by social media staff of these airlines are marketing, corporate communications, and e-commerce.²⁰⁸

In 2014, 65% of 148 airlines executives surveyed by SimpliFlying (2014, p.8) indicated that they *prefer to have a team dedicated to social media operations only* rather than a distributed team structure in which responsibilities for social media are shared across teams and departments. At that time, only about 34% employ a dedicated team structure and 8% engage an external social media agency with a plan to incorporate social media in-house.

SimpliFlying has also predicted that airlines will see more involvement from the Customer Relations and Sales department in managing social media activities. This is because the airlines will need more man-hours to review the current loyalty programs in social media, and to integrate social media in a way that can add value not only in retaining but also growing the airlines' loyal customer base.²⁰⁹

4.3.1.3 Empirical Findings: Airlines' Configuration of Social Media-Related Organization Structure and Coordination Mechanisms

KLM Royal Dutch Airlines

When KLM started its small-scale experiments with Facebook and Twitter in 2009, there was no special organization structure designed to cater the airlines' social media activities, until the Icelandic ash cloud incident happened in April 2010 which had shut down European plane travels for about five days. During the crisis, KLM's call centers, emails and

²⁰⁷ All information in this paragraph relies on Pal (2011b) from SimpliFlying.

²⁰⁸ All information in this paragraph relies on SimpliFlying (2012, p.12).

²⁰⁹ All information in this paragraph relies on Nigam (2014b) from SimpliFlying.

airports' offices were completely jam-packed with issues that needed to be resolved. Then people contacted KLM via Facebook and Twitter because they were desperate to get contact with KLM.²¹⁰

Realizing that a single department at KLM would not be able to solve the issues, KLM decided to develop a team consisted of 100 volunteers of different non-operational staff at the headquarters. The team worked as hard as possible to answer all questions. Their hard work through social media during the crisis caught the press' attention. That was also a kick-off for KLM for a more serious social media management.²¹¹

After the crisis, the 'trial' social media team was dismissed, KLM returned to the normal operation, the traditional silos reappeared, and "the conversation went back to who was going to do what." Until a customer complaint went unanswered, KLM's CEO, Peter Hartman, realized that the collaboration of staff from different departments to help many passengers during the crisis through social media was actually an excellent thing. He wanted to go back to this situation again. As the CEO noted: "Why can't we go back to the ash cloud situation? We all worked together then to really help people rather than just talk about it." The question was no longer "Where should we put this activity?" but "What does it mean for the customer and the organization?" So, the CEO instructed Martijn van der Zee, the Senior Vice President for e-commerce, to create a social media strategy for KLM. Van der Zee came up with a strategy that digitally connects the dots across the whole of KLM's business.²¹²

Nevertheless, it took KLM a while to change the company. Lassalle (2013a) from KLM shared that at the beginning KLM really faced **tough challenges in 'updating' the whole organization with social media**. KLM felt that it needed a structure that not only can support its social media campaigns, but also its new social customer care department (Lassalle, 2013a).

Finally, in October 2010, KLM's first **Social Media Hub** was established as joined efforts between the airlines' Corporate Communications and E-commerce departments (Drimmelen, 2012b). The Hub is located at the KLM's headquarters in Amsterdam (Drimmelen, 2012b) and is placed under the **Digital Marketing** department although they tried to institutionalize social media customer care within the company (Haar, 2013). The

²¹⁰ All information in this paragraph relies on Haar (2013) from KLM.

²¹¹ *Ibid.*

²¹² All information in this paragraph relies on van der Zee (2012c) from KLM.

Social Media Hub cooperates closely with the airlines' Corporate Communications department and is led by *some Social Media Hub Managers* (Haar, 2013).

KLM's Social Media Hub matches this study's assumption that Prospectors are willing to change their organization structure to facilitate their quick responses to the dynamic social media environment, so that they can explore new business opportunities offered by social media in a great flexibility. The Social Media Hub resembles a **nonpermanent group**, or a *project team and task force*. Whereas the Social Media Hub Managers are similar to the **project coordinators**, complex and expensive forms of coordination that are typical in Prospectors. This structure is also similar to the "**central team**" or "**centralized**" structure found by McKinsey & Company and Altimeter Group outlined before, in which one team manages all social media activities and supports various groups.

According to Lassalle (2013a), once this new organization structure is in place, everything has become easier as it enables KLM to launch and coordinate global social media campaigns with greater freedom and flexibility, but it is still possible for the Social Media Hub to enjoy a close proximity with the rest of the organization.

KLM has decided to undertake an **internal recruitment** for its Social Media Hub. Besides the corporate communication and e-commerce staff, the members of the Hub are also recruited from a variety of divisions, including **customer care, ticketing, marketing, operations and cabin crew**.²¹³

For example, KLM was recruiting more of its cabin crew to join the Social Media Hub in 2013 as they really know KLM's passengers, have experienced many situations with passengers on board, and have been close to them, according to KLM's Social Media Hub Manager, Gert Wim ter Haar (2013). Haar explained that:

This demonstrates the kind of empathy you are looking for from a social media service. If you look at the profile of an old-fashioned call-center employee, compared to a social media employee, there are definitely differences between the profiles. (Haar, 2013).

Haar (2013) added that another reason why the staff of the Hub were recruited from a varied background is because KLM decides to operate as a '**one-stop shop**' on social media, which means, they strive to directly resolve all kinds of issues they receive on social media without sending their passengers to different channels or divisions for a resolution.

²¹³ All information in this paragraph relies on Drimmelen (2012b) from KLM.

Thus, **the staff of the Social Media Hub must have an extremely broad knowledge about the company** (Haar, 2013). This matches the assumption of this study that Prospectors tend to *employ individuals who possess a variety of skills* in their social media team.

According to KLM's Online Reputation Manager, Jochem van Drimmelen (2012b), KLM has a dual management system and close relationships with many field offices and departments. This enables them to deal with a wide variety of topics on social media – no matter what question, suggestion, compliment or complaint – directly through social media and in the shortest possible time. The Social Media Hub will do everything they can to answer within one hour, and offer a solution within twenty-four.

Besides having social media service agents at the Social Media Hub, KLM also has plenty of social media service agents who work at some other locations where KLM's branch offices are located (Drimmelen, 2012b). These local agents are responsible for the content of their local Facebook page and Twitter account and are allowed to conduct sales through these platforms (Meijer, 2014b). But when it comes to providing customer service through social media, it is done centrally by the Social Media Hub at the headquarters as it requires extensive knowledge about KLM's products and services (Meijer, 2014b).

KLM is now integrating social media into their core business and throughout the whole organization, according to Lassalle (2013) from KLM, because besides making the customers' life easier, this also helps KLM to improve the quality of their service.

Emirates Airlines²¹⁴

According to the Head of Social Media at Emirates, the airlines has formed a small yet dedicated social media team whose staff are only responsible for the management of the airlines' social media activities. This also matches this study's assumption that Prospector is willing to alter its organization structure to adapt to the challenges posed by social media. At the time of the interview, the social media team still resides within the airlines' **Corporate Communication** department. This structure also resembles *a nonpermanent group*, which is assumed in this study as the preferred structure for a Prospector to facilitate their fast responses to the challenges posed by social media.

The members of the social media team at Emirates were not recruited from within the company. The management of Emirates preferred to **recruit external people** who

²¹⁴ All information about Emirates relies on JS (Personal communication) from Emirates.

already have knowledge and skills in social media management to be in the social media team. At the time of the interview in 2014, the social media team consists of four dedicated staff. The social media team and the company-wide social media efforts are coordinated by *a Head of Social Media*, which represents Prospectors' preferred form of coordination, *project coordinators*, as assumed in this study.

Besides this core social media team, Emirates has also assigned the company's **Customer Service team as an extension of the core social media team**. The customer service team carries out the customer service roles on social media alongside their departmental duties, and uses the company's official social media channels to engage with their customers. The customer service team consists of 14 people and sits within the Call Center department. The core social media team does not directly manage the customer service team, nevertheless, they are responsible to mandate how the customer service team operates on social media. So the head of the social media team also coordinates the customer service team's works on social media.

In the future, it is unlikely that Emirates would expand its social media team although the airlines' uses of social media will increase. Instead of creating a dedicate and large social media department, which means, stepping away from its traditional organizational structure, Emirates believes that it can just take advantage of and diversify its existing human resources. The management of the company's social media activities will probably be *decentralized* or the company might consider having *a cross-functional team or resources*, so that they can handle numerous customer service issues through social media. For Emirates, it is of paramount importance to be able to provide the best customer service. To achieve that, other departments which also utilize social media to achieve their departmental goals will be given internal trainings to become more savvy and active on social media.

As a Prospector, this planned structure might not be optimal to facilitate Emirates' broad domain on social media, especially if they still intend to explore more markets, expand their services, and develop social products. Perhaps a larger project team which consists of staff from different departments and with a more complex coordination system (e.g. more coordinators) would be needed to support their growth strategy on social media.

Garuda Indonesia²¹⁵

Since the time when Garuda Indonesia started its small-scale experiments with social media in 2009, the airlines has never had a dedicated social media team within the company's structure yet. Garuda Indonesia prefers to assign some staff from the following functions – Public Relations, Marketing, and Customer Service – to share the responsibilities to manage the company's social media activities. But these staff are not dedicated to performing social media tasks only. They still have other responsibilities related to their functional divisions.

This kind of structure matches this study's assumption that a Defender is reluctant to change its organization structure to facilitate their social media activities. Instead, the staff who handle social media activities stay in their own units, which are separated from each other. It is likely that Garuda Indonesia did not want to change its organization structure in order to *avoid unnecessary organizational changes* which might disturb its stability and to keep costs to a minimum (cost-efficient). Garuda Indonesia's structure to facilitate their social media activities is also similar to the **“Embedded in Functions”** discovered by McKinsey & Company, in which embedded experts are spread in all relevant functions without central coordination (Mattern et al., 2012, p.24).

In addition to that, Garuda Indonesia had partnered with a social media agency, *LiquidThread*, to help execute some of their social media processes and campaigns. The PR, marketing, and customer service staff worked closely with the agency. They cooperated with the agency in developing social media strategies and tactics. They 'feed' the agencies with the required information to support the airlines' social media activities and provided the agency with the required resolutions to customers' inquiries on the airlines' social media channels. These internal staff do not receive a special social media training and manage the company's social media activities while performing their respective departmental roles.²¹⁶

The tasks of the agency included but are not limited to monitoring social media conversations about the airlines, reporting back to the relevant departments, and responding to the airlines' customers, fans and followers on social media. Despite the numerous responsibilities that the agency had, the decision makers concerning social media were still the PR, marketing and customer service staff of the airlines.²¹⁷

²¹⁵ All information about Garuda Indonesia relies on IR (Personal communication) from Garuda Indonesia unless stated otherwise.

²¹⁶ *Ibid.*

²¹⁷ *Ibid.*

Occasionally, the airlines' Frequent Flyers and E-Commerce department also dealt with social media-related issues, mostly when the social media agency contacted these departments to pass on the customers' complaints lodged in the airlines' social media accounts, or to remind them to act on the complaints. Apart from that, the airlines' Human Resources Department also occasionally fed the agency with job vacancies, in order to be advertised on the airlines' social media platforms.

As social media pose new potentials, challenges and risks for Garuda Indonesia, outsourcing part of their social media activities to the experts (the agency) maybe a strategic way to avoid mistakes, at least for a certain period of time. This also reflects Defenders' characteristic which views that it is more important to achieve *efficiency (doing things right)* than to be effective (doing the right things).

As there is no dedicated corporate social media team, there is no social media manager or coordinator in Garuda Indonesia. The PR, marketing and customer service departments, together with the agency, collaborated in managing the airlines' social media activities. In addition to that, Garuda Indonesia has developed **Standard Operating Procedures (SOP)** and **Working Instruction** for handling feedback through social media (Garuda Indonesia, 2014a), which can also be considered as *a form of standardization* of their social media activities. Handling feedback through social media is very important for Garuda Indonesia, thus, it must be standardized to avoid mistakes when doing it. Moreover, Garuda Indonesia has also developed some *scheduling*, especially for their social media content. As there are several departments within the company which wish to have their content or programs published on social media, schedules have been made to coordinate which department may publish which content and at which time slot. As mentioned earlier, standardization and scheduling are typical forms of coordination in Defenders.

It is assumed that Garuda Indonesia ended their partnership with their agency, LiquidThread, and has partnered with two different agencies since 2014: *Icon International* (2015) to build Garuda Indonesia's brand on social media under the coordination of Marketing department, and *Infomedia*, to carry out the airlines' customer service on social media under the coordination of the Call Center, a division of customer service (BAN, Personal communication).

Due to the corporate transformation efforts, in early 2015 Garuda Indonesia has made a little change to their organization structure which has slightly impacted the management of their social media activities. The promotional division of the e-commerce department is

now structured under the marketing department, and the e-commerce staff are in charge of managing the airlines' marketing-related activities on social media, in collaboration with.²¹⁸

American Airlines

When American Airlines formally launched its social media programs in 2009, the airlines did not modify its organization structure to accommodate its social media activities. In fact, the airlines' social media activities were outsourced to an external public relations agency until about 2011 when American Airlines realized that the social media management of the airlines must be brought in house in order to reach effectiveness and to be able to resolve customers' issues at the first point of contact. So, in August 2011 American Airlines' social media team was formed with two team members only and was handling social customer care.²¹⁹

In 2012, American Airlines started to grow its social media team and to create a team structure as the airlines wanted to do more than just customer service on social media. In 2013, they continued to grow the team to 22 members as the airlines relaunched their brand and decided to provide 24/7 social customer service.²²⁰

The dedicated social media team resides within the **Corporate Communications** department, which is separated from the Marketing department. According to Pierce (2013b), American Airlines' Social Media Director, back to 2009, when the social media program was formally launched, American Airlines had a certain approach in mapping of their company to identify where social media should reside in the corporate structure. They had a view that social media inherently needed to be a communication function with strong links to other departments, and this view still remains. The reason for this was:

The launch pad for social residing in Communications was being connected to news and announcements and as part of a group that naturally partners with other teams to build engaging content to promote the business. (Pierce, 2013b).

In addition to that, their decision was also influenced by their need to monitor and to respond rapidly to numerous operational and service issues which can quickly escalate into challenges for the corporate reputation (Pierce, 2013b). The facts that American Airlines is

²¹⁸ All information in this paragraph relies on BAN (Personal communication) from Garuda Indonesia, unless stated otherwise.

²¹⁹ All information in this paragraph relies on SS (Personal communication) and Katy Phillips (2013) from American Airlines.

²²⁰ All information in this paragraph relies on Phillips (2013).

a complex, global operation, with millions of customer touch points each day influence the team's social media engagement and content decisions, that they must constantly listen, assess, respond and adjust (Pierce, 2013b).

For organizations that are beginning to map their own corporate structure and are aiming to embed social media activities within their enterprise, Pierce (2013b) advises them to start by listening to what their customers are saying on social media and what they want to know. With that understanding, they should define if the customer relationship is with an individual product or brand, or if it is with the whole company. They should decide the type of community they want to have on social media, and determine the breadth of stories they want to share there. So, where social media should reside in the corporate structure depends on where the customer expectations and needs can best be served, and where the breadth of brand stories can best be created (Pierce, 2013b).

Team Recruitment. American Airlines shares that **the recruitment of its social media team was from within**, especially in the case of social customer service. American Airlines was pulling experts from various parts of the organization such as Reservation and Customer Service because they have years of experiences working in issues like flight cancellation, delays, baggage and all sorts of air travel issues. American Airlines argues that it is much easier to train internal people in the basic of social media rather than to give new people a social media training but they do not have years of experiences in the operation of the business. There was, however, an exception, that a member of its social media team was recruited from the social media agency which American Airlines used to work with in the early phase of their social media adoption.²²¹

Furthermore, Pierce (2014b) believes that an **integrated social media team can bust the traditional silos** in their company:

From the moment we set up our social team, our focus has been creating an independent, integrated social team consisting of all disciplines rather than harken back to the silo-driven approach where you have social embedded into different functions - not seeing it as one. (Pierce, 2014b).

The social media team also collaborates closely with some departments such as marketing, customer service, IT and airport teams (Pierce, 2013b), and of course, with the traditional Communications team as well, to ensure there is a unique social media strategy to enhance company announcements (Pierce, 2013b).

²²¹ All information in this paragraph relies on SS (Personal communication).

Pierce (2013b) argues that wherever the reporting line for social media is in the organization, there should be strong relationships with all other stakeholders in the company. This is also the reason why American Airlines' social media team adopts a client-service model, through which the team can help their colleagues in the company leverage the power of social media to meet their business objectives.

Social media is a representation of your company and everyone should feel involvement with it, and feel they can provide input to it. Organizational ownership should be a case of governance, specialist social skills, protecting corporate reputation, insights analytics, and being an advocate for the customer. (Pierce, 2013b).

As the social media team has been empowering other departments or employees in American Airlines to also leverage social media, the social media team also has to guide their uses of social media practices, to coordinate social media efforts across the company, to provide them with trainings, and is responsible to develop and oversee the policies and guidelines for the company's social media uses (SS, Personal communication).

At the beginning, the way the social media team was structured was divided into two primary functions: *Social customer engagement* and *social customer service*. But American Airlines already anticipated that this structure may continually change to enable them to meet opportunities and solve problems as they arise.²²²

In 2013, American Airlines decided to expand its social media team to three distinct functions: *Social customer service*, *social analytics*, and *social customer engagement* (Phillips, 2013; Pierce, 2014b). The **social customer service team** is a reactive team – they are an operational customer service team that works 24/7, responding to messages from customers who contact American with questions and who need assistance with their travel (BM, Personal communication). The **social customer engagement team** is responsible for telling the story of American Airlines through content, campaigns and promotions on social media. This is a proactive team - they work with various internal business units to share strategic messages about American Airlines' products and services, and to engage with their social media communities (BM, Personal communication). **Social analytics** function deals with all measurement and reporting related to the company's social media channels. This is a broad role which “combines quantitative and qualitative analysis to enhance the different facets of social media (customer service, customer engagement and community management), while adding value to the enterprise and strengthening the value of social to

²²² All information in this paragraph relies on SS (Personal communication) unless stated otherwise.

the leadership” (Phillips, 2013). The name ‘Social Analytics’ was changed to ‘**Social Insights**’ and the staff provides data and insights to both the Engagement and Customer Service teams, as well as to other relevant business units (BM, Personal communication).

Based on the information about American Airlines outlined above, it can be concluded that the structure that American Airlines has chosen for their social media team resembles the “**central team**” or “**centralized**” structure found by McKinsey & Company and Altimeter Groups in their study, in which one team manages all social media activities and supports various groups within the company. From Miles and Snow’s perspective, American Airlines’ social media team is similar to the *self-contained group with specific social media responsibilities*, which is assumed to be the preferred structure in Analyzers when social media are still considered as new and dynamic areas. That is why this structure is similar to the Prospectors’ *project team* structure. Furthermore, it also matches this study’s assumption that American Airlines’ social media team operates largely independent from other functional divisions within the company, except when they need to collaborate for a certain social media initiative then they become highly interdependent. Lastly, as predicted, the Analyzer has a *project coordinator* for its social media team, which is assumed to be the preferred form of coordination in a dynamic group like the social media team.

4.3.2 Social Media-Related Planning Processes

4.3.2.1 Overview of Social Media-Related Planning Processes

Adapting Miles and Snow's different approaches to planning (Miles & Snow, 2003, p.42-43, 61-62, 75), it is assumed that planning for social media activities can be *intensive* and/or *extensive/broad*, and follows different sequences as well. In a **Defender** company, social media-related planning process is predicted to be *intensive* because of their stable and limited social media-related domain and technology, which means that they tend to take only a narrow spectrum of factors into consideration. Planning in Defenders is assumed to be *oriented toward solving problems* on social media and *must be finalized before implementation begins*. So their planning sequence may be Plan → Act → Evaluate.

Whereas in **Prospectors**, social media-related planning process is presumed to be *broad* or *comprehensive*, *stresses problems finding*, and *dependent on feedback from their experiments on social media*. This is because Prospectors tend to continuously monitor a wide range of aspects on social media, and thus, it need to process and to take into consideration a diverse and sometimes contradictory flow of information about the conditions in their current and potential domain on social media before making any detailed plan. Prospectors' continuous exploration of new product/service-market domain on social media may also prevent them to make intensive planning in advance, and instead, may require them to prepare tentative responses, experiments or exploratory action to a series of potential opportunities on social media. Only after this will Prospector develop a more detailed operating plan for social media. Thus, their social media-related planning sequence is likely to be Evaluate → Act → Plan.

In **Analyzer**, it is assumed that its social media-related planning process is both *intensive* and *comprehensive* as it must plan for both stability and change. Intensive planning, Plan → Act → Evaluate, which is similar to Defender's, might occur for their stable product, service and market domain on social media. Whereas broad or comprehensive planning may be preferred for the development of new product, service and market on social media. They would carefully evaluate first the success potential of the new product, service, or market on social media. But unlike the Prospector, Analyzer may avoid undertaking many experiments on social media afterwards. Once they accept the new product, they may quickly develop a detailed plan to design and produce it, and to launch it immediately. So, another planning sequence in Analyzer may be Evaluate → Plan → Act, which is slightly different from the Prospector's.

4.3.2.2 Empirical Findings: Airlines' Social Media-Related Planning Processes

Garuda Indonesia

Garuda Indonesia views that it is important to conduct intensive planning in order to solve particular problems or issues on social media and *before* they conduct any activity on social media. For instance, in terms of issues management, their social media-related planning sequence usually begins with identifying all customer and corporate-related issues through social media, for instance, through social media monitoring. After the issues on social media have been found, they will be combined with other issues found on conventional media. Garuda Indonesia will make a chronology of the issues, then will find out if there are solutions already to these issues. If there was no solution yet, they will develop a plan to solve these issues and implement it. At the end, they will evaluate if those issues have been solved.²²³

Based on this, it can be concluded that Garuda Indonesia's social media-related planning process follows the classical planning sequence Plan → Act → Evaluate, and is oriented not only in problem solving, but also in problem finding.

KLM Royal Dutch Airlines

As discussed earlier in this chapter, KLM monitors a wide range of aspects on social media, thus, they claim that they know everything on social media (Zee, 2014). Thus, it is assumed that they need to process and to take into consideration so many information about the conditions in their current and potential domain on social media before making any detailed plan. As outlined in previous chapter, KLM indeed does a lot analysis of the data that it gets every week on social media, which is around 30,000 to 50,000 messages (Zee, 2014; Kane et al., 2014, p.12). KLM uses the valuable information gained from the analysis of these data as an input or idea to develop innovative and quality social media programs and to make certain business improvements (Zee, 2014).

Moreover, KLM also continuously undertakes many experiments or exploratory actions on social media, things which have never been done by any other airlines before,

²²³ All information about Garuda Indonesia relies on IR (Personal communication) from Garuda Indonesia.

which can be seen from the kind of social media campaigns and products that they develop. For instance, providing payment system and “lost and found” service through social media. SimpliFlying consultancy also confirms that KLM tends to do more experiments on social media in comparison with other airlines, that is why KLM always comes up with innovative social media initiatives.²²⁴ KLM’s series of experiments on social media can be considered as what Miles and Snow (2003) call “tentative organizational responses to a series of potential opportunities,” due to Prospector’s continuous exploration of new areas which prevents them from making detailed planning in advance (p.61).

Based on the above descriptions, it is assumed that KLM’s social media-related planning process begins with an initial evaluation or analysis of various social media data, followed with conducting experiments on social media or giving tentative responses, and then developing a more detailed operating plan for social media (Evaluate → Act → Plan).

Emirates

According to Emirates’ Head of Social Media, Emirates always has a strategic plan for everything they do on social media, especially a solid plan to manage social media crisis. However, Emirates also realizes that on social media, they have to be really flexible and to be able to adapt well to the dynamic or changing situations there. So, Emirates allows themselves to ‘learn by doing’ and to make experiments on social media. As Emirates constantly monitors and evaluates so many things on social media on a daily basis, a broad spectrum of factors might be taken into considerations as well when they make social media-related plans.²²⁵

Based on this, it is assumed that Emirates’ social media-related planning process also follows Prospectors’ planning sequence, which is evaluate → act → plan.

²²⁴ This information relies on SN from SimpliFlying (Personal communication).

²²⁵ All information about Emirates relies on JS (Personal communication) from Emirates.

American Airlines²²⁶

How American Airlines plans their social media activities is similar with the way Analyzer organizations do it in the business level, both *intensive* and *comprehensive*. For some regular or routines social media activities, the planning process is rather intensive and follows the classical planning sequence. First they develop a detailed plan, then implement the project after the plan is finalized, followed by an evaluation of the project.

Whereas when American Airlines wants to conduct a new kind of activity on social media, they will start their planning by carefully evaluating the success potentials of the new activity, for instance, by monitoring and analyzing how their competitors do the particular activity and the results. Once the new social media initiative is approved, a detailed plan will be made, then followed by an execution of the plan.

Based on this, it can be concluded that American Airlines' social media-related planning sequences are both Plan → Act → Evaluate and Evaluate → Plan → Act.

²²⁶ All information about American Airlines relies on SS (Personal communication) from American Airlines.

4.3.3 Social Media-Related Control Systems

4.3.3.1 *The Importance of Organization Control Systems*

Implementing the right control systems is another solution to the administrative problems faced by organizations in adjusting to their environment (Miles & Snow, 2003, p.44). Organizations need strategic control systems because “organizational structure does not, by itself, provide the set of incentives through which people can be motivated to make it work” (Jones & Hill, 2010, p.380).

Control systems have several purposes. Traditionally, it is the responsibility of an organization’s control system *to prevent and to correct the deviations from plans* (Miles & Snow, 2003, p.44). Strategic control systems should allow strategic managers *to monitor and evaluate whether the company and its members are currently implementing their strategies successfully*, and to find ways to improve or change them if they are not working (Jones & Hill, 2010, p.389). Furthermore, strategic control systems are the *formal target-setting, measurement, and feedback systems*, that allow strategic managers *to monitor and evaluate whether a company and its members are currently achieving superior efficiency, quality, innovation, and customer responsiveness* (Jones & Hill, 2010, p.389).²²⁷

Adapting this management theory into the social media management context, it is assumed that organizations who utilize social media, especially in a large scale like the four airlines companies in this study, require control systems which allow them to monitor and evaluate if their social media strategies are successfully implemented as planned, so that they can prevent and correct the deviations from plans. Moreover, they also require control systems which enable them to monitor and evaluate how well they are currently performing on social media.

This section will start with a glimpse into what prior studies found concerning control issues on social media, then some options of control systems that organizations can apply during the course of the implementation of their social media strategies, by looking at strategic management literature (including Miles and Snow) and the findings of prior social media studies. Lastly, this section discusses if the four airlines companies implement any kind of control system that allow them to monitor and evaluate whether they are

²²⁷ Departing from these traditional purposes of strategic control systems, Simons (1991, p.49-62) argues that strategic control systems can also be used as catalysts for new strategic initiatives.

implementing their social media strategies successfully and how well they are currently performing on social media.

4.3.3.2 Control Issues on Social Media

Prior studies found that there are two problems regarding control issues faced by companies in implementing their social media strategies. The first problem is *to maintain control over an increasing number of business-related social media accounts* that organizations own, as found by Owyang, Jones and Tran (2012, p.6) in their study. According to Owyang et al., (2012, p.6-8), the global corporations they studied have a massive average of 178 discrete corporate-owned social media accounts, and most of them do not even have accurate inventory of their existing social media assets. When more business units in an organization adopt social media, the overflow of social media accounts and perplexity will only be worse (Owyang et al., 2012, p.6). Companies which have many social media accounts which are under the control of the traditionally siloes groups face a great challenge in implementing a coordinated approach to social media deployments across the company, which may risk the brand reputation (Owyang et al., 2012, p.8).

The second problem feared and faced by companies is how to have a control over their communication processes on social media. Many communication professionals in Germany have expressed a similar concern that one of the greatest risks or obstacles in using social media is the *difficulties to control communication processes* there (Fink & Zerfaß, 2010, p.18; 2011, p.21).²²⁸ Moreover, they also view that it is difficult to control what is being said or shared about the company or the brand on social media. In other words, companies have fear of loss of control in image-building processes of the company (Fink & Zerfaß, 2010, p.19). *Openness* and *loss of control* on social media are also seen as possible threats among communication practitioners in Europe (Zerfaß et al., 2010, p.83).

4.3.3.3 Types of Control Systems

In strategic management literature, there are many kinds of strategic control systems that organizations can use. For instance, *personal control*, *output control* and *behavior control* (Jones & Hill, 2010, p.390). **Personal control** includes *direct supervision* from a

²²⁸ Based on the Social Media Governance Study of 1,007 (in 2010) and 596 (in 2011) communication professionals in Germany.

manager and it can come from a group of peers as well; whilst **output control**²²⁹ is undertaken by *forecasting appropriate performance goals* for each division, department and employee, and *measuring the actual performance relative to these goals* (Jones & Hill, 2010, p.390). **Behavior control** is a control through the establishment of *operating budget, standardization*²³⁰, and a *comprehensive system of rules and procedures*, in order to direct the behavior or actions of the individuals, functions and divisions, or to standardize the way or means to reach the company's goals (Williamson, Ouchi as cited in Jones & Hill, 2010, p.391). Other examples of control systems are *formalized information-based processes for planning* and *environmental scanning or strategic surveillance* (Simons, 1991, p.49).

According to Miles and Snow (2003), there are *centralized* and *decentralized* control systems. **Centralized control systems** are when the decision making prerogatives are centralized at the executive level; only the top-level executives have the necessary information; and information flows are restricted to *vertical* channels, which means, “directive and instructions flow down the hierarchy, and progress reports and explanations flow up” and information about lower-level units is “cycled all the way to top management.” This type of control system is often found in **Defender** organizations.²³¹ It is assumed in this study that the Defender airlines also implements this kind of centralized control system for achieving adequate social media-related performance.

In a contrary, **decentralized control systems** are when individuals are allowed to exercise a considerable amount of self-control; operating units are enabled to control their own performance and to take corrective action without recourse to higher management (*short and horizontal feedback loops*); and the information needed to evaluate current performance and to take appropriate corrective action can be accessed in a timely manner because it is located in the operating units themselves, not in the upper management. This kind of control system is usually implemented in **Prospector** organizations.²³² It is assumed in this study that the Prospector airlines also deploy decentralized control system for achieving adequate social media-related performance.

²²⁹ Miles and Snow (2003, p.63) use other terms for output control, which are outcomes measures or results-oriented control system.

²³⁰ Usually, three things that organizations can standardize are *inputs* (e.g. company resources); *conversion activities*, e.g. through rules and procedures, so that the work activities are always done the same way or consistently; and *outputs*, specifying how the performance characteristics of the final product or service should be, e.g. by applying quality control (Jones & Hill, 2010, p.392).

²³¹ All information in this paragraph relies on Miles and Snow (2003, p.44-45).

²³² All information in this paragraph relies on Miles and Snow (2003, p.63).

Miles and Snow also argue that in **Analyzer** type of organization, *fundamentally different control mechanisms* should be managed in order to achieve satisfactory levels of both efficiency and effectiveness. In functional units, *centralized* and *budget-oriented* control systems are exercised to achieve cost-efficient production of standard products and long-looped vertical information systems. In addition to that, *long-looped vertical information systems* are employed in functional units. In contrary, in project groups, control systems are *decentralized* and *results-oriented*, and *short-looped horizontal information systems* are usually employed.²³³ It is assumed in this study that in Analyzer airlines, the kinds of control systems that are implemented for achieving adequate social media-related performance could be a mixture between these different control mechanisms as well. However, it may also depend on how the social media team is situated within the company, as a stable functional unit or as a dynamic project group.

Some management scholars argue that an effective control system should be *flexible* enough, so that managers can respond as necessary to unexpected events; provide *accurate information*, in order to give a true picture of organizational performance; and supply the manager with the information in a *timely manner*, as making decisions using outdated information will result in a failure (Jones & Hill, 2010, p.389).

In a social media management context, the study of communication managers and business, media and science experts in Germany 2012 found that setting up *rules and procedures* may help organizations to have a control over their communications on social media, although it is difficult to achieve (Zerfaß, Fink & Linke, 2012, p.27-30). The study recommends organizations to be willing to *remain open and give up of being in control over their communications on social media* because communicating on social media requires a fundamental change in the approaches of organizational communication (Zerfaß, Fink & Linke, 2012, p.53). Instead of having a strictly controlled one-way information on social media, organizations should establish procedures that *allow dialogues* and *take the various interests of stakeholders into account* (Zerfaß, Fink & Linke, 2012, p.53).

In airlines industry, Pal (2013) from SimpliFlying consultancy also argued that airlines companies cannot and should not try to control the flow of online opinion on social media. “An airline brand can no longer be ‘controlled’ by the management and corporate speak. Today’s airline brands are molded as much by management direction as by the goodwill of social advocates”, argued Pal (2013). However, what airlines can do is to *be*

²³³ All information in this paragraph relies on Miles and Snow (2003, p.76-77).

transparent, responsive and helpful in social media, because happy customers will be willing to engage with the airlines and they will spread a good word about the airlines (Pal, 2013).

Utilizing Information Technology

The role of information technology (IT) in strategy implementation is increasing at all organizational level (Jones & Hill, 2010, p.393). The use of information technology makes it easier for organizations to develop *output* and *behavior controls* cost-effectively that give strategic managers much more and better information to monitor many aspects of their strategies and to respond properly (Jones & Hill, 2010, p.393). IT is a form of behavior control when it “provides a way of standardizing behavior through the use of a consistent, often cross-functional software platform”; whilst IT is a form of output control “when all employees or functions use the same software platform to provide up-to-date information on their activities, it codifies and standardizes organizational knowledge and makes it easier to monitor progress toward strategic objectives” (Jones & Hill, 2010, p.393).

In social media management context, information technology has an increasingly important role as well as a control system. According to Altimeter Group, a new market software has emerged to address the challenges faced by companies in maintaining control over their numerous social media accounts, and to manage the conversation between the multiple people involved, both on the company and agency side (Owyang et al., 2012, p.9). This kind of software, labeled as Social Media Management Systems (SMMS), contains features such as “governance, workflow, intelligence, and integration capabilities” across the company (Owyang et al., 2012, p.9).²³⁴

Strategic Reward Systems²³⁵

Organizations often link reward systems to their control systems in order to control employees’ behavior (Lawler III, 1973 as cited in Jones & Hill, 2010, p.394). According to Miles and Snow (2003, p.46, 64, 77), reward system for the employees is also one of the solutions to the administrative problems that organization faces in adapting to its environment. Organizations must determine which behaviors or performance to reward, then create a control system to measure the performance, and link the reward structure to them,

²³⁴ Further discussion about social media management systems can be found in Chapter 4.B. “Airlines’ Solutions to Social Media-Related Engineering Problems.”

²³⁵ Due to confidentiality issue, this study could not obtain information regarding the reward systems that the four airlines offer to their social media workers.

because it affects the way managers and employees at all levels behave in the organization (Jones & Hill, 2010, p.394).

4.3.3.4 Empirical Findings: The Airlines' Social Media-Related Control Systems

KLM Royal Dutch Airlines

KLM's corporate social media team has established **feedback loop** within the team itself, and from the team to the management and to the relevant departments within KLM. According to Groeneveld (2014), one of KLM's Social Media Hub Managers, it is important to keep the management informed about the company's social media activities and social media-related achievements although *it is not enforced by the management*, in order to get continuous support from them. It is also crucial to forward customers' feedback on KLM's products and services that KLM gets on social media to the right departments within KLM so that they can improve their products and services (Groeneveld, 2014). This kind of control systems, according to Miles and Snow, are decentralized control systems with short-looped horizontal information systems, and are usually employed in Prospectors. Thus, KLM's control system for its social media activities matches this study's assumption about how a Prospector's social media-related control system looks like.

Through **regular reports** prepared by the social media team, the management and the relevant departments within KLM are informed about customers' feedback on social media and other important things related to the airlines' social media efforts (Groeneveld, 2014; Lassalle, 2013b). The team also creates a weekly report for the team itself which contains important information such as (Lassalle, 2013b):

1. The number of posts they had created and published on their social media platforms during the week;
2. How many cases they had that needed resolutions;
3. The average case age;
4. The top 5 case reasons;
5. Their average response times in answering questions and solving problems;
6. The overall quality of their responses.

KLM shares that it has made a big investment in sophisticated technologies to support their social media efforts.²³⁶ For instance, KLM uses a social media listening and analytics

²³⁶ For further information about KLM's uses of technologies to support their social media activities, please see the 'Configuration of Social Media-Related Technologies'.

software in order to get valuable information from social media which can improve their business, and to monitor their progress toward the social media objectives (van der Zee, 2014). KLM also uses a technology to integrate some important information about their customers that they obtain from social media and from other sources, so that a more effective conversation with its customers can be achieved (Haar, 2013).

When it comes to crisis management, KLM's social media team has to give part of its control authority to the corporate communications department to ensure a consistent response in different channels. As Meijer (2014b) from KLM noted:

In case of crisis, corporate communications make sure that all messages on all social platforms are aligned with the messages we send out via other media. Our corporate communications department always make sure we tell the same story everywhere. You can't do any different in this modern world in which a customer immediately reacts on something that is not congruent! (Meijer, 2014b).

American Airlines

In general, the corporate social media team at American Airlines has *a good amount of autonomy* in the organization. The social media-related control system is more applicable for the engagement part of their own team, in that there are certain levels of approval that are necessary before the social media team publishes a content on social media, including any text and/or photos which will be used.²³⁷

Nevertheless, the social media team has established some forms of control systems on their own initiatives, such as **feedback loops through regular reports** from the team to some relevant business units within the company and to the members of the team itself (*short-looped horizontal information systems*). New insights that the social media team gains from social media monitoring and analytics will be passed along to the appropriate business units within the airlines to consider and act upon.²³⁸ Examples of the insights are the things that the *customers like, dislike, need and desire* (Scott, 2013b), the *competitors' social media activities*, as well as *key topics and trends* in social media conversations (BM, Personal communication). These insights are reported to the internal social media team at least once a month and are presented to various other internal groups on an ad-hoc basis.²³⁹ But whenever the social media team receives complaints via social media related to events

²³⁷ All information in this paragraph relies on BM from American Airlines (Personal communication).

²³⁸ This information relies on Scott (2013b), BM (Personal communication).

²³⁹ BM (Personal communication).

happening in real-time at airports or on aircrafts, they will contact the appropriate managers *right away* to address the issues in person with their customers (Phillips, 2013).

The regular social media report at American Airlines typically contains the following information (Phillips, 2013, 2014):

1. The volume of the conversations they received, for instance, the number of tweets they received per hour and per day.
2. The flow of the conversations.
3. In which platforms the conversations happened.
4. Who drives the conversations (key social media influencers)?
5. The main themes of the conversations.
6. The tone or sentiment of the conversations.
7. American Airlines' response rate and time.

Apart from horizontal feedback loops, American Airlines' social media team has established *long-looped vertical information systems* as well. Some *executives at American Airlines also receive regular reports* from the social media team, for instance about trends on social media, customers' feedback, number of brand mentions, and degree of customers' involvement on social media (Phillips, 2014). These insights are reported to the Corporate Communications and Marketing leaders once a quarter and at the end of the year.²⁴⁰

The reporting of the social media insights is of the social media team's own initiative, as part of their efforts **to collaborate with their colleagues and to inform their leaders**.²⁴¹ The team believes that this regular reporting process is one of their success factors on social media (Phillips, 2013). By creating a feedback loop on American's product and services straight from the customers to the organization, their social media efforts have **added values to the core organization** (Pierce, 2012b). This ability will define American Airlines' business strategy moving forward (Phillips, 2013). The team argues that it is also important to continue educating their leaders on the ever-growing importance of social media in their industry and in their business.²⁴² "If we have buy-in from our leaders, we will continue to have their support when we need to push initiatives through or if we need to increase our headcount to meet demand from our always-increasing growth," explained BM (Personal communication).

Pierce (2013b) from American Airlines argues that wherever the reporting line for social media is in the organization, there should be strong relationships between the social media team with all other stakeholders in the company. This is also the reason why American

²⁴⁰ *Ibid.*

²⁴¹ *Ibid.*

²⁴² *Ibid.*

Airlines' social media team adopts a *client-service model*, through which the team can help their colleagues within the company exploit social media to meet their business objectives (Pierce, 2013b).

The regular report also enables the social media team to make a forecast of the volume of the social media conversations, and it can be used as a justification for additional team members (Phillips, 2013). Moreover, the team believes that as they consistently collect data from social media and analyze it, having a regular reporting about the results will make things easier rather than waiting for a year to report it (Phillips, 2013).

At American Airlines, a sophisticated social media monitoring tool, NetBase, has been used "to bring actionable social data back into the business", informed Phillips (2014), the airlines' social media analyst. The processes are like this: The owner of a particular product or service within the company approaches the social media analyst and request a particular data. For example, when the new International Premium Experience was announced, the analyst was asked to pull social media data on that topic. Then the analyst sets up a query in NetBase and creates a dashboard to share volume of mentions, sentiment, and the actual text of some of the conversations. The product owner can then take that data to make decisions about the product. Moreover, the tool is also used to help review the airlines' each previous month's posts and to see what performs well, so the company can evolve its engagement strategy on social media (Phillips, 2014).

Based on all these information, it can be concluded that American Airlines' control systems for its social media-related activities matches this study's assumption that an Analyzer airline manages different control mechanisms: *Decentralized* with both *short-looped horizontal* and *long-looped vertical information systems*. A centralized control system is not implemented, probably because the social media team is situated within the company as a dynamic project group.

Emirates²⁴³

At Emirates, some forms of control systems have been established in order to ensure that they achieve adequate social media-related performance. First, by using a special social media monitoring and analytics tool, the corporate social media team conducts **constant monitoring** of many things on social media, such as the performance of their social media content, the net sentiment of their customers, the performance of the social customer service team, and customers' feedback. From this surveillance activities, the team obtains voluminous information which can be useful for them and other groups within the company.

Second, **feedback loops** have been established from the social media team to the relevant departments within the company in order to distribute the important information that the team has gained from the monitoring activities. Nevertheless, the social media team only creates a social media report for other departments *on incident basis*, which means, it depends if there are trending topics in the industry or if other departments request particular social media data. The social media team does not have to send a regular social media report to the upper echelons either about its current performance on social media or about other insights from social media. The social media team is also allowed to solve all the problems related to the company's social media activities by themselves, without having to report it to or consult it with the management.

According to JS, the Head of Social Media at Emirates Airlines, although Emirates has controlling mechanisms to make sure that their social media strategies are implemented as planned, they also leave a room of **flexibility** in it. For instance, although the social media team sometimes had planned to publish or push out some content on social media, they did not necessarily do it all the time because things do change. As JS noted:

The strategic plan was not written on a stone; one cannot really stick to it. It is necessary to be really flexible and to have a good adaptation management, skills to be able to adapt to the situations, as things change all the time in the airlines industry. (JS, Personal communication)

It can be concluded that as a Prospector, Emirates' control system for its social media activities – *decentralized with short-looped horizontal information system* – matches this study's assumption.

²⁴³ All information about Emirates in this chapter relies on JS (Personal communication).

Garuda Indonesia Airlines

In general, Garuda Indonesia is known as a very procedural or highly bureaucratized company with a *centralized control system*.²⁴⁴ The corporate control system is quite reflected in the way the airlines control its social media activities as well.²⁴⁵ Garuda Indonesia has developed and implemented **strict rules and procedures** that govern the use of social media by their social media staff and agencies, and all other employees, in order to protect them and the company from any kind of risks that are associated with the use of social media.²⁴⁶ However, to date, most of the employees are not aware yet how the rules are as there is no socialization about it yet in the company.²⁴⁷

Besides enforcing social media policies, Garuda Indonesia has also developed and implemented **Standard Operating Procedures (SOP) and Working Instruction for handling feedback through social media** (Garuda Indonesia, 2014, p.224). This shows that handling feedback through social media is very important for Garuda Indonesia, thus, it probably aims to *standardize* the way or means to achieve their goals on social media, or to avoid mistakes in doing it (Jones & Hill, 2010, p.392). There is a **Service Level Agreement** as well that their agency has to accomplish in delivering social customer service, for instance, concerning their maximum response time on social media.²⁴⁸

Apart from having SOP for handling feedback through social media, Garuda Indonesia has established **regular reporting procedures** of customers' feedback and other important information that they get from social media back to the company. First, the agency has to regularly report to various internal departments which are responsible for managing the corporate social media activities. The monthly social media report that the agency has to submit to the airlines' PR, Marketing and Customer Service departments consists of various information, such as about the progresses of the airlines' current social media campaigns, the social customer service-related issues, the airlines' social media influencers, and the growth of the airlines' social media communities. Afterwards, these internal departments have to report it back to the relevant leaders.²⁴⁹

²⁴⁴ This information relies on LiquidThread (Personal communication) and BAN (Personal communication from Garuda Indonesia).

²⁴⁵ LiquidThread, *ibid*.

²⁴⁶ This information relies on IR (Personal communication) of Garuda Indonesia.

²⁴⁷ BAN, *op.cit*.

²⁴⁸ BAN, *op.cit*.

²⁴⁹ All information in this paragraph relies on LiquidThread (Personal communication), Garuda Indonesia's social media agency at the time of the interview. Garuda Indonesia has appointed a different agency to

According to IR (Personal communication) from Garuda Indonesia, there are benefits that the airlines can gain from establishing proper feedback reporting systems from social media to the business, for example, an increased in customer satisfaction and much better issues management.

Garuda Indonesia also deploys a special social media monitoring software to capture up-to-date information about, for instance, the progress of their marketing and social media campaigns and the results of their other efforts on social media (LiquidThread, Personal communication).

Based on all the information, it can be concluded that Garuda Indonesia's control system for their social media-related activities matches this study's assumption about how a Defender's social media-related control system would look like, *centralized control system with long-looped vertical information systems*.

manage their brand on social media since early 2015 (Icon International, 2015), and another agency to handle the airlines' social customer service (BAN, Personal communication).

4.3.4 Measurement of Social Media-Related Performance

This section discusses the last solution to the administrative problems faced by organizations during their adaptation to the social media environment: Implementing appropriate methods in measuring organizational performance on social media. It is assumed in this study that it is essential for the airlines to be able to correctly measure their performance on social media or the impacts of their social media efforts, as it could contribute to their success on social media.

In chapter 2, based on social media literature, several key social media-related performance indicators as well as guidelines to measure it have been identified. This section begins with an overview of previous social media studies' findings concerning the importance of measuring performance on social media, followed with the challenges that companies might face in measuring their performance, and some general approaches in measuring the performance based on Miles and Snow's theory and social media literature. Afterwards, the four airlines' approaches to social media-related performance measurement, as well as their performance on social media, will be discussed.

4.3.4.1 *The Importance of Measuring Social Media-Related Performance*

Organizations studied by Altimeter Group reported that the primary business value or impact of social media is not revenue generation but gaining *a more deepened relationships with customers and community*, or *customer/community insights* that can help them meeting customer experience goals. Another main impact of social media measurement is in *decision-making*, as it enables them to make better informed decisions based on social data. Based on the study, Altimeter Group argued that **companies who are not able to measure the hard and soft benefits of their social media activities have a risk of “flying blind into a storm”**, whilst **those who start to develop a social media measurement strategy will succeed in the new customer-centric world.**²⁵⁰

According to Socialbakers (2013d), it is important for companies to use the right social media metrics in order to understand the performance of a company's respective social media pages or channels, regardless of the industry the company is in. And **when companies perform an advanced or proper measurement reporting of their social media pages,**

²⁵⁰ All information in this paragraph relies on Etlinger, Owyang and Jones (2012, p.7).

they will be able to identify business problems and to resolve them using the valuable insights gained from social media analytical tools (Socialbakers, 2013d).

Airlines industry, which is also challenged by numerous business problems, usually requires multiple traditional channels to resolve the problems (Socialbakers, 2013d). But **through proper social media measurement, airlines companies can resolve many of their problems quicker and more efficient, provide quality social customer service, quantify the Returns on Investment (ROI) on social media promotions**, and many more (Socialbakers, 2013d). Although many airlines are not able to accurately calculate the returns of their investments on social media yet, according to a study of 29 airlines around the world in 2012, most airlines have seen its social media activities have positively impacted their business goals, especially the customer-related ones (SimpliFlying, 2012, p.8).

Not only it is important to measure the effectiveness of social media efforts, companies should also **‘benchmark’** their current social media-related performance against their previous performance (*internal benchmarking*) and their direct competitors. It enables a company “to get a better picture of what ‘good’ is” and where they fit on that scale. Companies could also benchmark against average overall industry engagement score to understand how their content is performing in comparison with the overall industry’s performance.²⁵¹

4.3.4.2 *Challenges in Measuring Social Media-Related Performance*

Although measuring the impact of social media efforts is beneficial for organizations, some studies found that many organizations still do not measure it, and many of those who do, do it sporadically.²⁵² It is evident from earlier studies that apparently many organizations have been experiencing difficulties in measuring the returns on their investments in social media.²⁵³ There are various challenges that hinder organizations to be able to know the values they receive from their social business. For instance, a study by Altimeter Group (Etlinger et al., 2012, p.3-4) revealed that the main challenges faced by many organizations to quantify the revenue impact of their social media investment are *“the inability to tie social*

²⁵¹ All information in this paragraph relies on Claridge (2015b) from Unmetric, a social media analytics provider.

²⁵² See for example the global social media studies conducted by MIT Sloan Management Review and Deloitte Consulting (Kiron et al., 2012, 2013, 2014).

²⁵³ *Ibid.*

media to business outcomes”, followed by *“lack of analytics expertise and/or resources”*, *“poor measurement tools”*, *“inconsistent analytical approaches”* and *“unreliable data.”*

Moreover, Altimeter Group also pointed out that the *data which companies derive from social media (refers to social data) is complex, new and different* from what the companies have seen and analyzed before. Based on their research, capturing social media data becomes fragmented as social media users exist in online, offline, and across multiple screens. Besides that, the volatile number of social media platforms and users make success measurement a moving target. And unlike having the convenience of using web analytics embedded on their own website, it is difficult for organizations to track their properties on social media platforms as they belong to third parties. As a consequence, they only have little direct insight into their customer behavior on those social media platforms. Lastly, as each social media application and platform has its own features, characteristics and behaviors, it yields *different metrics or ways to measure the organizations’ performance*. Facebook metrics differ from Twitter, YouTube, Pinterest and other platforms. This makes a holistic view of quantifying revenue impact of social media activities challenging.²⁵⁴ As social media initiatives, measurement metrics and tools change over time, organizations should not get stuck in their ways and be prepared to modify and optimize their measurement efforts (Lovett, 2012, p.96).

Airlines companies are also facing similar challenges in measuring the impacts of its social media activities, especially the impact on their revenue. SimpliFlying (2015) consultancy found through its longitudinal studies that significant network externalities and complicated processes involved in flight bookings, particularly for online reservations, make it difficult to measure the revenue gained from social media. These causes most airlines to track click-through rates only, which is not a perfect metric.

According to a social media analytics provider, Unmetric, although benchmarking a company’s performance against its competitor is valuable, it is difficult to do as usually companies and agencies do not have ready access to competitor’s data, and it takes days of efforts to approximate how a competitive brand is performing on social media. To start off, a tool or a suite of tools are needed to comprehensively analyze a company’s own performance.²⁵⁵

²⁵⁴ All information in this paragraph relies on Etlinger et al. (2012, p. 4-5).

²⁵⁵ All information in this paragraph relies on Claridge (2015b) from Unmetric.

4.3.4.3 Approaches in Measuring Social Media-Related Performance

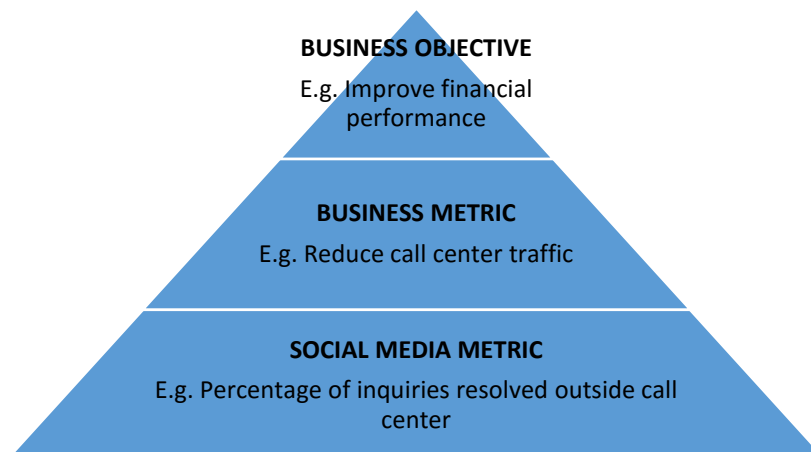
There is no consensus yet about how companies should best measure the returns of their social media efforts. However, one can find several approaches and guidelines about it in social media literature, ranging from simple to sophisticated ones. Few of them will be outlined below.

Usually, a performance measurement procedure in a company begins by developing a coherent set of *performance measures* which should be linked to the company's vision, mission, strategy and objectives (Kaplan & Norton, 1996, p.24-25). Moreover, organizations should evaluate their performance in a balance way by measuring not only the *financial performance*, but also the performance related to *customers, internal business processes*, and *organizational learning and growth* (Kaplan & Norton, 1996, p.25-28). This Balanced Scorecard framework can and should be applied into the measurement of a company's performance on social media (Zerfaß & Sandhu, 2008, p.301-303).

Hoffman and Fodor (2010) also suggest that **relevant KPIs for social media should be developed based on social media objectives** of a company (e.g. to increase brand awareness or brand engagement or create word-of-mouth) and measured by appropriate metrics according to the unique characteristics of each social media platform being used (Hoffman & Fodor, 2010, p.44). Several performance measures or key social media-related performance indicators that are suggested for airlines companies have been identified (see chapter 2).

Altimeter's Group' study found that companies' **social media-related performance should be evaluated based on the contribution of social media efforts to a range of business goals** (Etlinger & Li, 2011, p.5). According to Etlinger and Li (2011) from Altimeter Group, "there is a relationship between a corporate objective, a supporting business unit metric, and a social media metric," so companies should tie their social media objectives to business objectives (p.5). The figure below shows an example of the correlation between a business objective, a supporting business unit metric and a social media metric.

Figure 4: The Correlation Between Social Media Objectives and Business Objectives



Source: Altimeter Group (Etlinger & Li, 2011, p.5)

Miller, Marks and DeCoulode's (2011, p.5) from Deloitte Consulting argue that organizations should **measure the 'results' of social media efforts rather than the 'adoption' of social media** itself because measuring adoption can be a misleading indicator of value and may lead to failure. They believe that focusing on adoption as metrics will not address what matters most to employees, managers and the executives, as for managers for instance, the most important thing is often whether social media help them do their tasks much better.

Based on Miles and Snow's (2003) approaches in measuring organizational performance in three different organizational types (see chapter 2), it is assumed in this study that **Prospector** type of airlines tends to define their social media-related performance mainly in terms of *effectiveness (doing the right things)*, by measuring to which extent their planned social media activities are realized or their planned results are accomplished. It is likely that the following metrics could be used to measure the effectiveness of a company's social media activity: Brand engagement, the size of the communities, fulfillment of guaranteed response time, effectiveness in issues or crisis management, net sentiment score, and so forth. Moreover, Prospector may evaluate their effectiveness by *comparing their past and recent social media-related performance with their competitors'* as well. Key metrics that can be considered for benchmarking include *share of voice, mentions, sentiment, campaign performance* and factors such as *demographics*, and *influencers* (Claridge, 2015b). However, usually these benchmarks can be done by the more advanced analytical suites only (Claridge, 2015).

The **Defender** airlines is likely to focus on measuring the *efficiency (doing things right)* of their social media efforts by evaluating the resources needed or used for the results that they achieve on social media. So, a social media activity or process can be said to be more efficient than other activities or processes when it achieves the same or even better results at lower cost or fewer resources. Moreover, it is assumed that the Defender *will compare their present efficiency with those they achieved during previous time periods*, but will not compare their social media-related performance against their competitors'. Examples of measures on social media which are possible to be evaluated against resources are average response time and response rate in delivering services, content reach, and conversion to sales.

In regards to the **Analyzer** airlines, it is assumed that as Analyzer organization has to achieve a balance between efficiency and effectiveness, they need to combine different methods in measuring their performance on social media. To measure the performance of their regular activities or stable domain on social media, their performance may be defined in terms of efficiency, similar to the Defender. But in measuring the performance of their new social media projects or campaigns, it is assumed that they define their performance in terms of effectiveness, similar to the Prospector.

4.3.4.4 *Empirical Findings: The Airlines' Approaches to the Measurement of Social Media-Related Performance*

KLM Royal Dutch Airlines

As for KLM, the success of their social media efforts has been closely linked to their social media strategy that is based on three pillars: *service, reputation* and *commerce*. Primarily, KLM makes every effort to deliver excellent customer service around the clock via social media to create a more satisfied customer base. In order to achieve success in social customer service, KLM believes that the best strategy is by providing a personal and accessible *one-stop-shop* or full services on social media. It means, KLM strives to offer a solution to every question they receive on their social media channels.

Secondly, KLM argues that its reputation can be managed through social media efforts. To successfully manage its reputation via social media, KLM proactively monitors and actively influences the conversation around the KLM brand on social media. Moreover, KLM is also certain that it should be able (1) to increase its brand awareness on social media,

(2) to manage issues and crises more effectively via social media, (3) to communicate with appropriate tone of voice on social media, and (4) to share engaging content on social media.

Lastly, in regards to commerce, KLM argues that social media are great acquisition channels because nowadays customers are more highly influenced by other customers rather than by companies marketing campaigns or messages. Thus, KLM aims to derive revenue from its social media efforts, which also means that its social media efforts are said to be successful when they can successfully derive revenue from it.²⁵⁶

How KLM measures their social media-related performance in social customer service, reputation, and commerce will be discussed below.

Social Customer Service

Realizing the potentials that social media have for the company, KLM has reframed their business model to be more customer centric.²⁵⁷ This kind of business model means putting a higher emphasis internally on servicing their customers by enhancing their communication via social media.²⁵⁸ Social media have enabled KLM to provide a more efficient and friendly method of resolving various customer service issues and more meaningful relationships with their customers.²⁵⁹ KLM's social customer service is the most appreciated effort, in comparison with their other social media initiatives, and it has helped KLM to operate across geographies (Zee, 2014).

KLM uses three global social media platforms – Facebook, Twitter, and LinkedIn – and some local Chinese, Russian, and Korean social media platforms to provide its social customer service.²⁶⁰ A metric or measure that KLM uses to evaluate their social customer service efforts is the **average response time**.²⁶¹ KLM guarantees to response within an hour and even attempts to response faster, which they can achieve, proven by its average response time of half an hour (Zee, 2014). KLM gives a 'live service response meter', which is an update of every 5 minutes on Facebook and Twitter about the time it takes for them to respond to the customers' queries.²⁶² KLM also informs the passengers on board via their inflight video about the response time promise on social media, as well as informs the

²⁵⁶ The whole information in this paragraph relies on Drimmelen (2012d) from KLM and Socialbakers (2012i).

²⁵⁷ See Socialbakers (2012i), Lassalle (2013b)

²⁵⁸ *Ibid.*

²⁵⁹ *Ibid.*

²⁶⁰ See KLM (2012f, 2013b, 2014h, 2015).

²⁶¹ Lassalle (2013b), Haar and Groeneveld (2014)

²⁶² See KLM's cover photo on its official Facebook page and Twitter channel.

customers via emails about it (Haar & Groeneveld, 2014). In addition to average response time, KLM also measures their **response rate**, the number of questions that KLM managed to answer (Haar & Groeneveld, 2014).

According to Socialbakers, a provider of social media analytics tool, statistics and metrics for social media, KLM has been **the most responsive airlines in the world**. In the whole period of 2014, KLM's average response time on Facebook was always the fastest in comparison with other airlines, and the percentage number of users' questions got responded by KLM was also the highest (Socialbakers, 2014abcd). Similarly, on Twitter, KLM was the second most responsive airline in responding to inquiries on Twitter between 1 January to 31 March 2014, while from 1 April to 31 December 2014, KLM was always number one in providing the most responsive service in that channel (Socialbakers, 2014abcd). The table below displays KLM's average response time and response rate in 2014 on Twitter and Facebook.

Table 9: KLM's Average Response Time and Response Rate in 2014 on Facebook and Twitter

	Quarter 1 Jan 1–Mar 31 2014	Quarter 2 April 1–Jun 30 2014	Quarter 3 Jul 1–Sep 30 2014	Quarter 4 Oct 1–Dec 31 2014
Facebook	Rank # 1 <ul style="list-style-type: none"> • RT: 78 min. • RR: 96,44% • A-IQ: 17,365 Industry benchmark: <ul style="list-style-type: none"> • RT: 1,190 min. • RR: 81,09% 	Rank # 1 <ul style="list-style-type: none"> • RT: 59 min. • RR: 99,22% • A-IQ: 15,571 Industry benchmark: <ul style="list-style-type: none"> • RT: 1.059 min. • RR: 84,05% 	Rank # 1 <ul style="list-style-type: none"> • RT: 135 min. • RR: 98,76% • A-IQ: 20,069 Industry benchmark: <ul style="list-style-type: none"> • RT: 1,421 min. • RR: 86,02% 	Rank # 1 <ul style="list-style-type: none"> • RT: 99 min. • RR: 99,06% • A-IQ: 20,543 Industry benchmark: <ul style="list-style-type: none"> • RT: 1,175 min. • RR: 85,3%
Twitter	Rank # 2 <ul style="list-style-type: none"> • RT: 68 min. • RR: 83,82% • A-IQ: 6,691 Industry benchmark: <ul style="list-style-type: none"> • RT: 479 min. • RR: 56,96% 	Rank # 1 <ul style="list-style-type: none"> • RT: 64 min. • RR: 81,50% • A-IQ: 6,872 Industry benchmark: <ul style="list-style-type: none"> • RT: 620 min. • RR: 58,42% 	Rank # 1 <ul style="list-style-type: none"> • RT: 89 min. • RR: 75% • A-IQ: 6,962 Industry benchmark: <ul style="list-style-type: none"> • RT: 643 min. • RR: 54,24% 	Rank # 1 <ul style="list-style-type: none"> • RT: 65 min. • RR: 68,13% • A-IQ: 6,438 Industry benchmark: <ul style="list-style-type: none"> • RT: 343 min. • RR: 43,44%

Own development based on the data from Socialbakers (2014abcd)

Note:

- Response Time (RT): The average time it takes for the company to respond to the users' questions.
- Response Rate (RR): The percentage of users' questions that get responded to by a particular company.
- Answered minus ignored questions (A-IQ): The total amount of answered questions in a given quarter.

Besides the average response time and response rate, KLM believes that the **overall quality of the responses** that they sent out on social media is also important, thus, KLM includes this as a key performance indicator on social media as well (Haar & Groeneveld, 2014).

Other KPIs that KLM uses in measuring their social customer service performance is by comparing the **frequency of phone calls** from customers that they receive before and after they have started using social media (Drimmelen, 2012d). Besides that, KLM also measures its **net sentiment score** regularly at the start and end of each conversation with its customers on social media, in order to discover if the customers are satisfied with KLM's service. KLM's social media service agents are trained to manually review the customers' sentiment at the start and the end of the conversation, and KLM plans to make this an automated process. But measuring each and every conversation is a tough job, nevertheless it has given positive results. *KLM has seen more and more conversations which were able to change the customer's sentiment over the course of the social media conversations.* KLM treats this as ROI, because happy customers will want to buy tickets and to travel with KLM again.²⁶³

Unmetric (2012), a provider of social media analytics as well as a Twitter official partner, calculated the sentiment of Facebook posts received by KLM and their competitors Lufthansa and Southwest Airlines in March 2012 by using its Brand Monitoring Platform (BMP) and found that the number of posts ordered according to the sentiment of the posts are:

1. **KLM: 2286 (635 positive, 113 negative, 1538 neutral posts),**
2. Lufthansa: 1027 (205 positive, 53 negative, 769 neutral posts),
3. SouthWest Airlines: 2142 (866 positive, 171 negative, 1105 neutral posts).

Whereas the airlines' net positive posts by sentiment are (Unmetric, 2012):

1. **KLM: 269.0621**
2. Lufthansa: 192.0146
3. SouthWest Airlines: 104.8804

Mierzwa (2012) measured KLM's customers' sentiment on Twitter for the period of February to March 2012. By using linear Support Vector Machines, 9368 customers' tweets in KLM's Twitter account were analyzed and classified. The classifier found 82% precisions for objective class, 59% for the positive, and 54% for the negative class. The positive and negative classified tweets were used to create positive and negative emotion indexes over time. Mierzwa also found that various events, such as the introduction of a new service (e.g. KLM's Meet and Seat) or operational issues with flights, could influence the customers'

²⁶³ The whole information in this paragraph relies on Haar (2013) from KLM except stated otherwise.

opinions about KLM. **Although some events caused negative conversations about KLM, KLM managed to mitigate them and to turn negative sentiment to positive.**²⁶⁴

For its excellent performance on social customer service, KLM has received many awards, for instance, the ‘Best in Customer Service Using Social Media’ at the 5th Annual SimpliFlying Awards in 2014 (SimpliFlying, 2014a), the Most Socially Devoted global brand 3 years in a row (Socialbakers, 2012a)²⁶⁵, and the winner of The Webby Award for Social Customer Service in 2014 (Webby Awards, 2014).

Reputation

Brand Awareness. Since it has become a standard at KLM to communicate with their customers through social media instead of by phone, *KLM has never been more known as a brand like this time.* Besides that, KLM has all of a sudden *an edge with their consumers and gets many media attentions.* Whenever KLM posts something, KLM can see that it goes to the total portfolio of countries where KLM has Facebook and Twitter accounts. KLM has experienced indirect but very clear connection that matches almost 90% between their top 10 areas of online sales’ growth and the top 10 countries of their social media followers. KLM even *gains triple-digit growth in online sales in some countries* merely because KLM’s brand awareness there is so much better than before. KLM could not achieve something like this before the social media era as they simply could not afford to buy a TV or a newspaper advertisement slot in those countries.²⁶⁶

KLM’s increasing brand awareness is likely contributed by the large size of KLM’s communities on many social media platforms. The number of fans or the size of the social media communities that a company has could influence the number of people the company’s social media content can reach, which could positively impact the company’s brand awareness as well (Raghava, 2014). According to Socialbakers’ statistic in July 2015, the size of KLM’s communities on Facebook, Twitter, Google+ and YouTube are on the top 3 in comparison with all other airlines which are present on those channels.

²⁶⁴ All information in this paragraph relies on Mierzwa (2012, p.3 & 34).

²⁶⁵ Socially Devoted is an industry standard of customer care on social media, created by Socialbakers. See Socialbakers (2012a) for detailed information how the social devotion of a brand is measured.

²⁶⁶ The whole information in this paragraph relies on Zee (2014).

Table 10: The Size of KLM's Social Media Communities in Selected Social Media Platforms by July 2015

Social Media Platforms	Industry Rank No.*	Size of Communities
Facebook	2	Ca. 9,2 million
Twitter	3	Ca. 1,8 million
Google+	2	Ca. 3,1 million
YouTube	2**	Ca. 53,000
Instagram	***	Ca. 149,000
LinkedIn	***	Ca. 276,000

*Socialbakers' analytics **Also based on the number of views ***No information available

KLM shares that the growth of their community on Facebook has been satisfying as well. At the end of 2013, KLM had 4.7 million Facebook fans, and by the end of 2014 KLM had 8 million fans, nearly doubled the number in 2013, which made KLM to be the airline with the largest Facebook community in 2014 (KLM, 2015, p.9). By the end of 2014, the total size of KLM's communities on various social media channels is around **17 million** (KLM, 2015, p.9), which is the biggest amongst the three other airlines. KLM is among **the top three airlines in the world with the highest number of loyal and engaged fans and followers who are spread across all continents** (McCulloch, 2015).

Brand Engagement. KLM believes that people can be driven to a brand by *emotional engagement*, and that social media can really help to establish this emotional connection between the people and the brand, according to Martijn van der Zee (2014), Air France-KLM's Senior Vice President for E-Commerce. That is why KLM has attempted to create social media activities which can build emotional connection with its customers. An example for this is the 'Lost and Found' initiative which KLM recently launched in 2014. Zee explained that KLM received a lot of messages on social media from their passengers who lost their personal belongings and sometimes emotional items on one of KLM's planes. KLM understood that it was frustrating for the people as for security and safety reasons they were not allowed to go back to the plane to get their stuff back, and the only thing that KLM could do was suggesting them to go to the lost and found section at the airports. Thus, based on the interactions with the passengers KLM was having on social media, KLM started to work on returning the stuff to the passengers. After a week, the initiative was so successful that KLM expanded its lost and found team from 2 to 15 people. Van der Zee believed that this initiative was successful because KLM could identify right away if there was a problem like this through their listening activity on social media, and KLM could immediately get their team to search for the items, go into the planes with their security clearance and return

the items to the passengers. Van der Zee concluded that “a five-minute look can make a really big difference.”

Furthermore, van der Zee shared that KLM also often gets emotional reactions from people because of their social media activities. Hundreds of times a day KLM hears people say that they never heard of KLM but they will fly with KLM because what KLM does on social media is so cool. Van der Zee summed up that social media has allowed KLM to stand out from the crowd.

In order to attain high level of brand engagement on social media, KLM applies *multiple layers of engagement methods* on social media: From providing solid social service to social campaigns, social products, and continuous engagement to the customers (Lassalle, 2014). For example, KLM’s social media campaign in 2012 to encourage people to ‘stewardess’ themselves via the innovative ‘Stewardess Yourself’ Facebook application managed to get positive and more valuable engagement from its fans in comparison with other airlines (Claridge, 2012; Serusi, 2012b).

Since 2011, KLM has made it to be one of the top 5 brands by average engagement rate as well, according to Socialbakers (2012b), a provider of social media analytics tool, statistics and metrics for social media. Unmetric (2012), also a provider of social media analytics, determined KLM’s engagement score on Facebook for the period of March 2012 by using its brand monitoring platform, and found that KLM’s engagement score was the highest (274.8193) in comparison with its competitors Lufthansa (195.4373) and Southwest Airlines (162.1004).

Social Commerce

The more challenging part of KLM’s social media strategy is commerce, and KLM aims to successfully derive revenue from social media (Drimmelen, 2012d). Van der Zee (2014) admits that this goal is pretty difficult to achieve, nevertheless he believed that this is what makes KLM different from other airlines. He argued that it would be a bit naive to work a lot on social media just to achieve excellent service and brand reputation, and without a business model behind it. The main reason is, according to Zee, in the end, all the social media initiatives that KLM has to carry out need to be financed.

Not only deriving revenue from social media efforts is difficult, to prove if their social media investments have given some financial returns is also not easy. According to van der Zee (2014), there is almost never a direct reference when it comes to assessing

whether a particular social media activity is successful or not in terms of the financial return. But, this is also the case in search advertising or in a marketing campaign (Zee, 2014).

To successfully derive revenue from social media, KLM has continuously created excellent social products, social media campaigns and offers which can really generate revenue. Besides that, KLM attempts to *work efficiently on social media*, for instance, by answering customers' questions publicly, so that other customers with the same questions get their answer right away. As a result, KLM gets *fewer calls to answer*. KLM also takes into account *improved online sentiment* and an *increase in brand ambassadors* as another return on investment. And as KLM is equipped to sell tickets in social media, KLM can measure all *conversions* from social media to its website.²⁶⁷

All in all, KLM trusts that their investments on social media are worth the money (Lassalle, 2013b). Van der Zee (2012) shared that there were many people who literally said to KLM that they bought tickets with KLM because of KLM's actions in social media. For the first time in five years, KLM's gained double-digit growth figures in online bookings, and there was a jump in online sales outside the Netherlands (van der Zee, 2012). **KLM has estimated that it earns about 25 Million Euros a year via various social media channels** (Meijer, 2014b).

KLM's achievement in generating revenue from its social media activities received several industry recognitions as well. For example, in 2014 KLM received an award of 'Best in Driving Revenue' using social media at the SimpliFlying Awards in 2014 (SimpliFlying, 2014a).

In 2013, KLM has improved or extended the ways they measure the success of their social media efforts. KLM is confident that applying **multidimensional ways of proving the returns on their investment on social media** is the right thing to do instead of just counting the direct returns of it (Lassalle, 2013b). This is similar to the renowned Kaplan and Norton's *Balanced Scorecard* approach discussed in chapter 2, that a company's success should also be determined by nonfinancial perspectives – those of *customers*, *internal business processes*, and *learning and growth* (Norton & Kaplan, 1992). KLM's

²⁶⁷ All information in this paragraph relies on Drimmelen (2012d) from KLM.

multidimensional ways of measuring the returns of their investment on social media are as follow²⁶⁸:

1. External and Indirect Returns

KLM is certain that its social media engagements *add to brand values, strengthen their relationships with the customers, and create a lot of brand awareness*. These are very important too as they worth a lot of money. Customer's happiness is the number one ROI as happy customers bring a lot of value to the brand (Haar, 2013). As discussed earlier, KLM measures the *customers' sentiment* at the start and end of each conversation with them in order to find out if their customers are happy (Haar, 2013).

KLM is confident too that they have *improved the customers' experience* because of their social media efforts, and this is proved by the *continuous growth of the size of their online communities, the increasing number of their brand advocates, and the increase of the community's engagement* with KLM.

In order to get these external and indirect returns, KLM consistently creates great campaigns that work to generate a lot of 'Likes' and 'Likeability', such as the KLM Surprise.²⁶⁹ So KLM counts the number of likes, comments, shares and so forth, that they get on their social media channels. Moreover, KLM also creates social media-related products that are 'deal makers' in the long term, such as the 'Meet and Seat'.²⁷⁰

2. External and Direct Returns

KLM claimed that calculating external and direct returns due to their investments on social media is the easiest to do, as they are able to prove the *number of bookings or conversions* they obtained from their social media activities. This kind of returns can be obtained through creating social offers (e.g. KLMfares²⁷¹ on Twitter) and social products (e.g. KLM Trip Planner²⁷²) that can generate sales. Besides that, as KLM's official Facebook page is equipped with a feature to sell tickets, they can measure all conversions from Facebook to their website.

3. Internal and Indirect Returns

KLM believed that their social media activities and many compliments they often receive for its social media efforts have made their *employees happy, more united and more proud* about the company than before. As a result, happy employees make happy customers too. Moreover, KLM has also received some great *ideas from their employees* about social media activities that can bring benefits to the company and the customers.

²⁶⁸ All information in this section relies on Lassalle (2013b) from KLM, unless stated otherwise.

²⁶⁹ For more information about KLM Surprise campaign, see KLM (2010).

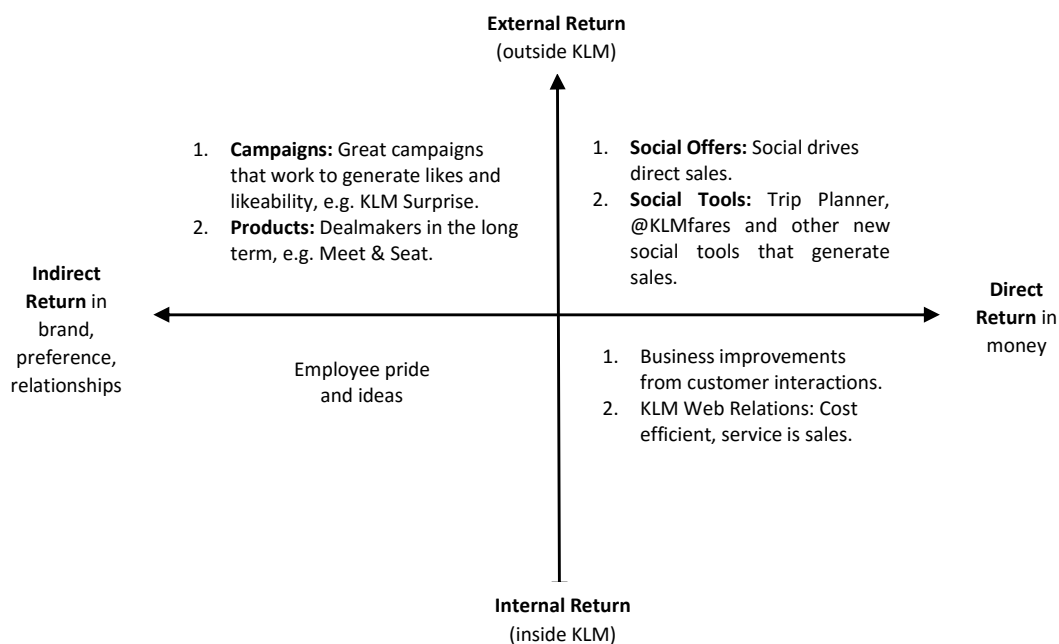
²⁷⁰ For more information about KLM's social product Meet and Seat, see the 'Social Media-Related Products' section or KLM (2012a).

²⁷¹ KLMfares is a continuous service on Twitter, which gives information to KLM's followers who ask about the lowest available fare on KLM flights. See <https://twitter.com/klmfares>

²⁷² For more information about KLM's Trip Planner, see the 'Social Media-Related Products' section or KLM (2012d).

Figure 5: KLM's Multidimensional Ways of Measuring the Returns of Investment on Social Media

Source: Lassalle (2013b)



4. Internal and Direct Returns

The direct returns that KLM has achieved internally through their social media efforts are *business improvements* from customer interactions and *cost efficient web relations*. As KLM's social media efforts have enabled KLM to have direct contacts with and to get feedback from their customers, KLM has enjoyed *product improvements* and *more efficient internal processes*.²⁷³ How KLM measures cost-efficiency has been explained in the social commerce section above.

Based on the information above concerning KLM's multidimensional methods in measuring their social media-related performance, it can be concluded that KLM defines their performance on social media both in terms of *effectiveness* and *efficiency*. This does not match this study's assumption that Prospector focuses on evaluating the effectiveness of their social media efforts. However, KLM's capability in measuring their efficiency on social media and in proving that this could contribute to the efficiency of some of their internal business processes are a good achievement as efficiency is difficult to accomplish in an organization system that undergoes constant change like the Prospector (Miles & Snow, 2003, p.64).

²⁷³ See Socialbakers (2012i).

EMIRATES

In the early stages of its social media adoption in 2012, neither had Emirates much expectation from their social media activities nor a sophisticated performance measurement system for its social media efforts. Four months after the launch of the airlines' social media initiatives in March 2012, Emirates was only looking at the **size and growth of its social media community** and the **level of engagement** with their community on Facebook as their performance indicators on social media. These performance indicators were linked to Emirates' social media objective *to create meaningful connections with their passengers, fans and advocates beyond their travel experience via social media* (Emirates, 2013b).²⁷⁴

In such a short time, Emirates has achieved **a fascinating growth of their communities and engagement rate on social media**. Only seven months after the launch of Emirates' Facebook page in April 2012, Emirates' Facebook community grew to one million (Emirates, 2013b, p.28). In September 2013, Emirates' social media community on Facebook reached 2 million (Emirates, 2014a, p.41), and it doubled to 4 million by December 2014, which contributes to **Emirates' social media reach to over 8.5 million people in total** (Emirates, 2015, p.43). By July 2015, the size of Emirates' community on Facebook is 4.6 million and ranks on place 7 within the airlines industry.²⁷⁵ In airlines industry, Emirates' community on Google+ is the largest and growing the fastest by July 2015 according to Socialbakers.²⁷⁶ In 2014, Emirates was the number one airlines on LinkedIn and Instagram in regards to the size of their communities there (Emirates, 2014b). Emirates' communities on LinkedIn and Instagram are even much larger than KLM and American Airlines which have established their presence much longer there.²⁷⁷

²⁷⁴ All information in this paragraph relies on Emirates' Head of Social Media, JS (2012), unless stated otherwise.

²⁷⁵ See Socialbakers' Facebook statistics for airlines: <http://www.socialbakers.com/statistics/facebook/pages/total/brands/airlines/> Please note that this is a dynamic statistics, which means, the figures change every month.

²⁷⁶ See Socialbakers' Google+ statistics for airlines: <http://www.socialbakers.com/statistics/google-plus/profiles/brands/airlines/> This is also a dynamic statistics, which means, the figures change every month.

²⁷⁷ Based on the researcher's latest observation in July 2015.

Table 11: The Size of Emirates' Social Media Communities in Selected Social Media Platforms by July 2015

Social Media Platforms	Industry Rank No.*	Size of Communities
Facebook	7	Ca. 4,6 million
Twitter (@EmiratesSupport)	***	Ca. 22,800
Twitter (@emirates)	28	Ca. 499,000
Google+	1	Ca. 3,1 million
YouTube	7**	Ca. 57,200
Instagram	***	Ca. 547,000
LinkedIn	***	Ca. 402,200

*Socialbakers' analytics **Also based on the number of views ***No information available

In terms of Emirates' engagement rate, **Emirates is one of the most engaged airlines on social media**, and even ranked no 6 among all global brands in 2013 (JS, Personal communication). Emirates was the most engaging airline brand on Facebook in the period of 2012-2013, based on Socialbakers' analysis, a social media analytics provider (Emirates, 2013a, p.5). When they started their social media activities, Emirates had an engagement rate target of an average of 1%. But what they had achieved was beyond their expectation as they regularly saw their engagement rates exceeding 10%, which makes them one of the most engaged travel brands globally, that is well above the airline sector. The number of people who were talking about Emirates on Facebook had also exceeded Emirates' target of 10% in average, as Emirates had reached more than 60% over the first three months of their social media launch.²⁷⁸

About one and a half year after the launch of its social media efforts, Emirates considers **brand engagement** as the most important thing to achieve through social media, and it is even one of the biggest Key Performance Indicators (KPIs) that Emirates evaluates. Emirates believes that brand engagement is determined by the primary audience that they have in social media channels. Thus, Emirates is focusing on the quality of the audiences in those channels. Emirates wants to make sure that the people who follow them on their social channels are truly their customers, and not just ordinary fans.²⁷⁹

Emirates' efforts to achieve high level of brand engagement on social media have been fruitful as well. According to Unmetric, a social media analytics provider, in comparison with other major airlines in Middle East region, **Emirates achieved the highest engagement score** for the period of April 2013, with a huge engagement score of 411, doubling the score of its nearest competitor. Unmetric explained that although Emirates had

²⁷⁸ All information in this paragraph relies on Saydam (2013) except stated otherwise.

²⁷⁹ All information in this paragraph was derived from JS (Personal communication) from Emirates Airlines.

only 27 posts in total for the whole April, it showed that when it comes to fans engagement, Emirates preferred to have quality social media content than large quantity of it.²⁸⁰

Another social media analytics provider, Socialbakers, also confirmed Emirates' excellent achievement in driving brand engagement on social media. As a new player in social media, Socialbakers admitted that Emirates has managed to catch up quickly with its peers on social media. Socialbakers monitored and analyzed brands' performance on social media during the third quarter of 2013 and found that **Emirates had an impressive engagement rate, a high number of interactions and of people who talked about the brand on Facebook**. This made Emirates one of the top ten most engaged brands on Facebook (rank number 6) and the number one most engaged airline on Facebook during that period.²⁸¹ In 2014, Emirates also managed to maintain its position as one of the most engaged brands on social media.²⁸²

As mentioned earlier, Emirates uses the *size and growth of its communities* on social media social media-related performance indicators. Emirates' social media global ranking by community size in all six social media channels it is present has been satisfying (Emirates, 2014a). Emirates also uses **social reach** of its social media content as another indicator of its performance on social media, for instance by looking at the *number of views* that their YouTube videos gain (Emirates, 2013a).

On top of that, Emirates shared that they also evaluate their social media-related performance in **social customer service** area, as they use social media channels to serve their customers as well, and they have already created some others touch points on social media for their customers to get in touch with them. The metrics that Emirates uses to measure its performance in social customer service are **response rate**, the number of people who contacted Emirates on social media, **resolution rate**, how many people were getting back to, and **response time**.²⁸³

According to Socialbakers (2014d), between the period of 1st October 2014 until 31st December 2014, **for the first time Emirates managed to sit on place no 8 among the most**

²⁸⁰ All information concerning Emirates' engagement score on social media in April 2013 was derived from Claridge (2013). Unmetric created an *engagement score calculation* and has carried out calculations and comparisons of some airlines' engagement score on social media. The engagement score calculation is based on the number of Likes, Comments, Shares and estimated impressions. Unmetric argued that if the engagement level is calculated this way, airlines who have a lower fan base can still have a chance to get a better engagement score than airlines with a huge fan base, even if the airlines with a lower fan base do not get as many interactions as those with a large fan base.

²⁸¹ All information in this paragraph relies on Emirates (2013a) unless stated otherwise.

²⁸² This information relies on JS (Personal communication), *Op. cit.*

²⁸³ All information in this paragraph relies on JS (Personal communication), *Ibid.*

socially devoted airlines on Twitter. Emirates' Twitter channel for customer service, @EmiratesSupport, managed to deliver an average response time of 251 minutes while the airlines industry benchmark was 343 minutes. Whereas Emirates' response rate, the percentage of users' questions that got responded to, was 67,89%, while the industry benchmark was 43,44%.

Emirates indicates that its use of social media channels to promote the company's attractiveness as a global employer and to recruit talents from different countries has been fruitful (Emirates, 2015, p.23). **Emirates receives each month an average of 1,500 career-related inquiries on their social media channels** (Emirates, 2015, p.23). Emirates also received more than 400,000 online applications from 227 countries for 2,000 jobs in the period of 1 April 2014 to 31 March 2015 (Emirates, 2015, p.23).

Although Emirates aims to build greater brand loyalty and reinforce their brand pillars through their 'always on' engagement strategy on their social media channels (Emirates, 2013a), Emirates has not measured it yet if they have achieved these. Lastly, in regards to the measurement of revenue gained in social media, Emirates is not yet doing it either. Emirates is aware that other airlines brands are focusing on social commerce, striving to derive revenue from their social media activities. However, this is not Emirates' focus at the moment.²⁸⁴

For its performance on social media, Emirates has received several recognitions, for instance, as one of the Runner-Ups in Best Emerging Airline on social media in 2013 at the 4th annual SimpliFlying Awards for Excellence in Social Media (SimpliFlying, 2013c), and as 'Highly Commended Airline' in the same category in the following year's SimpliFlying Awards (SimpliFlying, 2014a).

Based on the information above concerning Emirates' method in measuring their social media-related performance, it can be concluded that Emirates defines their performance on social media both in terms of *effectiveness* and *efficiency*, which is similar to KLM. However, only a limited number of KPIs are measured by Emirates. Although this does not match this study's assumption about Prospector's approach in measuring their social media-related performance, Emirates' capability in evaluating the efficiency of their customer service and talents recruitment program on social media, as well as in achieving it,

²⁸⁴ *Ibid.*

could help reduce the major risk of inefficiency often encountered by Prospectors (Miles & Snow, 2003, p.65). But as more investments or efforts are poured into social media, Emirates needs to expand their performance measurement efforts as well.

AMERICAN AIRLINES

In the early phase of its social media adoption, American Airlines did not have a formal performance evaluation or measurement system in place yet for their social media activities. But since the airlines has built a dedicated social media team in 2012, the team has begun to measure the impacts of their investments on social media by using simple metrics like number of *impressions, shares, likes, comments, and click-through*. They also collect *praises from their customers* which they often receive on social media. Furthermore, they have tried to measure if their social media content had driven *revenue*, although at that time they were still not required to generate revenue from social media, and they did not have a specific number or target that they had to meet yet from their social media activities.²⁸⁵

Despite the simple performance measurement method that they used, they were certain that their customer service efforts on social media are beginning to impact their real-life customer service in a positive way.²⁸⁶ This was proven by the *positive comments or compliments* American Airlines often received on its social media channels, which showed that the customers were satisfied with the airlines' social customer service.²⁸⁷ They were absolutely confident as well that their social media efforts have improved their customers' experience, as this was demonstrated by the *continuous rapid growth of the size of their social media communities* and their *engagement level* with the airlines on social media.²⁸⁸

Overall, the social media team considered their social media efforts to be successful when it is able to represent its brand well on social media, to provide excellent social customer service, to inspire people to travel more with American Airlines, and to build real relationships with its customers through social media.²⁸⁹

²⁸⁵ All information in this paragraph relies on SS (Personal communication) from American Airlines.

²⁸⁶ *Ibid.*

²⁸⁷ This information relies on AOB (Personal communication) from American Airlines.

²⁸⁸ *Ibid.*

²⁸⁹ All information in this paragraph relies on AOB, *Op. cit.*

In 2013, American Airlines' social media team was finally able to determine meaningful social media-related KPIs and metrics that are important to the business, and they were confident that their success on social media is partly because of this ability. The KPIs have helped them in selling social media projects to their internal stakeholders and top management, and have enabled them to share customers' feedback on social media with different parts of the business.²⁹⁰

However, the processes to determine the right KPIs and metrics to measure it were not easy. According to Jonathan Pierce (2014b), American Airlines' Director of Social Media, it was another challenge to get everyone in the team to be on the same page when using social media tools, and a careful training was required. They realized that they cannot measure their performance on social media with one consistent metric across every social media channel because the channels are so different (Pierce, 2014b). "All have different ways of comparing data and different success factors to consider. So it's important to establish metrics for each social network that are understood by the social team, by stakeholders and by each business unit," explained Pierce (2014b).

According to BM (Personal communication) from American Airlines, three major key social media-related performance indicators that American Airlines measures are internal-related KPI, in social customer service, and in social customer engagement. How they measure these KPIs will be discussed below.

Internal Success

As mentioned earlier, American Airlines' social media team was not burdened by any order from the management to instantly start generating revenues from social media. But when the team has started to create a feedback loop on the company's product and services, straight from the customers via social media to the organization, it has added value to the core organization (Pierce, 2012b). Pierce (2014b), is certain that **a key to their success internally is the ability to share feedback with and provide real-time metrics to the internal stakeholders.** As Pierce (2014b) noted:

When the story is relevant, you get instant credibility in the channel. When you're able to show immediate feedback - striking while the iron's hot - it's very useful in helping people understand what social metrics are; helping people understand the channel, what it does; and how it works. (Pierce, 2014b)

²⁹⁰ All information in this paragraph relies on Phillips (2013) from American Airlines.

Although there is no pressure to show ROI from all the social media efforts, social media analytics are at the heart of American's social strategy (Pierce, 2013b). The social media team uses the insights gained from social media analytics to optimize the performance of their social media content, reports on customer feedback and the performance of social media projects and campaigns (Pierce, 2013b).

Pierce noted that:

If you are using data to tell the story of what customers are saying, and the business is listening and acting on that feedback, then you are inherently receiving ROI from social. The art is telling the story in a simple, compelling way, and translating the insights to be relevant to different stakeholders (Pierce, 2013b).

Concerning social media metrics and analytics, the social media team implements *flexible* and *customized approaches*. Pierce (2014d) explains that their social media objectives and performance measurement methods have been adjusted to the internal functions that they support. So the social media team 'talks in the language' of the internal functions or groups they are targeting or supporting (Pierce, 2014d; Phillips, 2014). For example, if the social media team is working on a social media project for the marketing department, they will not discuss about average response time and quality control of the response team, but they will talk about customers' engagement and organic reach, which is the language that the marketing people understand and want (Pierce, 2014d). The social media team will provide metrics on reach, impressions, sentiment, acquisitions, promotion effectiveness, and revenue from fare sales (Phillips, 2014). Whereas with customer service department, the social media team will not talk about impressions, but about what kind of mentions the brand is getting on social media, and if they are related to baggage or delays at the airport, the measurement of response times for responding to posts, and analysis of the best way to escalate issues (Phillips, 2014). Reporting to the C-suite executives needs another approach as well. "They don't want to talk about reach of a Facebook page. They want to talk about how social is impacting sentiment towards the brand. They want to hear what are customers saying now about the brand versus what they were saying last month," explained Pierce (2014b). So, the social media team takes a bigger picture and talk about trends, customers' feedback, number of brand mentions, and degree of customer involvement on social media (Phillips, 2014).

When reporting about American Airlines' performance on social media to the internal stakeholders, the social media team focuses on three levels of insights and reporting which span the strategic, tactical, and operational (Pierce, 2014d):

1. *Overall brand level:* The sentiment of social media conversations about the brand, key customers' feedback, volume of conversations about the brand, and key trends on social media. Such insights are shared to the senior level of the organization.
2. *Project or function level:* For instance, the impact of the frequent flier program's new announcement on social media.
3. *Operational level:* For instance, when and where are the conversations about American Airlines happening on social media, the volume of the conversations, competitors' performance, and the performance of their social media messages and content.

Silo-Busting. According Pierce (2014d), American Airlines has a long-term social media objective, which is to bust the traditional silos in the company by using social media. The social media team tries to do this on a continual basis, nevertheless, it is very challenging in a company with 100,000 employees worldwide (BM, Personal communication). So, silo-busting is at the highest level of their social media metrics (Pierce, 2014d).

American Airlines-US Airways Integration. Pierce (2014d) informed that due to the merger with US Airways in 2013, American Airlines' focus and number one objective in 2014 was *the integration of American Airlines and US Airways*. It was also their number one social media objective. To achieve that, they used social media not just to communicate with customers and other stakeholders, but also to provide support for customers who were navigating the integration during the stages of when they were not one airline. "We're still operating as two separate airlines. That naturally causes complexities for customers, and social media can help," explained Pierce (2014d).

Social Customer Service

American Airlines' social presence, especially its social customer service, has grown enormously over the last years and its customers are becoming more aware every day that they can connect with American Airlines on social channels. To measure American Airlines' performance in social customer service, the social media team uses several metrics. As mentioned earlier, they collect on a daily basis **praises from customers** that they receive about how appreciative they are with the airlines' social customer service by using a special tool. Moreover, they also analyze and evaluate American Airlines' **net sentiment score**, to determine how people really feel about the American Airlines brand, and how successful they are on being social. Net sentiment score is an important metric because there are many

people who talked about American Airlines both in positive and negative ways on social media, which can affect the airlines' *reputation*. American Airlines also uses their net sentiment score as a metric to evaluate their online reputation.²⁹¹

According to Crimson Hexagon (2012), a social media monitoring and analytics provider who conducted a 'Social Sentiment Analysis' of nine major US airlines, in the whole of 2011, American Airlines received more negative than positive sentiments in social media conversations. And in comparison with the other eight airlines, American Airlines' Social Sentiment ranking was no 8, far behind its competitors (Crimson Hexagon, 2012). Between July 2012 to July 2013, American Airlines received the most mentions on Twitter in comparison with five other US airlines, but most of the mentions indicated 'dislike' toward American Airlines (Leadtail, 2013, p.29). But, it seems that American Airlines' net sentiment tends to be negative during crisis times. For instance, during the airlines' system outage on 16 April 2013, American Airlines' net sentiment score was -50% (minus 50%) as the tone of 9,718 conversations on social media was negative, whereas only 3,200 conversations were positive (O'Brien, 2013, p.10).²⁹² Nevertheless, based on American Airlines' evaluation few days after the crisis about the effectiveness of their communications during the crisis, it seems that American Airlines was able to effectively manage this crisis, as indicated by the praises they received from their customers, and the high reach and engagement of their messages (O'Brien, 2013, p.12-16).

As American Airlines mainly uses Twitter for customer service purposes, they measure how many incoming inquiries they get and how many of them they are able to respond to, and use those to calculate their **response rate**. However, assessing the **quality of response** is more important to American Airlines than response rate.²⁹³ American Airlines also measures its **average response time**, how quickly they can respond to all the questions they receive.²⁹⁴

Socialbakers (2014c), a social media analytics company, measured American Airlines' average response time and response rate on Facebook and Twitter in 2014, and found that American Airlines did not manage to be among the top ten most responsive airlines on Facebook. But **on Twitter, American Airlines managed to be the most**

²⁹¹ All information in this paragraph relies on AOB, *Op. cit.* unless stated otherwise.

²⁹² According to O'Brien (2013, p.10), the way American Airlines' measures their net sentiment is: $[(\text{Positives} - \text{negative conversations}) / (\text{Positives} + \text{Negatives})] \times 100$. This will result in a -100 to +100 scale.

²⁹³ This information relies on BM (Personal communication).

²⁹⁴ All information in this paragraph relies on Phillips (2013) from American Airlines.

responsive airlines in the first quarter of 2014, and to sit on the second place in the second and third quarter of 2014 (see the table below).

Table 12: American Airlines' Average Response Time and Response Rate on Twitter in 2014

Quarter 1 Jan 1–Mar 31 2014	Quarter 2 April 1–June 30 2014	Quarter 3 July 1–Sept. 30 2014	Note:
<p>Rank # 1</p> <ul style="list-style-type: none"> • RT: 13 min. • RR: 82,56% • A-IQ: 9,058 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 479 min. • RR: 56,96% 	<p>Rank # 2</p> <ul style="list-style-type: none"> • RT: 19 min. • RR: 70,02% • A-IQ: 6,324 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 620 min. • RR: 58,42% 	<p>Rank # 2</p> <ul style="list-style-type: none"> • RT: 15 min. • RR: 69,57% • A-IQ: 5,454 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 643 min. • RR: 54,24% 	

Own development based on the data from Socialbakers (2014abc)

Currently, American Airlines' social media team does not tie their social customer service efforts with any customer satisfaction surveys, as this is something that would be hard to quantify. Moreover, it is also hard to measure if their successful performance in social customer service has decreased the call volume to the reservation center, and it is not the goal of the social media team either.²⁹⁵

For its excellent social customer service efforts, American Airlines had received several recognitions, for instance a SimpliFlying award in 'Best Use of Social Media to Drive Customer Service' in 2012 (Pal, 2012b). In the following year, American Airlines also received another SimpliFlying award, but this time as the Runners-Up in 'Best Airline on Social Media' (SimpliFlying, 2013c), which indicated that American Airlines' success on social media is already beyond social customer service. SimpliFlying consultancy commented that "American Airlines stands out with its sophisticated strategy and execution, especially on the customer service front. A lot of thought has been put into service and customer engagement..." (Pal, 2012b).

Social Customer Engagement

Another key performance indicator for American Airlines on social media is in *Social Customer Engagement*, which is if American Airlines is successful in engaging with their communities on social media in general, which include their *customers* and *employees*. To

²⁹⁵ This information relies on BM, *op.cit.*

measure their performance in social customer engagement, American Airlines uses several indicators and metrics. The first one is measuring the **size and growth of their multiple communities** in the social media channels which American Airlines is present, for example, how many followers they have on Twitter and how the number grows over time. By July 2015, American Airlines' social media communities consist of ca. **5,4 million** people in total.²⁹⁶ Then, they look at the **reach** alongside with **Potential Social Impressions** for every post that they do on different social media channels. Reach refers to how many people *may* have seen American Airlines' content, whilst potential social impressions are the total number of times an American Airlines' content *could* appear in the newsfeeds of the people whom the content *could* potentially reach during a certain period of time.²⁹⁷

Table 13: The Size of American Airlines' Social Media Communities in Selected Social Media Platforms by July 2015

Social Media Platforms	Industry Rank No.*	Size of Communities
Facebook	19	Ca. 1,8 million
Twitter	7	Ca. 1,1 million
Google+	6	Ca. 2 million
YouTube	37**	Ca. 32,000
Instagram	***	Ca. 156,000
LinkedIn	***	Ca. 169,700

*Socialbakers' analytics **Also based on the number of views ***No information available

Another metric used is the **engagement score**, which means how engaged the customers, followers and fans are with American Airlines, as well as how many of them are really interacting with the airlines. For instance, on Facebook, American Airlines counts how many *likes, comments and shares* for each of their marketing-related posts. On Twitter, they measure the *number of retweets, replies and favorites* they receive for each Tweet they post. American Airlines also measures how many people are really interacting with them.²⁹⁸ According to Unmetric which regularly analyzes airlines' engagement on social media, **American Airlines was taking fans engagement very seriously on Facebook** (Claridge, 2012b). Unmetric calculated how many posts American Airlines' fans were posting and how many times the airline was replying to it in 2012, and the result was, American Airlines was responding to 42% of its fans' posts (Claridge, 2012b).

²⁹⁶ This figure is calculated by adding the number of American Airlines' fans in each of their social media channels (Facebook, Twitter, LinkedIn, Google+, YouTube, and Instagram).

²⁹⁷ All information in this paragraph relies on BM, *op. cit.* unless stated otherwise.

²⁹⁸ All information in this paragraph relies on AOB, *op. cit.*

Since 2014, American Airlines has been using **content distribution** as a metric. The social media team has been focusing on assisting various internal business units with sharing information on American Airlines' social media channels regarding their products, services, and other corporate initiatives. So the team wants to ensure that they are assisting a variety of internal groups, and not just one or two. Thus, every month they track *which internal group each post is supporting*, and then they review the distribution of those categorizations to ensure that they have a good mix.²⁹⁹

Another new metric that the social media team has been using since 2014 is '**Employee Focus**'. This is because American Airlines' leaders have asked the social media team to increase their focus on sharing stories about the airlines' employees on social media channels. The purposes of focusing on sharing employees-related stories on social media are to make American Airlines' brand more personable, to make the employees 'heroes' by telling their stories in a compelling way, and to highlight the incredible work the employees do around the world. The way the social media team measures their performance in 'Employee Focus' is primarily in terms of *the number of social media content that are focusing on the American Airlines' employees*. The social media team created a series for this kind of content which all use the hashtag #AATeam, so it is easy to track them in terms of the volume and engagement levels of the content. In the whole 2014, 110 Tweets and Facebook posts related to the American Airlines' employees were created, resulting in **15 Million potential impressions on Twitter and reaching 3 Million people on Facebook**.³⁰⁰

As other group in American Airlines also utilizes the airlines' social media channels for promoting their own product or other things such as a fare sale, the group performs their own performance measurement by tracking how many of the airlines' followers or fans click on certain links in the social media posts which contain their promotional messages, and if possible, how many bookings are generated from those messages (**conversions**).³⁰¹

The social media team once tried to measure how many people they are converting from brand detractors to brand advocates, but this is really difficult to do so they do not measure it anymore.³⁰²

²⁹⁹ This information relies on BM, *op.cit.*

³⁰⁰ This information relies on BM, *op.cit.*

³⁰¹ BM, *op.cit.*

³⁰² BM, *op.cit.*

Based on the information above concerning American Airlines' method in measuring their social media-related performance, it can be concluded that American Airlines defines their performance on social media both in terms of *effectiveness* and *efficiency*, with a more focus on effectiveness. This does not perfectly match this study's assumption that an Analyzer emphasizes a *balance* between efficiency and effectiveness measures. Especially because their company has been operating under the bankruptcy protection, which requires them to be more cost-efficient in any operation, they should also attempt to evaluate if their social media efforts could cut some operational costs or reduce the use of other resources for the same or even better results. As Miles and Snow (2003, p.78) have observed, Analyzer organizations which are able to achieve "twin performance-appraisal objectives," are usually among the most successful organizations in their respective industries.

GARUDA INDONESIA

In 2013, Garuda Indonesia shared that they did not formally measure their performance on social media, so an established performance measurement method for their social media efforts did not exist yet. As social media efforts are jointly coordinated by different units, each unit sporadically measures what matters to them using simple methods. For instance, for the PR department, their return of investment (ROI) on social media is evaluated just by looking at the number of the company's fans and followers on several social media platforms and their interactions; whereas the e-commerce may attempt to calculate how much revenue they generate from social media as they have special budget to carry out promotional activities on social media. Moreover, they found it difficult to measure the impacts of their social media activities although they have numerous objectives that they want to achieve through their use of social media (see section I.3).³⁰³

In summary, their objectives in using social media are: (1) To improve their customer service in order to increase customers' satisfaction; (2) to manage issues related to the Garuda Indonesia brand and corporate in order to maintain its positive corporate image; (3) to strengthen their relationships and to optimally interact with their customers and social media communities; (4) to reduce marketing costs; (5) to promote the airlines' products,

³⁰³ All information in this paragraph is based on IR (Personal communication) from Garuda Indonesia.

services, offers in order to drive sales; (6) to inform the stakeholders about corporate news, events, achievements; (7) to enhance customer loyalty, and (8) to recruit talents.³⁰⁴

Fortunately, there is no obligation from the management yet to conduct any formal appraisal of their social media-related performance. At this stage, Garuda Indonesia only has to provide reasonable arguments to the management why they want to keep the social media activities running. Despite the lack of formal performance measurement for their social media efforts, Garuda Indonesia is confident that their active engagement on social media has brought significant business benefits to the company, has resulted on some progresses over the past 3,5 years and has certainly given more values to their customers. Besides that, Garuda Indonesia also assumes that their social media efforts have been successful so far because they have received several appreciations for their social media efforts. For example, Garuda Indonesia was awarded as Indonesia's Most Favorable Brand in Social Media in 2012, by an annual award conducted by SWA magazine in collaboration with some other Indonesian institutions (PortalHR, 2012).³⁰⁵

Social Customer Service

Although they are not obliged to measure their social media-related performance, Garuda Indonesia has attempted to find out if there have been improvements in their customer service since they have been utilizing social media, and they found the results of the evaluation satisfying. Their customers informed them that Garuda Indonesia's customer service on social media is beyond their expectation because the airlines **responded to their inquiries promptly**, and they did not even anticipate that the airlines would reply to them at all.³⁰⁶

In their 2013 Annual Report, Garuda Indonesia indicated that they monitored all feedback (Customer Voice) received through social media and many other channels, in order to consistently improve their service. Through this monitoring, Garuda Indonesia found out that in 2013, there was an **increase of compliments received** from 63% in the year 2012 to 64% in 2013. In the meantime, the **percentage of complaints declined** to 16% from 21% in the year 2012, and **customers' suggestions received was also up** to 21% in 2013 compared

³⁰⁴ *Ibid.* and Garuda Indonesia (2013)

³⁰⁵ All information in this paragraph is based on IR, *op.cit.*, unless stated otherwise.

³⁰⁶ All information in this paragraph relies on IR, *op. cit.*

to 16% in the year 2012.³⁰⁷ However, it is not clear if these achievements are directly related with Garuda's customer service efforts on social media.

In 2014, Garuda Indonesia also gained higher performance in two of the above indicators. The compliments received increased to 69%, complaints declined to 11%, but suggestions received decreased to 20%. Although this is not a direct measurement of Garuda Indonesia's performance on social media either, Garuda Indonesia seemed to believe that their social media efforts have contributed to this.³⁰⁸

LiquidThread, the first agency which executed Garuda Indonesia's social media activities, had also seen a **decrease in customers' complaints in Garuda Indonesia's Call Center**, since the airlines has been able to give much faster responses to customers' complaints on Twitter. LiquidThread argued that this can be seen as a success that is achieved due to the airlines' social media use.³⁰⁹

Some other external institutions had also measured the performance of Garuda Indonesia on social media. According to Skift³¹⁰, **Garuda Indonesia managed to be one out of only ten airlines in the world who can respond in less than an hour in Twitter** (Shankman, 2014). "These airlines excel at digital customer service by not only answering questions as quickly as customers would expect them in person, but by adding a human touch to a 140-character message" (Shankman, 2014). Based on Socialbakers' social media analytics in 2014, it can be seen that Garuda Indonesia has made improvements in terms of their average response time and response rate on Twitter.

Table 14: Garuda Indonesia's Average Response Time and Response Rate on Twitter in 2014

Quarter 1 Jan 1–Mar 31 2014	Quarter 3 Jul 1-Sep 30 2014	Quarter 4 Oct 1-Dec 31 2014	Note:
<p>Rank # 5</p> <ul style="list-style-type: none"> • RT: 41 min. • RR: 86,64% • A-IQ: 2,315 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 479 min. • RR: 56,96% 	<p>Rank # 4</p> <ul style="list-style-type: none"> • RT: 10 min. • RR: 86,18% • A-IQ: 1,770 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 643 min. • RR: 54,24% 	<p>Rank # 3</p> <ul style="list-style-type: none"> • RT: 8 min. • RR: 72,67% • A-IQ: 2,606 <p>Rank # 10 (Garuda Ind. Promo)</p> <ul style="list-style-type: none"> • RT: 9 min. • RR: 80,29% • A-IQ: 166 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 343 min. • RR: 43,44% 	

Own development based on the data from Socialbakers (2014acd)

³⁰⁷ All information in this paragraph relies on Garuda Indonesia (2014a, p. 89).

³⁰⁸ All information in this paragraph relies on Garuda Indonesia (2015, p.473).

³⁰⁹ All information in this paragraph relies on LiquidThread (Personal communication).

³¹⁰ Skift is an industry intelligence and marketing platform specialized in travel. It provides news, information, data and services to large industry sectors.

Brand24³¹¹, which carried out an analysis of Indonesian social media users' sentiment on social media toward Garuda Indonesia in the period of February and March 2013, found that **there were much more positive sentiments about the airlines than the negative ones** (Lukman, 2013). In March 2014, Garuda Indonesia also enjoyed 93% positive sentiments of 433,100 mentions it received on various social media platforms (Lukman, 2014).

Other Measurements

In comparison with other divisions within the company, the e-commerce department (which is now under marketing) conducts the most social media campaigns.³¹² They have tried to evaluate if their promotional activities on social media have impacted their sales. But due to the company's technological limitation, the way they measure the results of their social media campaigns is still very simple. They measure the **conversion** they get **only up to landing pages**, which means, they calculate how many people actually go to the booking, campaign or promotion page in the airlines' website directly from the airlines' postings on Facebook or Twitter that were related to the respective campaigns. So, it is difficult to estimate how much revenue Garuda Indonesia has actually earned from social media. Garuda Indonesia plans to set up a ticket purchase feature on their official Facebook fanpage in order to make ticket purchasing via social media easier. This hopefully will make the calculation of the revenue gained via social media much easier.³¹³

However, to date, this ticket purchase feature on their global Facebook page is not yet realized. There is only a widget 'book now' which directs people to Garuda Indonesia's website. This is similar to American Airlines' and Emirates' global Facebook page. Only KLM which embeds a 'Book a Trip' feature on its global Facebook page, which lets its Facebook communities to book a flight directly on the Facebook page.

The measurement of Garuda Indonesia's performance on social media in terms of the growth of their social media communities and how their content performs was conducted by their agency (LiquidThread). According to LiquidThread, **Garuda Indonesia's social media communities** are rapidly growing. But based on the social media analytics provided by Socialbakers in July 2015, Garuda Indonesia's position in terms of the size of their social

³¹¹ Brand24 is a company which monitors companies' uses of social media in Indonesia.

³¹² Since early 2015, the promotional division of the e-commerce department is moved to the marketing department to run the company's social media activities that are marketing-related (BAN, Personal communication).

³¹³ All information in this paragraph relies on IR and LiquidThread, *op. cit.*

media communities is quite far behind KLM, American Airlines, and Emirates. Garuda Indonesia ranks no. 18 on Facebook, no. 17 on YouTube, and no. 20 on Google+. This is probably due to Garuda Indonesia's much limited market domain in comparison with those airlines. Nevertheless, on Twitter, although Garuda Indonesia ranks no. 6 in the airlines industry, their community there is indeed one of the fastest growing airlines communities.

Table 15: The Size of Garuda Indonesia's Social Media Communities in Selected Social Media Platforms by July 2015

Social Media Platforms	Industry Rank No.*	Size of Communities
Facebook	18	Ca. 1,9 million
Twitter	6	Ca. 1,2 million
Google+	20	Ca. 111,400
YouTube	17**	Ca. 13,100
Instagram	***	Ca. 37,200
LinkedIn	***	Ca. 17,600

*Socialbakers' analytics **Also based on the number of views ***No information available

But LiquidThread argues that instead of treating the rapidly growing number of followers or fans as a KPI on social media, it would be better off for Garuda Indonesia to look at their **brand engagement rate** on social media. LiquidThread argues that in general, it is important for airlines companies to be able to drive engagement with their communities on social media. Thus, LiquidThread had attempted to evaluate Garuda Indonesia's engagement on social media through monitoring their social media channels. Besides, LiquidThread has observed that Garuda Indonesia's communities usually increase during campaign periods only. So LiquidThread views that this is not the ideal KPI to measure airlines' performance on social media, especially in the case of Garuda Indonesia.³¹⁴

There is no information available about Garuda Indonesia's engagement rate on social media. Garuda Indonesia's new agency which is assigned to build and manage Garuda's brand on social media, Icon International, only stated that Garuda's engagement on social media keeps on increasing due to their ongoing campaigns and community engagement tactics that the agency developed (Icon International, 2015). Apart from that, Brand24 had conducted an analysis of Garuda Indonesia's engagement with its Facebook fans between 1 January 2014 to 7 April 2014, and discovered that **Garuda Indonesia had the highest number of engaged fans in comparison with other Indonesian airlines** (Lukman, 2014).

³¹⁴ All information in this paragraph relies on LiquidThread, *op. cit.*

It can be concluded that in this study, Garuda has made the least efforts in measuring the impacts of their social media activities. Although they have set their goals on social media, they do not have the capacity to properly measure if all their goals are accomplished, except to evaluate the size of their social media communities (which is easy to do) and the brand engagement. Without a proper and continuous measurement of their performance on social media, Garuda could only make guesses if their social media activities have impacted their efficiency, which is very important to a Defender organization. In addition to that, they should also compare their present efficiency on social media with their efficiency during previous time periods. Lastly, the right technological solutions should be deployed to help them measure their various key performance indicators on social media.

4.4 The Contribution of the Fit between Social Media Strategy, Structure, and Processes to Social Media-Related Performance

All the previous discussions about the airlines' social media strategies, and the configuration of their social media-related structure and processes have answered the first two research questions: (1) *Referring to Miles and Snow's strategy typology, how is the configuration of social media strategy, structure and processes in each airline?* (2) *How is the quality of the 'fit' between each airlines' social media strategy, structure, and processes?*

The first proposition of this study is proven that airlines in this study differ in their social media strategy, structure, and processes. Three different configurations of social media strategy, structure, and processes have been identified, which correspond with Miles and Snow's types of organizational adaptation – *Prospector*, *Defender*, and *Analyzer*. Each of these types or airlines has a particular configuration of **social media strategy** (*social media-related product-service-market domain; growth strategy; monitoring mechanisms*), **organization structure** for social media, and **social media-related processes** (*technological solutions, planning, coordination, control system, and performance measurement*) for responding to the rapidly changing social media environment.

It can be concluded that on social media, **KLM** is pursuing the **Prospector** type of strategy, the same as their strategy type on the business level. The quality of the fit between the configuration of their social media strategy, structure and processes is **good**, as nearly in all social media-related strategic dimensions mentioned above, KLM implements the

solutions which match this study's assumption about how Prospector's solutions should be on social media (see table 2 in chapter 3). **Emirates** is implementing the **Prospector** type of strategy as well on social media, but their service and market domains on social media are not as broad as KLM's and they do not have any line of social product yet. The quality of the fit between the configuration of their social media strategy, structure and processes is **moderate**, as Emirates' solutions in some social media-related strategic dimensions do not match yet with this study's assumption about how Prospector's social media-related solutions should be. Perhaps because Emirates is still a relatively new on social media in comparison with the other three airlines, that it still needs some times to improve the consistency among their social media strategy, structure and processes. In a contrary, **Garuda Indonesia** is pursuing the **Defender** type of strategy on social media, also the same as their strategy type on the business level. The consistency among their social media strategy, structure and processes appears to be **moderate** because some of their solutions on social media do not match yet with the assumed social media-related solutions for the Defender type. Lastly, **American Airlines** seems to pursue the **Analyzer** type of strategy on social media, which is also the same as their strategy type on the business level, with a configuration of social media-related structure and processes that has a **moderate fit** with their social media strategy. American Airlines' solutions in some social media-related strategic dimensions do not match yet with this study's assumption about how an Analyzer's social media-related solutions should be.

The answer of research question number 3 will be discussed in this section. The question is: *If there is a good 'fit' between the airlines' social media strategy, structure, and processes, does this 'fit' contribute to the airlines' social media-related performance?*

As the quality of the fit between KLM's social media strategy, structure and processes is good, the relationship between this fit and their social media-related performance will receive a greater attention than other airlines. Moreover, as there are social media analytics available concerning the four airlines' responsiveness on Facebook and Twitter for the whole period of 2014³¹⁵, an analysis of the relationship between this KPI and the consistency across the airlines' social media strategy, structure and processes will receive a major discussion as well.

³¹⁵ Based on the analytics provided by Socialbakers (2014abcd), a social media analytics company.

Responsiveness on Social Media [KPI 1]

Based on the discussion in section III.5 in this chapter about the four airlines' approach to performance measurement on social media, it is clear that **KLM's is consistently the most responsive airlines on social media**, not only of all the airlines in this study, but also of all other airlines in the world. On social media, KLM is able to provide customer service with the fastest average response time and the highest response rate although they receive voluminous messages every day on social media.

Analyzing the factors behind this successful performance from the perspective of Miles and Snow's theory, it is likely that KLM's solutions in some social media-related strategic dimensions which are indeed consistent among each other, enable them to provide superior responsiveness on social media. One dimension of KLM's social media strategy is *offering a wide range of services on social media*, which they call **one-stop-shop**. From the customers' point of view, it is an excellent service as they do not need to go to other channels for a solution. But running a one-stop-shop is possible because KLM *altered their organization structure and formed a people-intensive Social Media Hub*, consisting their own staff pulled from various relevant departments. So most customers' problems and questions can be solved at the Hub, thus, reduce KLM's response time. Part of KLM's social media strategy is also being proactive by *extensively monitoring emerging issues* on social media so that they can quickly manage them before they escalate. They use *special technologies* to do that, e.g. social media monitoring software. Perhaps KLM's *complex form of coordination* also facilitates them to quickly manage voluminous messages they receive daily on social media. KLM's *self-control of their own performance in delivering services on social media* and their *short-looped information systems* maybe enable them to quickly improve their response time, rate, and quality, as there is no interference from the upper echelons. The decentralized *control system* that other departments (e.g. operations) also have perhaps enables them to quickly adjust their performance as soon as they receive feedback from the social media hub.

From KLM's own perspective, van der Zee (2014) shares that they can guarantee to respond on multiple social media platforms within maximum an hour in 24 hours a day and 7 days a week because at the back end they have (1) multiple high-end **technological solutions for social media**, and (2) a joined effort of **150 staff** from multiple departments in their **Social Media Hub** (Zee, 2014). According to van der Zee (2014), KLM has Application Programming Interfaces (APIs) from Facebook, Twitter and VKontakte, which can load all customers' Tweets and posts to KLM into the application, and connect it to their

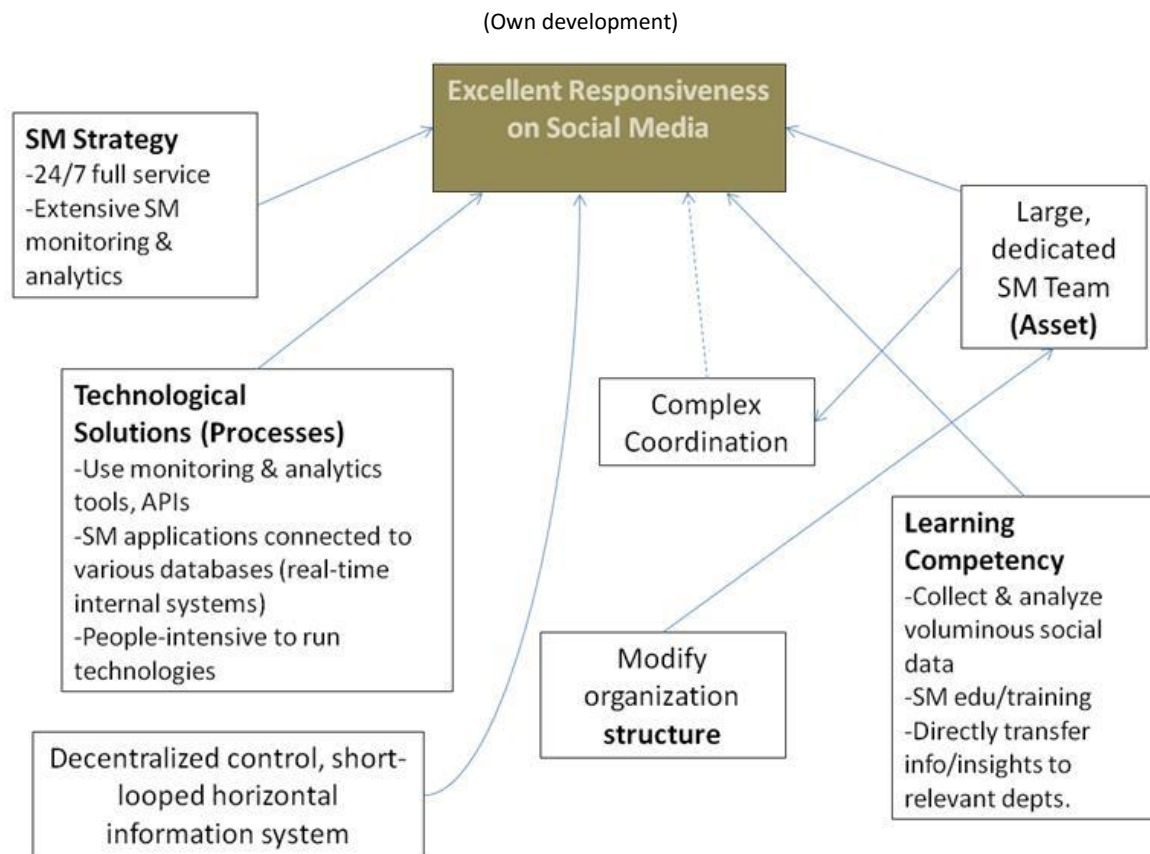
own databases: Customer, ticketing, and customer complaints databases. Thus, they can see *everything* on their screen. Their internal systems are pushed to be completely real-time and to have all the information on the screen. Without it, KLM would not be able to achieve such rapid response time.

Furthermore, KLM's Social Media Hub is a dedicated social media team that is considered as a social media-related asset in this study (*Asset 1*). KLM's decision to invest in a numerous amount of staff for the Hub is likely to be influenced by the Prospector's *people-intensive approach*. A whole orchestration of staff from multiple backgrounds at the Social Media Hub, coordinated by several Hub Managers (*complex form of coordination*), make sure that the most frequently asked questions are helped the fastest in order to avoid any bottlenecks in the process (Zee, 2014).

So the structure of KLM's Social Media Hub really enables KLM to be a *one-stop-shop* on social media or to answer all questions that they receive on social media without having to redirect people who ask to contact KLM's other customer service channels that are outside social media (Zee, 2014). Besides monitoring social media extensively on a 24/7 basis to grab as many issues as possible, KLM also analyzes voluminous of social data by using analytics tools, so that the data can have meanings (Zee, 2014). The insights gained from social media analytics help KLM create the right responses to the issues. In this study, actively collecting and analyzing information from social media to generate insights are part of a *learning competency* (chapter 5 section I.1). KLM seems to have put a lot of investments in these value-creating activities.

Based on the above information, it can be concluded that KLM's superior responsiveness on social media is not only the result of the consistency across their social media strategy, structure, and processes, but is also contributed by their *social media-related learning competency* and a *social media-related asset* (the Social Media Hub), which will be discussed in chapter 5. The figure below showcases the complex relationships between all the elements which contribute to KLM's superior responsiveness on social media.

Figure 6: Factors Contributing to KLM's Responsiveness on Social Media



In regards to American Airlines, although American Airlines is not yet able to provide the same level of responsiveness on social media as KLM, but they managed to be the most responsive airlines on Twitter in the first quarter of 2014, and to sit on the second place after KLM in the second and third quarter of 2014 (see section III.5 in this chapter). They could not make it in the fourth quarter to be very responsive on Twitter, and neither on Facebook for the whole 2014. American Airlines' solutions in some social media-related strategic dimensions which contribute to their responsiveness are indeed fit with each other. Nevertheless, their **learning competency** and **dedicated social customer service staff (Asset 1)** seem to play a big role in it too. Their responsive service is likely due to their strategies to expand their service hour on Twitter to a 24/7 basis in 2013 (*broader service*) and to conduct very extensive and constant monitoring mechanisms (*part of learning competency*) on various social media platforms to grab issues, which are supported by their technological solutions (*using social media monitoring and analytics tools*) and by their decisions to change their structure and formed a social media team with some dedicated staff for social customer service and a team coordinator (*administrative solutions*). However, they need to modify some aspects of their strategy, structure and processes in order to achieve the

same level of responsiveness as KLM, e.g. by expanding their customer service channel to Facebook and offering more services on social media (*broader service*). Analyzer should have a balance between penetrating their current markets and adopting new services on social media. Moreover, they should improve their *coordination* with other business units, and integrating their social media monitoring and analytics tools with their existing databases (*technological processes*). BM from American Airlines (Personal communication) also shares that they really need to expand their customer service team (*Asset 1*) as the volume of messages they receive on social media continues to grow very quickly.

As in the case of Emirates Airlines, the reason why in 2014 they managed to be responsive *only* between 1st October to 31st December and *only on Twitter* is likely because the quality of the fit between some social media-strategic dimensions is not yet good. Principally, Emirates aims to offer *a broad line of services* on social media, *conducts extensive and constant monitoring* of issues (*also part of learning competency*) by using social listening tools, and has *altered their organization structure* to accommodate these (by forming a new division to handle social media and incorporating their Call Center for social customer service). However, currently their social customer service is mainly only on Twitter (*narrow service*), carried out by only 14 staff (*Asset 1*) at the Call Center from 8am to 8pm (GST) daily only, and coordinated by only one project manager (the Head of Social Media). Moreover, they still redirect people from social media to a Help Centre on their website if they need a formal response to a complaint.

This configuration of structure and processes is apparently not ideal yet to cope with the voluminous inquiries they receive on social media. Emirates has even realized that they need to operate 24/7 on social media and to empower more employees to participate on social media (JS, Personal communication) to enhance their responsiveness. As a Prospector, Emirates needs to adopt the *people-intensive approach* by adding more human resources to the social media team, to have a *more complex coordination mechanism*, and a *broader service*.

In 2014, Garuda Indonesia's responsiveness on Twitter was better than Emirates, but still below American Airlines and KLM. On the list of top ten most responsive airlines on Twitter in 2014, Garuda Indonesia ranked no. 5 in the first quarter, no. 4 in the third quarter, and no. 3 in the fourth quarter, which demonstrates that they have made improvements in this KPI. But on Facebook, they did not manage to be on the list at all although they have been trying to serve their customers there as well. Nevertheless, it was still a remarkable achievement considering Garuda Indonesia was not operating 24/7 yet on Twitter in 2014,

and they do not even have a dedicated social media team either. Social media efforts at Garuda are jointly coordinated by several units and two agencies. As a Defender, it is not unusual that Garuda Indonesia did not want to alter their organization structure to facilitate their social customer service, as Defenders strive to achieve stability in all their operations.

Several factors seem to have contributed to this performance improvement. Garuda Indonesia has been outsourcing its social customer service to a social media agency since 2012. Their first agency was not only responsible to respond to all inquiries, complaints, questions and compliments on Garuda's social media channels, but also to do some other social media activities. The agency had to liaise with several departments within Garuda Indonesia in giving solutions to customers' problems or in answering questions. But the agency reported that it was difficult to provide responsive service to the customers on social media because of the slow actions of certain departments within Garuda Indonesia in handling the inquiries. In addition to that, there were only two staff from the agency dedicated to respond to numerous messages Garuda Indonesia received on social media.

Garuda Indonesia has decided to partner with a different agency that is focused on handling social customer service only, and the agency is now coordinated by the airlines' Call Center only (BAN, Personal communication). There is a Service Level Agreement (SLA) which the agency has to achieve, e.g. concerning their maximum response time to the customers. Garuda Indonesia's Call Center has been equipped with a social media monitoring tool as well, so that they can quickly grab customers' feedback and issues on social media and respond to it quickly (*surveillance mechanism, collecting information-learning competency*). In addition to that, Garuda Indonesia has developed and has been implementing Standard Operating Procedures (SOP) and Working Instruction for handling feedback through social media in 2013 (*uncomplicated and inexpensive form of coordination through standardization and high degree of formalization*), which are assumed to be optimal solutions for the Defender type. These changes seem to have enhanced Garuda Indonesia's responsiveness on social media.

But in order to improve and maintain their responsiveness on social media, either the agency needs to add their headcount or Garuda Indonesia needs to add more personnel (*Asset I*) in their existing Call Center, so that they, together, could answer more questions in a much faster response time on a 24/7 basis. This way, Garuda Indonesia does not have to alter their organization structure but could still improve their responsiveness on social media. Other relevant departments, both in the office and in the front line, need to be collaborative and responsive as well in handling all the inquiries and feedback from social media. Moreover,

they need *a single core cost-efficient technology* which can connect or integrate all important customers' feedback from social media with their existing customer databases to achieve high levels of efficiency in customer service-related operations. Lastly, to protect the stability of this technological solution, they need a *standardization* or *clear mechanization* of all the processes involved in the integration of social data with their other customer-related databases.

Revenue Generation on Social Media [KPI 4]

In terms of revenue generated from social media, another key social media-related performance, this study found that KLM is again leading in this matter, not only in comparison with the other three airlines in this study, but also with all other airlines in the world. KLM is the only airlines which claims that they have successfully generated about 25 Million Euro in 2014 from social media (Haar, 2015b). Although KLM admits that this figure is still small in comparison with the company's revenue generated from other sources, but for a social media revenue it is a great number (Simson, 2015).

The good quality of fit between KLM's social media strategy and technological processes, and some of KLM's social media-related resources, are likely to have contributed to this revenue generation. As discussed in section I in this chapter, KLM has chosen to grow on social media primarily by continuously *exploiting new opportunities*, *exploring new markets*, and *developing new social products and services*. So KLM constantly and extensively monitors and analyzes social media (*learning competency*, *surveillance mechanism*) by deploying sophisticated technologies in order to find out what kind of offers their customers want on social media, and develops products and services based on the feedback they get through social media (Simson, 2015). KLM also ensures that the insights gained from social media monitoring and analytics are shared with relevant departments, partly for new product or service development purposes (Groeneveld, 2014), which demonstrates a *horizontal feedback loop*. All of these activities have shaped KLM's innovative competency on social media, which has resulted in numerous innovative services, social products (*Asset 2*), campaigns, services, and broad markets. KLM is certain that their "social offers" have made people continuously engaged with KLM and have added values to their customers, which are important before making them spend money for KLM (Lassalle, 2013b).

In addition to that, KLM attempts to monetize their social offers as well in many ways. One of KLM's Social Media Hub Managers, Gert Wim ter Haar, shared that they do

not want to send their customers away from social media to the distraction-filled internet to purchase a ticket or KLM's other social offers. "If you've solved a problem in a way that will earn you money, follow through by any means necessary," Haar argues (Simson, 2015). To make it happen, KLM had to *improve their technological processes* in order to accommodate sales via social media. Haar shared that KLM and one of their payment service providers established their **own fully-secure payment platform** (*Asset 2*) which only costed them about €3.500, that allows their social media service agents to offer a quick payment link via social media and stay with customers from booking to issuing the ticket without leaving social media (Simson, 2015). "It takes seconds and we now make €100,000 every week through this payment functionality," according to Haar (Simson, 2015). To conclude, KLM is able to generate revenue from social media because of KLM's technological solutions on social media which support their social media strategy as a Prospector: Flexible, and guided by the question "What products *should* we make?" instead of "What products *can* we make?" (Miles & Snow, 2003, p.58). In addition to that, KLM's social media-related learning competency, innovative competency, and their social products have greatly contributed to the revenue generation as well. These will be discussed further in chapter 5.

Service Improvement due to Insights gained from Social Media [KPI 5]

KLM has claimed that because of social media and customers' feedback, KLM has become a better business (Haar, 2015a). KLM's products are improved and their internal processes become more efficient because of the valuable information they get from interacting with their customers on social media (Lassalle, 2013b). KLM's "Lost & Found" service which was launched in 2014, is a good example of how the insights gained from social media can improve their business (Meijer, 2014b). This kind of service is even the **first** initiative in airlines industry, as lost and found is most of the time handled by airports or must be reported formally on the airlines' website or by phone (Meijer, 2014b). Since September 2014, KLM's passengers are able to report to KLM via social media within three days if they forgot their belonging at the Schiphol airport or in a KLM's plane which lands there. KLM's team of 15 will then search for it (KLM, 2014i). KLM made this initiative to ensure that they could reunite passengers with their lost property far more quickly and efficiently than ever before (Haar, 2015a).

How KLM got the idea to set up a dedicated KLM Lost & Found team is as follow. KLM does a lot of "social listening" to their customers and a lot of analyzing of the servicing social data as well using listening and analytics tools (Zee, 2014). As a Prospector type, this

resembles a fit between KLM's extensive surveillance mechanisms on social media and configuration of their social media-related technologies. But listening to the customers on social media also means gathering information about them, and analyzing social data means interpreting the information, both are part of an organization's *learning activities*. In 2014, KLM monitored and analyzed around 40,000 messages every week via social media, and found out that most of the questions were about lost items on board (KLM, 2014i). It is very likely that the next process that KLM carried out after gaining this insight was reporting it to some relevant departments within KLM (*Prospectors' short, horizontal feedback loops*), which also demonstrates a process of *information transfer*, another part of *learning activities*. This is because KLM has established a process to forward customers' feedback that they gain from their "social listening and analytics" activities to some relevant departments within KLM through regular reports, so that they can improve their products and service (Groeneveld, 2014). It is also very likely that KLM directly engaged this new problem and/or opportunity by experimenting with this lost and found service right away before completing a more detailed or intensive planning about this new service (*Prospectors' broad planning processes*). This can be proven from the fact that when KLM launched this service, they only had a team of two, then after a week, they controlled the outcome of this new service (*Prospectors' results-oriented control system*) and found out that they were so successful, so they enlarged the team to 15 (Zee, 2014). Although KLM has experienced challenges in locating the owners, *the first results* showed that over 80% of the found items could be reunited with their owners (KLM, 2014i). That KLM could quickly add 13 more team members for this service also demonstrates *Prospectors' decentralized control system* which largely enables operating units to take appropriate corrective action without recourse to higher management.

Content Reach [KPI 3] and Size of Social Media Communities [KPI 8]

KLM believes that their various and innovative social products (*Asset 2*), social media campaigns and content have successfully generated high brand awareness or have enabled KLM to reach millions of people (Lassalle, 2013b). KLM has indicated that it would never be able to **reach millions of people around the globe** without social media; the people who can potentially be their customers. By the end of 2014, the total size of KLM's communities on social media [KPI 8] is ca. **17 million people** (KLM, 2015, p.9), which places KLM amongst the top three airlines in the world with the highest number of loyal and engaged fans and followers who are spread across all continents (McCulloch, 2015).

It is likely that multiple factors have contributed to these performances. KLM *continuously explores new markets*, which can be seen from its *presence in multiple global and local social media platforms*. This makes KLM's social media community base spread around the globe. But to attract them into KLM's communities, KLM *continually develops social products and services*, as well as campaigns and daily content that are relevant, worth-sharing and innovative. This strategy is supported with their *extensive social media monitoring and analytics* to locate new opportunities and to gain the required insights to accelerate their innovation processes. However, KLM's *innovative competency* seems to have a major role as well in the creation of their broad line of social products and services. KLM's innovative competency will be discussed further in chapter 5.

Although there is a 'fit' between Emirates' social media strategy (continuous expansion to new markets and services), extensive social media monitoring, and Emirates' presence in multiple global social media platforms, the quality of the 'fit' is moderate. Unlike KLM, Emirates has less presence in local social media platform, does not develop any social product which could attract more social media users to be in Emirates' communities, and does not communicate in *multi languages* either on social media. Thus, this moderate 'fit' only places Emirates amongst the top ten airlines in the world with the highest number of loyal and engaged fans and followers (Emirates, 2014a). By the end of 2014, the total size of Emirates' social media communities is ca. **8,5 million people** (Emirates, 2015, p.43), half of the size of KLM's social media communities.

CHAPTER 5 SOCIAL MEDIA-RELATED RESOURCES (COMPETENCIES AND ASSETS)

5.1 Systematization of Social Media-Related Resources

Based on literature reviews and empirical findings (observations and interviews), this study could identify five social media-related competencies and four social media-related assets which can contribute to companies' (especially airlines') social media-related performance:

Table 16: A Systematization of Social Media-Related Resources (Competencies and Assets)
(Own development)

Social Media-Related Competencies	Social Media-Related Assets
<p>1. Social media-related learning competency, which includes the following processes and practices:</p> <ul style="list-style-type: none"> a. Experimentation b. Information collection c. Analysis of information d. Education and training e. Information transfer <p>and is supported by:</p> <ul style="list-style-type: none"> a. Learning environment b. Leadership behavior <p>2. Responsiveness competency on social media</p> <p>3. Competency in social media content management</p> <p>4. Innovative competency on social media</p> <p>5. Competency in social media crisis management</p>	<ul style="list-style-type: none"> 1. Social media team 2. Social media products 3. Social media policies 4. Relationship with key influencers and brand advocates on social media

The following sections discuss each of the above competencies and assets in great details. The structure of each competency and asset section is as follows:

- (1) It begins with literature reviews about a factor which holds the potential to be a social media-related competency or asset,
- (2) followed by the airlines' statements concerning the respective competency or asset (empirical findings),
- (3) and ended with a conclusion about the contributions of the respective competency or asset to the airlines' social media-related performance, and the competency's or asset's relationships with the airlines' social media strategy types.

5.2 Social Media-Related Competencies

Social media-related competencies are defined in this study as *complex bundles of social media-related skills, capacities, accumulated knowledge or know-how of people who are involved in a company's management of social media activities, which enable them to achieve specific social media-related performance*. The 'people' in this definition may include but are not limited to the company's social media team, leaders, employees, consultancies. There are five social media-related competencies that this study has identified – competencies related to learning, responsiveness, content management, innovation, and crisis management.

5.2.1 Social Media-Related Learning Competency

This section discusses the importance of social media-related learning competency for organizations which use social media for business purposes. It begins with an outline about what organizational learning is and the processes and practices involved in it, followed by previous social media studies related to this. Finally, evidence concerning the four airlines' competency and the contribution of this competency to their social media-related performance is presented.

Organizational Learning

Several studies found that many organizations often quickly 'jump' into social media without equipping themselves with adequate knowledge about the media and required skills, without a clear objective and strategy in using social media, and without really considering or knowing the impacts of their activities on social media on their stakeholders.³¹⁶ This is suspect as one of the reasons why many organizations could not understand the potentials of social media to make a difference for their business, measure the effectiveness of their social media activities, and link social media activities to an impact on company's performance (Harvard Business Review Analytic Services, 2010, p.4).

Some other studies discovered the benefits of conducting proper learning activities for companies who aim to capitalize social media. A study by Altimeter Group (Owyang et al., 2011, p.6) found that companies which are advanced in social media use, which means

³¹⁶ See for example the studies conducted by Owyang, Jones, Tran and Nguyen (2011, p.6) from Altimeter Group; Fink & Zerfaß (2010, p.39), and Harvard Business Review Analytic Services (2010, p.3).

that they yield long-term benefits from it, have *learned* first from other companies which have succeeded and failed in social media, and foster *a culture of learning* within the organizations through ongoing social media education to cope up with the rapidly changing social media landscape. A survey by Harvard Business Review Analytics Services (2010, p.3) found that 61% of 2,100 companies reported that they have a significant *learning curve* to overcome before they can really use social media. Li and Solis (2013, Loc.434) argue that at the planning stage of the social media adoption, companies should “listen to learn” to make sure that there is a strong foundation for the development of social media strategy and resources, as well as for its execution. Altimeter Group (Owyang et al., 2011, p.6) also found that companies which are successful in leveraging social media spent a significant amount of time at this planning stage in order to build a firm foundation of their social media activities before moving on to the next stage.

The role of organizational learning capability as a source of competitive advantage for firms had been repeatedly emphasized in literatures related to firms resources.³¹⁷ Sirmon, Hitt and Ireland (2007, p.275) argue that “organizational learning is essentially important for the effectiveness and efficiency of resource management in dynamic environmental conditions.” As companies constantly face new challenges, such as tougher competition, shifts in customer preference, and technology advances, Garvin (1993, p.2) underlines that it is more vital than ever for each company to become *a learning organization*. Not only learning is an important activity in every organization, it should be one of the basic core competencies of an organization (Habann, 1999, p.26-34).

Although organizational learning has been studied for a long time, there is no clear and agreed definition of it yet, which makes it difficult to determine what comprises learning and to measure how good an organization is in learning.³¹⁸ Some scholars proposed some ideas of organizational learning, however, the recommendations are too abstract as they do not provide a comprehensive and concrete framework for action (Garvin, 1993, p.3). A reasonable and comprehensive definition of organizational learning is however offered by Garvin (1993, p.3): “*A learning organization is an organization skilled at creating, acquiring and transferring knowledge, and at modifying its behavior to reflect new*

³¹⁷ See for example Hall (1993, p.608); and Habann (1999, p.26-34).

³¹⁸ Three different perspectives of organizational learning are pointed out by Argyris, who was the first to propose a model of organizational learning together with Schön, defines organizational learning as “a process of detecting and correcting error” (1977, p.116). Huber (1991, p.89) argues that “an entity learns if, through its processing of information, the range of its potential behaviors changed.” Miller (1996, p.486) defines organizational learning as “the acquisition of new knowledge by actors who are able and willing to apply that knowledge in making decisions or influencing others in the organization.”

knowledge and insights.” From this definition one can see that there are several activities involved in the learning processes.

As transferring an organization into a learning organization is not an easy task, Garvin, Edmondson and Gino (2008, p.5) then developed an organizational learning tool, which is an operationalization to assess the depth of learning in an organization or to determine how well a company functions as a learning organization. According to them, the **concrete learning processes and practices** in an organization should include the following activities:

1. **Experimentation:** Organizations experiment frequently with new ways of working, and with new products or service offerings. They also have a formal process for conducting and evaluating experiments or new ideas, and employ prototype or simulations when trying out new ideas.
2. **Information collection:** Organizations generate and systematically gather information on competitors, customers, social and economic trends, and technological trends.
3. **Analysis/Interpretation of information:** Organizations analyze or interpret the data or information they have gained to identify and solve their problems.
4. **Education and training:** Organizations should value training and make time available for education and training to develop both new and established employees.
5. **Information transfer:** In order to gain a maximum impact, organizations should share or disseminate the information and knowledge in systematic and clearly defined methods. The knowledge sharing can take place among individuals, groups, or the whole organizations. (Garvin, Edmondson and Gino, 2008, p.4-5)

Besides carrying out the five learning processes and practices mentioned above, organizational researchers argue that a **supportive learning environment**, such as *openness to new ideas* and *appreciation for differences*, as well as **leadership behavior that reinforces learning**, such as *spending time on problem identification and knowledge transfer*, are also essential for organizational learning and adaptability (Garvin et al., 2008, p.3).

As the previous social media studies discussed above suggest companies to take time to learn about social media, and the resource-based literature also reported that organizational learning competency contribute to firms success, therefore the researcher assumes that a company or a company’s social media team (depends on how deep social media are integrated within the company) which wants to respond to the challenges posed by social media and to prosper from it should have a learning competency by carrying out

similar learning processes and practices as they start their social media adoption and proceed with their social media activities. It is assumed that a supportive learning environment in a social media team or in a company (perhaps the company's culture), and the leadership behavior which reinforces learning on or from social media, could also contribute to the company's learning competency.

Previous Social Media Studies Related to Learning Processes and Practices

Experimentation

As there are many options for companies available on social media, e.g. which social media initiatives and platforms should be taken first, many social media strategists interviewed by Altimeter Group in 2012 shared that they conducted pilot social media programs (Li, Solis, Webber, Szymanski, 2013, p.8). The pilot projects provided decision makers the "digital proof points" which connect social media solutions to solving business problems, and helped them set priorities about which social media initiatives would have the greatest impact (Li et al., 2013, p.8). A study by Harvard Business Review Analytic Services (2010, p.5) found that companies were experimenting with social media, launching discrete projects in order to find a strategy, and because they were wary about the exposure and lack of control of the conversation on social media. There are also companies which intentionally position their social media projects as experiments within discrete functions or departments, which overall objective is to learn from their experiments and to find ways to improve their discrete functions and practices, thus, they are not really concerned with predefining outcomes of their projects, according to a global study by Wilson, Guinan, Parise and Weinberg (2011, p.23-24). However, funding and other resources impact a company's ability to experiment, learn, and adapt (Li & Solis, 2013, Loc.924).

Information Collection

Besides experimenting with social media, the results of many social media studies show that it is paramount for companies to conduct social media monitoring in order **to gather valuable information** [KPI 5] about their *customers, competitors, trends* and so forth.³¹⁹ Especially at the planning stage, listening to the customers enables a company to

³¹⁹ See McKinsey and Company's study (Mattern, Huhn, et al., 2012, p.19-20), McKinsey Global Institute's study (Chui et al., 2012, p.3), Altimeter Group's study (Li et al., 2013, p.7), Harvard Business Review Analytic Services (2010, p.12).

learn about the customers' behavior on social media and to understand how they use social media (Li et al., 2013, p.7). A global study by McKinsey Global Institute in 2012 found that by monitoring social media conversations, companies can **generate consumer insights and market intelligence** [KPI 5], which are valuable for companies which rely heavily on consumer insights *to develop their products* (Chui et al., 2012, p.3). A study by McKinsey and Company in Germany found that successful players on social media monitor their own and their *key competitors' activities* on social media to capture the full benefits of social media (Mattern et al., 2012, p.21). Even if a company is not interested in being active on social media, it would still be wise to perform social media monitoring and listen to *what is being said about the company* in various social media platforms, to follow other *topics that are relevant* to the company, and to find out what its competitors do on social media (Zerfaß, Fink & Linke, 2012, p.4).

Furthermore, studies also assured that monitoring the dynamics of social media industry is essential. At the strategic organizational level, McKinsey and Company argued that companies should also monitor the dynamics of social media, and understand the cultural and behavioral impact of social media (Deiser & Newton, 2013, p.11). To create an agile and responsive organization, it is imperative to keep abreast of *emerging trends* on social media and innovations that it can bring—not just the implications of social media to the competition and marketplace, but also what they mean for communications technologies (Deiser & Newton, 2013, p.11). Leaders will be able to act more quickly and gain the advantages of early adoption of social media when they monitor weak signals and experiment with new technologies and devices (Deiser & Newton, 2013, p.11).

Analysis/Interpretation of Information³²⁰

To gain more significant values from social media, some studies found that companies should do more than just listening to conversations that take place on social media, but they must also analyze all the data gained from social media.³²¹ Companies which are mature in using social media for business purposes analyze the results of the monitoring activities (social media data) over time in order *to identify business opportunities and impacts* (Kane et al., 2014, p.11). MIT Sloan Management Review named this activity as

³²⁰ As social media analytics are also a practice of measuring the performance of a company's social media initiatives (Harvard Business Review Analytic Services, 2010, p.13), this is further discussed in the 'measurement of social media-related performance' chapter.

³²¹ See Kane et al. (2014, p.11); Harrysson, Metayer & Sarrazin (2012); McKinsey & Company (2012); Etlinger and Li (2011); Harvard Business Review Analytics Services (2010).

social analytics, which means “the practice of measuring and analyzing interactions across social technology platforms to inform decisions” (Chui et.al, 2012, p.4). Similarly, Harvard Business Review Analytics Services (2010, p.15) defines **social media analytics** as “the tools used for measuring, analyzing and interpreting the results of interactions between brands and consumers across digital channel.”

Examples of social media analytics activities include integrating social media monitoring tool with other marketing tools, conducting customer sentiment analysis on feedback gathered via social media, and analyzing social media conversations across multiple languages (Harvard Business Review Analytics Services, 2010, p.13). Organizations should compare new data gained from social media (*social data*) against a historical archive of customer feedbacks as well as conduct ongoing analysis as it will benefit organizations which aim for long-term value and continual learning (Harvard Business Review Analytic Services, 2010, p.21). Companies should focus their efforts on analyzing and using social data **to generate customer insights** (KPI 5), *to improve market segmentation and overall performance*, according to the results of McKinsey Global survey to C-level executives (McKinsey & Company, 2012, p.4). And for that, a “*social-intelligence literacy*” will be required by the C-level executives and other board members who are seeking the best possible foundation for their strategic decisions (Harrysson, Metayer & Sarrazin, 2012, p.1). It is a competency to learn from or manage the information and knowledge gained on social media, and incorporate the learning as feedback into the strategic planning process. Social data is able to unleash new organizational capabilities and values *only if companies can manage it right* (Davenport, Barth and Bean, 2012). If strategically leveraged, social media can provide companies with rich, real-time and valuable customer data, the data which is difficult to gain using the usual methods of intelligence gathering such as survey, telephone interview, even focus group discussions (McKinsey & Company, 2012).

There are many values that companies could gain from social media analytics. Companies which conduct social media analytics activities will be able to understand more than simple frequency of words or phrases, and if the company is viewed negatively or positively on social media (Harvard Business Review Analytic Services, 2010, p.20). Rather, companies are able to find out exactly how people feel about their specific products or services, which will ease the companies *to identify emerging issues* [part of KPI 7], *construct improvements, improve their target market, and spot their brand advocates or threats* (Harvard Business Review Analytic Services, 2010, p.20). Similarly, a study by Harrysson

et al. (2012, p.7) also found that social data analytics can give companies *valuable insights about industry dynamics, competitive landscape, future trends, opportunity or market sizing, and customers.*

A study by MIT Sloan Management Review found that in companies which are already mature in social business, social business data are used *to help make strategic decisions* (Kane et.al, 2014, p.4). In these companies, social data are analyzed and integrated into the companies' systems and processed to improve business decisions and to drive accomplishments from using social media.³²² Data-savvy organizations use social data analytics *to improve their ability to innovate and to build competitive advantage* (Kiron, Prentice & Ferguson, 2012).

However, studies also showed that many organizations are overwhelmed by the massive volume of, unstructured, and unfiltered customer data they have gained from numerous social media content such as Tweets, blogs, Facebook wall postings and so forth (Boudreaux, 2011a, Loc.306; Davenport, Barth & Bean, 2012). And although social media monitoring has become a typical activity, many companies are still struggling with measuring, analyzing, and acting on social data and insights (Etlinger & Li, 2011, p.3). Companies are still unable to integrate social data into their existing business technology systems, such as customer relationship management (CRM), support software, and marketing automation (Owyang et al., 2011, p.19). To overcome this problem, every organization is suggested to develop *a strategy for managing social data* across the organization in order to ensure maximal value from social media as well as to be in conformity with regulations such as privacy and disclosure (Boudreaux, 2011, Loc.306). To ease the analysis and interpretation of numerous social media data and to help integrate social data with a company's CRM systems, there are emerging solutions, such as social media analytics tools which companies can purchase, and which are even provided by several social media channels themselves. A further discussion about these tools can be found in chapter 4.

Education and Training

“Training upgrades employee skill levels, brings the company productivity-related efficiency gains from learning and experimentation” (Sorge & Warner, 1980 as cited in

³²² Integrating social data into a company's systems and processes is the most important characteristic of companies which are already mature in using social data for business purposes, according to MIT Sloan Management Review's study (Kane et al., 2014, p.12).

Jones and Hill, 2010, p.120). Despite the growing adoption of social media by organizations, studies found that only few companies offered social media education to their rank-and-file employees, and this caused **uninformed representatives on social media** to engage with customers on behalf of the brands as well as **lack of employees' understanding on the company's social media policies**.³²³ One of the reasons is because they had little budget for social media training and staffing, as reported by many social media strategists (Li & Solis, 2013, Loc. 898). These could be a threat to the companies' reputation on social media [KPI 6].

As social media initiatives in a company formalize and mature, the need for employee education on social media becomes apparent (Li, Terpening & Tran, 2013, p.3). According to studies by Altimeter Group, companies which are advanced in social media establish *ongoing social media education* or programs for their social media practitioners, for example by organizing speakers series or internal conferences that cover topics such as program management, social media tools and measurement.³²⁴ Some companies such Adobe, Intel, Dell, Cisco, even have their own in-house social media competence or *Center of Excellence*.³²⁵ Companies which develop internal social media education programs **reduce social media risk** [part of KPI 7] and **activate employees for engagement and advocacy on social media** [KPI 2] (Li, Terpening & Tran, 2013, p.3).

In order to grow social media efforts successfully, social media education and training should take place at *multiple levels* in an organization, ranging from frontline employees to dedicated social media staff and top executives (Li & Solis, 2013, Loc. 898). Based on Altimeter Group's study (Li, Terpening & Tran, 2013, p.5-8), social media education and training program of a company should be based on four sets of roles and learning objectives:

- (1) **Social media policy training for all employees, as well as for agencies and partners**, to mitigate and prevent social media risk such as violation of social media policy. It is important for these stakeholders to know and understand what is allowed and/or not allowed to do on social media.

³²³ See Solis, Li, Groopman, Szymanski, & Tran (2013, p.9) and Li, Terpening and Tran (2013, p.3). Based on results from Altimeter Group's annual surveys of social media strategists and executives in 2010 to 2013.

³²⁴ See Li, Terpening and Tran (2013); Li, Solis, Webber and Szymanski (2013, p.23); Owyang, Jones, Tran and Nguyen (2011, p.10).

³²⁵ Owyang et al., (2011, p.15). Center of Excellence (CoE) is "a dedicated cross-functional group at the corporate or division level...typically responsible for coordinating social business efforts across the enterprise, including high-level strategy, governance, training and education programs, research, measurement frameworks, and vendor selection. Some CoEs provide leadership and strategy, while others serve as a coordination body or a center of competency (p.12)."

- (2) **Social media introduction for some employees** to develop their understanding of how social media is utilized at the company to achieve business goals, and to enable them to become advocates on social media. The introduction covers the corporate social media programs or strategies, overview of various social media platforms, best social media practices, and how to get started with or participate in social media.
- (3) **Social media practitioner development** to enhance their social media skills so that their social media use is more effective in order to drive specific business impacts with their social media activities. The topics of the development program should cover best practices on social media, deeper learning on social media platforms and tools, or can be tailored to specific business functions such as social media for customer service, sales, or recruitment.
- (4) **Social media education for executives** to develop their understanding, support, and/or engagement in social media use to support business goals, or to increase their alignment around the social media strategy or their direct engagement in social media itself. Getting executive support is vital in order to drive the strategic impacts of social media efforts deeply and widely into the organization (Li & Solis, 2013, Loc.1058). It is advisable that the social media education for executive focuses on the business outcomes of social media rather than on the technology itself, as well as on specific strategies for them to engage in social media. Although the social media education is intended for executives, it should be executed by competent social media practitioners. (Li, Terpening & Tran, 2013, p.5-8)

Information Transfer

Previous research found that many companies do not have a process in place for sharing insights and feedback that they gain and develop from social media to appropriate departments to act upon (Owyang et al., 2011, p.19).

It is essential to have the ability to tie the insights from social media *to solve companies' problems, improve products and services*.³²⁶ Companies which are advanced in social media has a *best practice sharing method* in place to foster continued learning.³²⁷ These companies supplement their social media education by conducting an ongoing communication program to share best practices on social media among practitioners.³²⁸ Similarly, Li, Solis, Webber and Szymanski (2013, p.8) note that best practice companies develop a *reporting process* that communicates the value of social media monitoring and promotes its findings and insights throughout the organization to key stakeholders. A collaboration tool or an intranet portal can make the best practices sharing easier, especially

³²⁶ *Ibid.*

³²⁷ *Ibid.* p.10

³²⁸ *Ibid.*

at large corporations in which it is difficult to reach all social media practitioners or business units (Owyang et al., 2011, p.23).

Furthermore, it is also critical to identify key people in a company who are not only best at gathering information, but also disseminating them throughout the rest of the company (Li & Solis, 2013, Loc.880).

Supportive Learning Environment

Besides conducting the five social media-related learning activities discussed above, it is assumed that a supportive learning environment or *an environment which embraces all the social media-related learning processes and practices*, both within the social media team itself and within the company, could contribute to a company's performance on social media. "There is no single "best" culture for success in social media" (Boudreaux, 2011a, p.25), however, the greatest benefits of from harnessing social media tend to be realized by companies which have or can develop a culture which are *more open to new ideas, fosters knowledge-sharing, collaborative, and transparent* (Kiron et al., 2013, p.12; Kiron et al., 2012; Chui et al., 2012). A study by McKinsey & Company found that in strategic or organizational levels, leaders should enable and support a *360-degree environment in social media usage*, and ensure that *a culture of learning and reflection* takes hold (Deiser & Newton, 2013, p.8).³²⁹

Leadership Behavior that Reinforces Learning

Leadership has a pivotal role in creating the kind of culture that embraces the integration of social media into the business (Kiron et al., 2013, p.12). Whether or not social media will bring values to organizations is determined by *the right leadership mindset*, which is *open to new ideas and encourage others to share rather than to keep information* (Kiron et al., 2012, p.16). It is essential for companies which aim to advance toward maturity in harnessing social media to have *a leadership vision* which is premised on the belief that social media can create powerful and positive change to the business (Kane et al., 2014, p.13).

In addition to that, previous studies also found that key executives or top management who reinforce continuous learning through social media and support the integration of social

³²⁹ Deiser and Newton (2013, p.8) found that this organizational change due to social media use can be accelerated by "reverse mentoring systems," which is harnessing the expertise of the new generations in the workplace who are social media-savvy to mentor the leaders on social media.

media into the business is a *foundation* to the success of a company's social media efforts.³³⁰ Their support enables execution of social media strategies, and additional budgets and resources which are necessary in order to expand the company's prominence on social media (Li & Solis, 2013, Loc.333). Thus, they need to be informed, engaged and aligned with the company's social media strategy (Li & Solis, 2013, Loc.328).

In a contrary, lack of management support or understanding of social media use for the business is seen as one of the top internal barriers that impedes the adoption of social media in organizations (Kiron et al., 2012, p.15). Gartner, a leading information technology research and advisory company, estimated that 80% of social media projects between 2013 and 2015 would result in disappointment due to a lack of leadership support as well as the leaders' narrow view of social media as a technology rather than a business driver (as cited in Kiron et al, 2013, p.5). Getting the support from the management or key executives to invest the company's resources on social media activities could be challenging when they have a lack of understanding about social media, or there is no strong business case or proven value from leveraging social media, or there are too many competing priorities in the company and/or some control and security issues (Kiron et al., 2012, p.15). However, their support could be obtained by conducting a *social media education for executives* as discussed earlier or *regularly reporting to the management* to share information about how the company's social media activities have brought significant business impacts (Li, Solis, Webber & Szymanski, 2013, p.8).

5.2.1.1 Empirical Findings: Social Media-Related Learning Processes and Practices of the Airlines

KLM Royal Dutch Airlines

Experimentation

KLM has started its experiments with social media since the end of 2009, but at that time it was only on a small scale by interacting with their followers and fans on social media in order to build a fan base (Verbiezen, 2011). According to SimpliFlying consultancy, generally, KLM tends to do more experiments on social media in comparison with other airlines, and their experiments are often innovative.³³¹ Karlijn Vogel-Meijer, KLM's Social Media Manager, also confirmed this and said, *"We are always learning and testing*

³³⁰ See Li, Solis, Webber, Szymanski (2013, p.21-22); Kiron et al. (2012, p.15)

³³¹ SN from SimpliFlying (Personal communication).

innovative solutions—that’s our key to success” (Facebook, 2015). These attitudes are most likely to be one of the major reasons behind KLM’s *numerous and innovative social media campaigns, social offers, and social products* [Asset 2], through which KLM could enjoy *continuous engagement* [KPI 2] with their customers and other communities on social media, *a lot of brand awareness* [KPI 3], and *direct return in money* [KPI 4] (Lassalle, 2013b).

Information Collection

In the early stage of their social media adoption in 2009, KLM took the time to observe social media and to listen to what their customers talked about on social media. KLM’s decision to take the time to learn first about social media proved to be a strategic one. During this learning process, KLM admitted that they **gained many valuable knowledge** [KPI 5] especially about *how travelers worldwide exchanged experiences with each other using social media, how social media were listening it, and how online sentiment could have an increasing impact on consumers’ choices and brand reputation* [KPI 6].³³²

So, KLM continues to learn from and listen to their *customers* seriously. KLM recognizes that their consumers are talking about their brand on social media, which can affect the reputation of KLM brand in a very public manner. Therefore, KLM believes that the only way *to successfully managing its reputation on social media* [KPI 6] is by *proactively monitoring and actively influencing the conversation* around the brand on social media too. KLM attempts to monitor *the changes of customers’ sentiment* toward KLM at the beginning and at the end of each conversation on social media, and even *to change the negative sentiment to positive* (Haar, 2013).³³³

Moreover, KLM even argues that it is very important to perform monitoring activities on social media on a 24/7 basis because on social media, *issues can be enormous in a matter of hours* (Haar & Groeneveld, 2014). This implies that KLM monitors social media 24/7 in order *to quickly grab emerging issues or problems*, so that they could *quickly respond to or manage the issues* [KPI 1 & 7], thus, could *protect their online reputation* [KPI 6] as well.

Judging from the 57,600 Twitter users whom KLM monitors (as of July 2015), it is assumed that KLM aims *to build and maintain relationships with key influencers* on Twitter [Asset 4]. It is however not clear if KLM monitors their competitors’ social media

³³² All information in this paragraph relies on Drimmelen (2012a) from KLM.

³³³ All information in this paragraph relies on Socialbakers (2012i) and Haar (2013), unless stated otherwise.

activities and performance as there is no information available about it and they did not want to disclose it either.³³⁴

Analysis/Interpretation of Information

Not only conducting a lot of ‘social listening’ to their customers, KLM is also making a good use of the social data gained from their monitoring/listening activity. Martijn van der Zee (2014), Air France-KLM’s senior vice president for E-Commerce, informs that KLM also conducts a lot of analysis of the servicing social data that KLM gets every week, which is around 30,000 to 50,000 messages. “...we are extreme in that. We know everything. We have heat maps. We have listening tools. We have analytics,” says van der Zee (2014). Social media analytics enable KLM to **gain many insights** [KPI 5], such as to know exactly about *focus of the data*, *sentiment of the people*, *from which countries the people who talk about KLM come from*, and *peak hours of the conversations* (Zee, 2014). It also lets KLM know about *what people say about KLM*, *what works well* and *what does not* (Zee, 2014).

Van der Zee (2014) shares that KLM does many things with the insights from social data, for example, as *an input or idea to develop quality programs*. KLM’s increased knowledge of their customer base is used *to optimize their daily social media content* [Competency 3] and *to organize highly creative and engaging social media campaigns* [Competency 3] (Socialbakers, 2012i). As discussed in chapter 4, KLM’s *average engagement rate* [KPI 2] on social media is indeed high and their *social media communities always grow* [KPI 8] (Socialbakers, 2012b; Unmetric, 2012), which are likely to be caused by their engaging social media campaigns. Furthermore, KLM claims that their engaging social media campaigns could generate direct return in *revenue* [KPI 4] and indirect returns, such as *creating a lot of brand awareness* [KPI 3], *adding brand values*, and *strengthen their relationship with the customers*, which are important too and worth a lot of money (Lassalle, 2013b).

KLM’s extensive social media monitoring and analytics activities have also resulted in **heat maps** out of the world, or information about potential markets or destinations based on where the viral effect of their social media content and campaigns are going or not going (Zee, 2014). For example, KLM has found out through these activities that their biggest fan bases are in very unexpected countries, such as in Brazil and Malaysia, because their social media content and campaign had successfully boosted KLM’s brand awareness there (Zee,

³³⁴ KLM’s social customer service agent on Twitter refused to give this information.

2014). Because of these heat maps, KLM has considered to offer more destinations there (*thus, expands their market domain*) (Zee, 2014).

Apart from that, van der Zee (2014) informs that their social data will soon be connected with their customer Application Programming Interface (API) to enable them to maneuver whatever they do towards their customers in an analytical way. He admits that many companies have already utilized *data mining for commercial purposes*, but KLM believes that using data mining *for customer service purposes* can also bring a great future for the company. For example, KLM can give a warning to the people whom KLM knows through social media when there is a storm coming to the destination where they are heading to, or to give them an advertisement or an alternative through whatever media they want to be contacted with. When the dots of all the social data can be connected, it will be easy for KLM to push messages to whatever medium and to connect everything to all other digital touch points. So, van der Zee summed up that KLM's focus is to try *to utilize social data to produce practical solutions for their customers*.³³⁵

Information Transfer

According to Groeneveld (2014), one of KLM's Social Media Hub Managers, the Social Media Hub ensures that all the important customers feedback that they generate from their social media monitoring and analytics activities will be passed on to the relevant departments within KLM **so that they can act on it, make certain improvements to the products or services, or create a new product or service**. There are constant changes in KLM because of this, as other departments in KLM need to be ready as well for continuous product improvement or innovation via customer feedback on social media.³³⁶

This demonstrates that when the insights from social data are correctly disseminated throughout the company, it would further impact on or benefit the core business.

Education and Training³³⁷

³³⁵ All information in this paragraph relies on van der Zee (2014).

³³⁶ All information in this paragraph was obtained from Robertjan Groeneveld (2014), KLM's Social Media Hub Manager.

³³⁷ *Ibid.* for the whole section, unless stated otherwise.

KLM believes that social media are really the back bone of a service organization like them. Social media at KLM are not claimed by one department only, but it is really *a cooperation of many different departments*. Besides that, KLM also expects *everybody* within the company to participate on social media. Therefore, KLM provides extensive education and training programs not only for the members of its Social Media Hub, but also for its other employees and the management. The social media education and training programs at KLM consist of the following activities:

1. **Social media training for the social media team.** As KLM's social media team has a lot of members (150 people as of 2014), it is important to make sure that all of them can *give the same excellent service to the customers on social media* [KPI 1]. A consistent tone of voice on social media must be achieved and maintained as well among all of the team members, although this is not easy to accomplish. Therefore, KLM's social media team provides a 5-week period training program for all its team members. Part of the training programs includes *the tone-of-voice training*, which is quite extensive and taught by KLM's Online Reputation Manager. The members are really trained on how to respond to and *to engage with the customers* [KPI 2] on social media and *how to be alert* [KPI 7] as conversations on social media is really open or transparent that everybody can read it and can create a lot of 'buzz' when the influencers communicate with them. Lastly, KLM's service agents are also trained *to have commercial skills* on social media [KPI 4].
2. **Regular reporting to the management.** KLM argues that it is important *to always keep the management aware and informed* about all the airlines' activities on social media by providing them a weekly report *in order to get their full support* on social media. Not only the management is informed that KLM is offering customer service on social media, they are also informed that KLM listens to the customer feedback on social media and forwards the feedback to *the relevant departments* within KLM, so that they can *improve their products*.
3. **Presentations.** When KLM started its social media activities, one of the key challenges was *how to make the whole organization understand* about social customer care. So as soon as KLM started its social customer care activities, a lot of presentations of what the social media team did in social media were conducted internally. The organization was informed during the presentation that KLM received a lot of feedback from the customers via social media and that the social media team attempted to forward the feedback to the relevant departments. The organization saw that what KLM does on social media is not only servicing the customers, but also learning from them on how to improve KLM's products. As the result of the numerous internal presentations, *now most of the people in the company fully understand what KLM does on social media, can also see the benefits of it, and are willing to engage on social media to give the customers a good service*. *Employees' engagement on social media* [KPI 2] is important for KLM because as a one-stop-

shop on social media, KLM needs everybody within the company to answer each and every questions from the customers on social media, which sometimes can vary from the general ones such as if an airplane has a horn or the height of a hangar, to requests to rebook the ticket or the costs to certain destinations.

Supportive Learning Environment

A *culture of learning* seems to exist in KLM as in the early stage of their social media adoption in 2009, rather than quickly setting up social media accounts only because they had to do something with social media, *a small group of department representatives* conducted a meeting each week to discuss the rise of social media and how they related to KLM (Drimmelen, 2012a). They took the time to observe social media, to listen to what their customers talked about on social media, and to learn how to strategically use social media (Drimmelen, 2012a). They *'learned by doing'* in the early phase and carried out a pilot study about their blog (Drimmelen, 2012a).

When KLM's Social Media Hub has been established in 2010, the team at the Hub realized that they needed *to break the silos* between many departments within the company, which was not easy at all, in order to foster close cooperations (*collaborative culture*) between them (Lassalle, 2013b). KLM had put efforts to create a solid base which is now one of the keys to their success on social media: *Internal cooperation* (Drimmelen, 2012a).

Moreover, Martijn van der Zee (2012) from KLM shares that KLM embraces a *'dare to fail'* attitude as a part of its learning process. KLM is aware that it needs not only time but also a healthy attitude to failure to execute a social media campaign that works (Zee, 2012). As van der Zee (2012) noted: "We're open to failures and mistakes for the simple reason that if you don't dare, you will never be able to create things that customers want." It is very likely that because of this attitude, KLM has conducted many experiments with social media as discussed earlier, which also demonstrates that KLM is *open to testing new ideas or solutions*.

Transparency is also reflected in the way KLM learns on social media. For example, Drimmelen (2012c) shares that even though KLM's social media campaigns have won several awards, KLM has also made some mistakes on social media. But rather than covering them up, KLM decided to let the public know and treated it as a learning experience. KLM believes that their transparency has resulted in more affinity from the people for KLM.³³⁸

³³⁸ All information in this paragraph relies on Drimmelen (2012c).

Leadership Behavior that Reinforces Learning

Based on the description above about KLM's learning environments, it is likely that the leaders at KLM Social Media Hub have the kind of behaviors which reinforces learning, or it might be the other way around, that such environments make it easier for the leaders and the members of the Social Media Hub to carry out concrete learning processes and practices effectively and efficiently.

Besides the leaders at the Hub, KLM's leaders at the higher level even really support KLM's activities on social media. KLM could gain the required support from the top management quiet easily and quickly. As stated in their blog, KLM's CEO, Peter Hartman, has supported KLM's social media adoption since the very beginning. "Our CEO...gave us the green light to set up a Social Media Hub and formalise our efforts," says Drimmelen (2012a). The CEO even declared that KLM would invest heavily in developing ongoing social media strategies which are centrally focused around enhancing customer centricity (Socialbakers, 2012i). It is likely that the CEO's full support has resulted in an *internal social media policy* which empowers all the employees to participate on social media (see section II.3).

SimpliFlying also confirmed that when it comes to the management support on social media, KLM has more advantages than other airlines. KLM's management really understands the importance of social media for their business, whilst the management of other airlines do not have this kind of understanding yet. Many airlines even got involved on social media just because other airlines are doing it as well.³³⁹

Emirates Airlines³⁴⁰

Experimentation

Emirates Airlines is the last airline which entered the social media landscape in comparison with the other three airlines in this study. This was not because it took them a long time to conduct a proper learning about social media before they started using it, but it was the management who was late in realizing the benefits that social media could give to their organization. Despite Emirates' late entry to social media, they claim that they started

³³⁹ All information in this paragraph relies on SN (Personal communication) from SimpliFlying.

³⁴⁰ All information about Emirates relies on JS from Emirates (Personal communication), unless stated otherwise.

their social media adoption with *a solid strategy* already, which many organizations did not have yet when they began to use social media (Saydam, 2012).

As a new player in social media, Emirates is *allowed to make experiments*, to learn, to make small mistakes, and to make adjustments based on what they have learned along the way. This is assumed to be the reason why Emirates could adopt new social media platforms in a rapid pace (see chapter 4 section II) and create many different social media activities right away, in order *to grow their social media communities* [KPI 8] and *to engage with them* [KPI 2].

Information Collection and Analysis of Information

As briefly discussed in chapter 4, at Emirates Airlines, social media monitoring and analytics are performed *extensively* and they utilize special monitoring and analytics tools for that. A broad spectrum of factors is taken into considerations in the activities and they constantly do this on a daily basis. Not only the social media team looks at the *competitors' social media analytics*, they also analyze their *social media performance* in comparison to other brands. Moreover, they also monitor and analyze the *performance of their social media content and campaigns, issues, trends in the markets and industry, and sentiments of their customers* on social media about the Emirates brand. Emirates' public relations team also monitors and analyzes Emirates' *key social media influencers and brand advocates*, assuming that they aim *to build and maintain good relationships with the influencers* [Asset 4].

It is assumed that by monitoring and analyzing their competitors' activities on social media, Emirates would be informed about what kinds of social media content (including campaigns) already exist, so that Emirates would not create the same things (*Emirates' orientation to innovation*). Information about which issues that need to be quickly managed would contribute to Emirates' *responsiveness* [KPI 1] on social media, thus, could prevent the issues to escalate [KPI 7]. Whereas the information about how their social media content and campaigns perform would enable Emirates to *optimize the content and campaigns* [Competency 3] as they know which of them gain the most engagement [KPI 2] and reach [KPI 3]. Monitoring and analyzing trends in the markets and industry is perhaps *to get ideas for creating relevant social media content and campaigns*, which are needed to *grow Emirates' social media communities* [KPI 8] and also *to create high engagement* [KPI 2]. Lastly, by identifying the *sentiments of their customers* on social media about the Emirates brand, Emirates would know how their *online reputation* actually is [KPI 6].

Information Transfer

The management of insights gained from social media monitoring and analytics at Emirates Airlines is relatively simple and still depends on who in the company is requesting them. The social media team supplies their internal clients with the information they need (upon request), and it is up to them how they want to use it. But they do it on incident basis and based on if there are trending topics in the industry which they capture through social media. Their internal clients are usually the marketing, communication, e-commerce, customer service, and human resources department. Examples of the information that the social media team shares with their internal clients are *where the conversations about Emirates airlines happening, the percentage of male and female who talk about the airlines, where they are located, and on which social media channels.*

Education and Training

At Emirates, there is neither a special training or education for the four members of the social media team, or for other departments who use social media. The members of the social media team were recruited because they already have knowledge and skills about social media. Then they just *'learn by doing'* as the airlines' social media activities proceed, nevertheless, they felt that they were well prepared when entering social media. And when they need help in executing their social media initiatives, Emirates has a strong agency partner to do it. Nevertheless, the social media team plans in the near future to provide an internal social media training to other departments which are involved in social media, so that they could participate more on social media.

Supportive Learning Environment and Leadership Behavior that Reinforces Learning

As mentioned earlier, Emirates' social media team is allowed to make experiments, to learn, to make small mistakes, and to make adjustments based on what they have learned along the way. This demonstrates that the social media team has a learning environment which supports the execution of all learning practices and processes concerning social media, as well as a team leader who enables such environment.

In addition to that, the team leader could not agree more that *full support from the key decision makers* to invest the company's resources in social media activities is important. The team leader even believes that social media strategy is something that needs to be owned by everyone in the entire organization, but it is especially the key decision

makers who need to believe and adapt to social media (Saydam, 2012). Although Emirates was a bit late in joining the social media landscape, the social media adoption at the company happened very quickly (Saydam, 2012). This is because the initiative to be active on social media came from the management of the airlines itself. The senior executives at Emirates were so excited and enthusiastic about the potential of social media for the company (Saydam, 2012). Therefore, at the beginning, no one needed to convince the management in order to be allowed to leverage social media. And since the airline's social media activities have been running, the social media team has never had any problem in getting support from the key decision makers. Probably this is also the reason why the *internal social media policy* at Emirates empowers the employees to participate in the airlines' social media activities as well (see section II.3).

American Airlines

Experimentation

American Airlines' very first social media account is YouTube since 2006, followed by Facebook since 2007. One can see from the airlines' irregular content on both platforms that American Airlines was still experimenting with social media until about end of 2011, the time when the management of the airlines' social media activities finally shifted from a public relations agency to in-house or the airlines' own employees (Scott, Personal communication). Since then, the airlines' social media platforms have been regularly filled with content. As there are always new things on social media, American Airlines has to experiment with social media to some extent, such as conducting new kinds of campaigns, creating new types of content, and trying out new social media platforms. However, American Airlines has to do it *carefully* as it will affect their operational budget on social media, which is enough but not much, as the company has filed for bankruptcy protection in end of 2011 (SS, Personal communication).

Information Collection and Analysis of Information

As engaging with customers on social media has become a more serious matter, American Airlines' social media team grew and had a clearer structure in 2012 (Phillips, 2013). Listening to their customers' conversations on different social media platforms to

gain insights has become the heart of their social media strategies (Phillips, 2013). “We listen every minute of every day to what our customers are telling us, and that *helps shape the content we create, the issue resolution we provide, and the loyalty* we work hard to earn and retain,” argued Pierce (2013b). American Airlines even claims that their *social media monitoring is very extensive* because they continuously spend a lengthy amount of time and personnel on monitoring a wide range of things, such as customer *sentiment analysis, customers’ behavior, changes, trends, and events in the marketplace or industry* using social media (SS, Personal communication).

American Airlines stresses the importance to have the ability (a) to capture relevant information, (b) to analyze it correctly, and (c) to ensure that this is logged for future use (Phillips, 2013). Throughout monitoring and analyzing the conversations about the airlines in various social media platforms and their engagements with customers on social media, American Airlines aims to capture the following **insights** [KPI 5]:

1. ***The volume of the conversation.*** For example, how many Tweets they receive per hour or per day. This information is important because it shows how many customers are interested in engaging with them in social media [KPI 2]. It can be interpreted that the higher the volume of the conversations about American Airlines, the more they engage with their customers on social media.
2. ***Where the conversation is happening.*** This information helps them to determine in which social media platforms their customers want to communicate with them.
3. ***Who is driving the conversation.*** This information helps the airlines to discover who the influencers and brand advocates are [Asset 4], and who they should pay attention to and can help them sharing their stories.
4. ***The main themes of the conversation.*** This information is useful because it can assist the team in creating the right content [Competency 3] that can attract their customers and drive engagement with them [KPI 2].
5. ***The tone of the conversation.*** Is it good or bad? Is it positive or negative? American Airlines will then attempt to turn the negative feedback to neutral or even positive in many ways [KPI 6]. (Phillips, 2013)

Social media monitoring and analytics can also provide insights into the *likes, dislikes and the needs and desires of American Airlines’ loyal customers* (Scott, 2013b). American Airlines also captures *overarching trends in social media conversations* and reports those back to the business where relevant (Scott, 2013b). These insights could be used as *ideas to develop relevant programs, services and products* for them.

Furthermore, by using social media analytics tool, American Airlines attempts to identify their *key influencers and brand advocates on social media* the people who talk to

the airlines frequently, and the people who support the brand. The airline makes a list of those people and tries *to engage with them in many ways* [Asset 4].³⁴¹

Moreover, American Airlines regularly monitors *various aspects of their competitors'* social media presence and tracks their key metrics such as their community size and growth on Facebook (Moreland, Personal communication). As it is difficult for American Airlines to be innovative on social media (SS, Personal communication), information about what their competitors do on social media serves as *ideas for their content, programs or campaigns* (BM, Personal communication).

American Airlines' plan for the future is to conduct an even more extensive monitoring of conversations about American Airlines on social media.³⁴² For example by searching *special social media posts or tweets that discuss about the airlines but are not directed directly to the airlines*, then trying to reach out to the people who created it. Scott (2013b) argues that such indirect posts can also have value for the customers and the airlines. Thus, American Airlines is also considering ways to leverage location-based social media intelligence to capture such conversations in order *to give deeper meaning to their social media content* (Scott, 2013b), which could contribute to the *reach and engagement* of their content.

American Airlines has made several major developments in its social media monitoring. According to Scott (2013b), the social customer service team monitors all incoming mentions about the airlines on Twitter and wall posts on Facebook 24 hours a day, seven days a week. They use the data analysis from the monitoring *to constantly review their allocation of resources*, which in turn allows them *to broaden their social monitoring* beyond direct brand mentions and traditional social networks. This way enables them to “surprise and delight their customers, amplify positive buzz and encourage brand loyalty.” They believe that going above and beyond in social media monitoring allows for opportunities to strengthen relationships with their customers.³⁴³

Scott (2013b) adds that American Airlines makes use of its social media monitoring in real time and utilizes location-based data *to add context to their social media conversations*. Social media monitoring in real-time with location context enables American Airlines *to provide fast and effective social customer service* [KPI 1] and *to engage with its*

³⁴¹ All information in this paragraph is from SS (Personal communication). Further information about how American Airlines engage with their key social media influencers and brand advocates can be found in the ‘Social Media Influencers and Brand Advocates’ chapter.

³⁴² *Ibid.*

³⁴³ All information in this paragraph relies on Scott (2013b).

customers in a meaningful way [KPI 2]. For example, if a customer checks into Foursquare in their Admirals Club lounge and says that he or she is excited about his or her upcoming flight, American Airlines can reply that they hope the customer enjoys a complimentary beverage and free Wi-Fi in the lounge before boarding.³⁴⁴

Monitoring social media conversations and content that is relevant to American Airlines can be challenging, especially due to the volume of content associated with the brand, according to Scott (2013b). That is why the social media team leverages *sophisticated social media monitoring tools* to enable them to mine all relevant conversations. Moreover, Scott (2013b) shares that to avoid mistakes in social media monitoring, the team always tries to be alert for context clues in social media posts. The team is encouraged to review people's profile and past tweets before responding to them, so they are armed with the right information to develop an appropriate response. For instance, if a customer's profile shows things that he or she is interested in, the team should engage with them around those topics. And if their past tweet shows they were frustrated about American Airlines, then the team is aware of past events. Lastly, American Airlines assesses the success of their social media monitoring as well.³⁴⁵

Education and Training

American Airlines also faces several internal challenges in their social media management. As many staff of the airlines are 'old-crowders' and seniority in the company is high, many people in the company are pessimistic about social media and even do not know at all about social media, who reject social media use in the company and think that the company does not need it. To overcome these challenges, and to be able to leverage social media optimally, American Airlines' social media team has been conducting a basic education program since 2013 *for the airlines' leaders, internal clients, and stakeholders*, and a training program *for its social media team*.³⁴⁶ American Airlines' Social Media Director, Jonathan Pierce, points out another benefit of educating their leaders about social media:

The power of having our leaders being able to understand perspectives of our customers on something so significant to the organization really **helped social media be integrated into the company and into the thinking of our leaders** [*emphasis added*]. (Pierce, 2014a)

³⁴⁴ *Ibid.*

³⁴⁵ *Ibid.*

³⁴⁶ All information in this paragraph relies on Phillips (2013), also SS (Personal communication).

Besides that, as American Airlines believes in the importance of social customer service, they make investment in robust staffing and training **to assist as many customers as possible** [KPI 1] (Scott, 2013b). American Airlines' Social Media Director, Jonathan Pierce, noted another reason for social media training:

We've learned that the social media customer service rep has to be a different breed. People hired are accustomed to customer service over the phone and not usually doing that in writing, so we've had to train them for this new medium (Pierce, 2014c).

The basic education program about social media at American Airlines, which is directed at their leaders (the people who control everything in the company) and to every business unit, such as loyalty program, airport and marketing, consists of the following activities (Phillips, 2013):

1. **Road shows** across the company and country.
The social media team goes to the airlines' reservation offices across the company and country, conducts live Tweeting to show them the volume of questions they are receiving, how they rated feedbacks, and how they resolve the issues efficiently.
2. **Establish regular reporting.**³⁴⁷
The social media team regularly creates reports of the airlines' social media activities. The report consists of many metrics such as how many volumes of conversations they are receiving, the number of Tweets they send and receive per day and per hour, and how the flow of the Tweets was. The report enables the team to know how to schedule social media content and is also used to lobby the management for additional team members. Because of the report, the management was convinced to add more team members in preparation for providing a 24/7 service on social media. Lastly, the report also allows the team to make a forecast of, for example, what activities or content they will have needed in 6 months.
The social media team believes that as they consistently collect data on social media and conduct analysis of the data, establishing regular reporting has made their life easier and it is even one of the reasons behind their success on social media. The report enables them to really take a look at what they have achieved on social media as their social media activities scale. It is easier to do this as they go rather than to look back years at a time.
3. **Presentations** to leaders, business units and to anyone in the company that the social media team can get. The presentation is about what the team is doing on social media and what they plan to do in the future concerning the airlines' social media activities. (Phillips, 2013)

³⁴⁷ American Airlines' regular reporting related to social media will be further discussed in the section 'Control System'.

The social media training program has been formalized by the social media team. Each member of the team undergoes a 6-week training, which focuses on the right grammar, tone of voice, and writing skills **so that they can produce good quality of social media content** [Competency 3] and **engage with the customers in the right manner** on social media [KPI 2]. Concerning the tone of voice, each week the team shares each other some kind a “topic cloud”, which are the main words they have been using throughout the week. For example, apparently they used a lot of “apologies” on social media in July 2013, which could not really help the customers. So the team thought about what they could do about it and made an effort to shift such conversations. As a result, the word “apologies” appeared fewer in the conversations.³⁴⁸

Parts of the airlines’ social media training program are also **to learn about good and bad examples of customer interactions** on social media platforms and what could have been done better in this instance (Phillips, 2013). Moreover, they learn how to use customer feedback **to really shape how they talk with the customers**, how to take and share the customer feedback with the social media team, how they could have done better, what they could have said differently, and to learn how to sound like human being on social media (Phillips, 2013). All of these could positively impact on the engagement between American Airlines and their customers [KPI 2].

Information transfer³⁴⁹

The airlines’ social media team also argues that it is important to have the ability to distribute correctly the new information that they have gained throughout their learning processes. This is even a part of their strategies since the very beginning. By creating a feedback loop on the airlines’ products and services straight from the customers to the organization, the social media team is certain that **it has added value to the core organization** (Pierce, 2012b). The team ensures that they provide new insights and relevant feedback to the right person within the company and to different parts of the business, as these will define their business strategy moving forward. They have “a robust process for sharing information across multiple departments,” including in-person meetings, conference calls, and emails (Pierce, 2013b). Insights generated from social data can be used **to help marketing and product development decisions**. The team also uses insights from social

³⁴⁸ All information in this paragraph relies on Phillips (2013).

³⁴⁹ All information in this paragraph is from Phillips (2013) unless stated otherwise.

media to **decide where to focus the airlines' next social media efforts**. The team believes that the airlines' social media activities have been successful partly because of this.

To ensure that its social customer service efforts help improving their real-life customer service, whenever American Airlines receives inquiries via social media related to events happening in real-time at airports or on aircraft, they will contact the appropriate managers to address the issues in person with their customers. They also share positive social media stories on their internal intranet to motivate employees to give their best service all of the time. All of these could contribute to the airlines' **responsiveness beyond social media**.

Supportive Learning Environment and Leadership Behavior that Reinforces Learning

In 2012, American Airlines shared that its corporate culture is *rather conservative* and is not yet fully embracing social media, thus, the social media team did not have much flexibility. It is important to have *more flexibility*, in terms of what the social media team is allowed to do. American Airlines does not have that kind of fun, open and transparent culture like in Southwest Airlines and KLM, and assumes that if they have those kinds of corporate culture, their social media efforts could progress a bit quicker. They needed to work hard to convince their top management in order to be allowed in the first place to leverage or invest in social media. That is why they have the initiative to send regular reports of their social media activities to them, although this is not compulsory. In spite of that, American Airlines' social media team feels lucky that they have a good leader in their team who empowers the team to to extensive learning processes and possesses the right mindset for integrating social media deeper into the organization by establishing a good relationship and *collaboration* with other business units and key executives.³⁵⁰

As a result, a change in their corporate culture is happening: American Airlines is now trying to become more flexible and less conservative (SS, Personal communication). The leader of the team believes that social media's efforts continue to mature at American Airlines, proven by the participation of different departments in it and the integration of social insights into decisions (Pierce, 2013b). "Social media has become a permanent fixture in American's culture, and that continues to open doors for us to build new and deeper relationships internally" (Pierce, 2013b). That is why the social media team is still working on to improve the internal social media policy, to enable more participations from the

³⁵⁰ All information in this paragraph is based on SS (Personal communication).

employees in the airlines' social media activities in a safe way so that the American Airlines brand is protected (BM, Personal communication).

Garuda Indonesia

Experimentation and Information Collection³⁵¹

In regards to Garuda Indonesia, the company's Public Relations department which first initiated the company's social media activity, conducted information searching about social media before they started joining other airlines on social media landscape. However, it was neither an extensive nor intensive information seeking, but rather a quick one. They found that especially social networking platforms were really booming in Indonesia. Many airlines were already being talked on social media, including Garuda Indonesia, but they were not there yet to participate in the online conversations. So they thought they had to respond and adapt to the new challenges caused by social media as quickly as possible, especially the challenge concerning increasing and changing customers' needs. Moreover, they also thought that they could always *'learn by doing'* later on.

Therefore, the Public Relations department quickly took an initiative in June 2010 to open a Twitter account, which was initially intended for customer service purposes.³⁵² They wanted *to grab issues* related to the airlines that were being talked in the virtual world, as well as *to manage and respond to it* [KPI 1 & 7]. They conducted a simple social media monitoring by using keywords to identify those issues. But at that time *they did not collect any information about their competitors' activities on social media*.

Many other branch offices of Garuda Indonesia in all over Indonesia and even in other countries wanted to take part on social media as well, and thus, opened their own Twitter and Facebook accounts. As a result of this experiment, Garuda Indonesia ended up having multiple social media accounts without a good coordination, integration and synergy between all of them. In the end, Garuda Indonesia has decided to deactivate some of these social media accounts (Garuda Indonesia, 2015b).

About three years after their entry on social media, Garuda Indonesia finally realized that it is important to leverage social media more strategically. So they sought support from the management to extend their social media usage and to look for the right social media

³⁵¹ All information in this section relies on IR (Personal communication) from Garuda Indonesia unless stated otherwise.

³⁵² See Garuda Indonesia's first official Twitter account: <https://twitter.com/IndonesiaGaruda>

agency to assist them in managing their social media activities and getting significant business values out of it. They decided to invest in a lot of time to search for the right social media agency. After a long agency pitching process, they had finally found the right agency as their partner on social media.

In 2013, Garuda Indonesia shared that they partnered with a social media agency, *LiquidThread*, to carry out social media monitoring activities for them. But in the near future, Garuda Indonesia's Call Center division would be equipped with a social media monitoring tool as well. Most likely that this plan has been realized by now. Their partnership with this agency was terminated, and the Call Center has decided to partner with different agency (BAN, Personal communication).

Social media monitoring has become an important business practice for Garuda Indonesia. Through monitoring conversations about the airlines on social media, they could **gather a lot of useful information** [KPI 5] that could help the airlines in developing the right social media strategy and tactics. The information that they gain from social media monitoring could also *help fasten the decision making processes in Garuda Indonesia* (IR, Personal communication). Thus, Garuda Indonesia keeps on regularly monitoring various issues on different social media platforms such as Twitter, YouTube, Facebook, and online forums.³⁵³

What Garuda Indonesia monitors in social media are usually *issues that are related to their service* such as problems with baggage and delays, and *corporate-related issues*. By doing this, Garuda Indonesia is able **to manage the issues and to respond to it quickly** [KPI 1], thus, they can *prevent or minimize the issues to escalate* [KPI 7], and Garuda Indonesia will be *seen as a responsible company* in the eyes of their public [KPI 6].³⁵⁴

Moreover, Garuda Indonesia also collects information about their *social media communities* and how they engage with Garuda. By monitoring the communities, Garuda Indonesia intends to identify *key influencers* who talk about the airlines, as they want **to build relationships with the influencers** [Asset 4]. *LiquidThread* shares that apart from those issues, they also gather information about the *progress of the airlines' current social media campaigns*, or if the campaigns that they launch on social media run well as planned. In

³⁵³ All information in this paragraph relies on *LiquidThread* (Personal communication) unless stated otherwise.

³⁵⁴ All information in this paragraph relies on IR, *op.cit.*

regards to their competitors, *Garuda Indonesia does not monitor what their competitors do and how they perform on social media.*³⁵⁵

Analysis/Interpretation of Information

Besides grabbing issues that are being talked on social media, Garuda Indonesia also attempts to understand, interpret and act on the information they have gained on social media. After they have identified important issues on social media platforms as a result of their monitoring activities, they will analyze it further together with other issues they have found in conventional media. After the issues have been identified, they will make a chronology about those issues, followed by an identification if any solution has been previously made. If there is not any solution, then they will develop a strategic plan to solve the issues.³⁵⁶

As mentioned earlier, Garuda Indonesia makes use of the insights they generate through these processes as a basis to develop the right social media strategies and tactics, to fasten decision making processes, and to manage issues and crisis.

Information Transfer

The airlines' public relations, marketing and customer service department provide the social media agency with necessary information, so that the agency can perform their tasks well. The agency also informs these departments regularly about customers' feedback and complaints that they gain on social media and about other important issues that they capture through social media monitoring.³⁵⁷

The agency mentioned that as they have to give the first response to the customers on social media, they will forward certain questions to the relevant department(s) in Garuda Indonesia if they do not know the answer to it. And in regards to customers' complaints on social media, the agency sends it to the relevant departments or units to be processed further. The responsible units – either Marketing, Garuda Frequent Flyer, or E-Commerce – will then handle the complaints. But the agency shared that they often find out from social media monitoring that some customers' complaints are not solved yet. Thus, they constantly have to send a reminder to the responsible unit to handle the inquiries as soon as possible.³⁵⁸ This

³⁵⁵ All information in this paragraph relies on LiquidThread, *op.cit.*

³⁵⁶ All information in this paragraph relies on IR, *op.cit.*

³⁵⁷ *Ibid.*

³⁵⁸ All information in this paragraph relies on LiquidThread, *op.cit.*

demonstrates that the feedback loops and coordination mechanism between the agency and Garuda Indonesia are not efficient yet, as it negatively impacts on Garuda Indonesia's responsiveness on social media.

Education and Training³⁵⁹

Despite the airline's active engagement on social media, **a formal social media education or training does not exist yet in the company.** However, the staff who are in charge of the management of social media activities inform themselves and learn about various issues related to the airline through a weekly report that the social media agency prepares for them.

The airline has some reasons for the absence of formal social media education and training within the company. First, as the social media agency has a major role in managing the airlines' social media efforts, the airlines expects the agency to update their skills and knowledge about social media on their own initiative. Second, because the airlines does not allow their employees to have a direct contact with the customers via social media platforms, the employees do not need to have social media competencies. Third, the staff who are in charge of social media and liaise with and support the social media agency, e.g. PR staff, are expected to have acquired some social media competencies such as exceptional communication skills, and to update it on their own.

Supportive Learning Environment and Leadership Behavior that Reinforces Learning³⁶⁰

As the management of Garuda Indonesia's social media activities is executed by some staff from several departments (IR, Personal communication), this demonstrates that these particular departments already have **a collaborative culture** which is considered as a supportive learning environment. However, Garuda Indonesia's corporate culture is quiet **conservative**, thus, the airlines' social media staff and the agency are not allowed to act too different or unusual on social media (LiquidThread, Personal communication). This is reflected in their 'protective' internal social media policy as well (IR, Personal communication). In spite of this, the top **management gives support** to leverage social media for business purposes. As mentioned earlier, the PR staff gained support from the top

³⁵⁹ All information in this section relies on IR, *op.cit.*

³⁶⁰ *Ibid.* Unless stated otherwise.

management to increase their investment in social media activities and to employ an external social media agency to assist them in using social media strategically. Garuda Indonesia is also allowed to expand their existence on social media, which would not be possible without the full support from the management.

Conclusion

The findings of this study generally support Garvin et al.'s (2008, p.4-5) organizational learning framework, that (1) when a company is competent in performing *all* the learning processes and practices related to social media, as well as (2) having a supportive learning environment, and (3) leaders, key executives and management who reinforce the learning processes, the company's chance to achieve successful social media-related performance is bigger. It can be concluded that social media-related learning competency is *a basic competency* as it can influence other social media-related competencies and assets of a company, thus, could contribute to the company's performance on social media in multiple ways. Generally speaking, it appears that Prospector (KLM, Emirates) and Analyzer (American Airlines) invest more resources in learning activities than the Defender (Garuda Indonesia).

In regards to *experimenting with social media*, it is evident in KLM (Prospector) that their courage to continuously experiment with innovative solutions on social media have positively resulted in various social media campaigns (content), social media-related services, and social products (asset). Through these things, KLM could enjoy continuous engagement [KPI 2] with their customers and other communities on social media, a lot of brand awareness [KPI 3], and direct return in money [KPI 4]. However, experimenting too long on social media or without a clear objective or strategy could lead to inactive and uncoordinated social media accounts [thus, a barrier to KPI 2 & 3], as experienced by American Airlines (Analyzer) and Garuda Indonesia (Defender) in the early phase of their social media adoption. Thus, Emirates Airlines' hesitation to experiment with social media before a formal social media strategy had been developed was a good decision.

The findings from these case studies confirm that only *collecting large volumes of data from social media* by using a social media monitoring tool is not sufficient. It is imperative to *analyze the large amounts of unstructured social data* so that the data can be meaningful and useful information or become *insights* [KPI 5], and can be further used for

various purposes. Depending on the extensiveness of a company's social media monitoring and analytics activities, it can be concluded that the insights gained from these activities can be used for multiple value-creating activities:

- (1) **To enable a company to swiftly respond to emerging issues** (competency 2 & 5), which could enhance the company's responsiveness [KPI 1], prevent the issues to escalate or become a crisis [KPI 7], and protect the company's reputation [KPI 6].
- (2) **To change the negative sentiment into neutral or positive**, thus, could improve the company's reputation [KPI 6], and further, could influence consumers' decision.
- (3) **(As feedback) to optimize social media content and campaigns** (competency 3), thus, enable a company's content to gain a better engagement [KPI 2] and reach [KPI 3].
- (4) **(As ideas) for the creation of relevant and/or innovative social media content and campaigns** (competency 4), **and social media-related products** (asset 2) **and services**, thus, enable a company to gain multiple benefits, such as high engagement [KPI 2], high reach or awareness [KPI 3], revenue [KPI 4], favorable online reputation [KPI 6], and growing social media communities [KPI 8]. This is especially evident in KLM (see section I.4 for further information).
- (5) **To build relationships with key influencers and brand advocates on social media** (asset 4).
- (6) **(As feedback and ideas) which enables a company to improve and/or to create new products and services; and (as heat maps) to help decide on which new destinations to offer**, as evident in KLM. A requirement for this is that the insights need to be transferred to relevant departments and they must collaborate to act on the feedback or to realize the ideas. Thus, it is also paramount for other departments within a company to be ready to act upon the feedback or insights that they receive.

As KLM continuously undertakes many experiments or exploratory actions on social media, monitors a wide array of aspects on social media, and analyzes a diverse flow of information as a result from their social media monitoring activities, it is assumed that these activities support KLM's *broad domains* and *growth strategy on social media* (see chapter

4), and shape their *innovative competency* on social media. KLM aims to continuously develop new social products and services, and to locate new market opportunities on social media. Having such strategy, “prospectors must develop and maintain the capacity to monitor a wide range of environmental conditions, trends and events” (Miles & Snow, 2003, p.56), which KLM seems to have done very well.

American Airlines’ growth strategy on social media seems to have influenced their experimentation on social media, and social media monitoring and analytics as well. As an Analyzer, their competency in performing these activities has been developed in the right direction, as the numerous insights that they gain from their extensive social media monitoring and analytics are used *to imitate* successful social media initiatives (e.g. content, campaigns) created by their competitors, and at the same time, to protect their reputation. Maintaining a stability in their operations on social media while simultaneously locating new opportunities should be achieved by an Analyzer. American Airlines tends to do less experiments on social media than KLM because they do not have the ambition to be an innovator there.

Garuda Indonesia’s experimentation, social media monitoring and analytics are also in line with the ‘rather narrow’ configuration of their domains on social media, and their growth strategy. As a Defender company, Garuda Indonesia strives to maintain their prominence within their limited domains on social media (instead of continuously developing new products, services and markets on social media), thus, they tend to focus their social media monitoring efforts on relatively few important factors only, and to do less experiments in a later phase of their social media adoption.

Moreover, it can be concluded that *the insights need to be transferred* (1) among the members of the social media team to improve their performance, (2) to relevant departments within the company to be act upon, thus, could benefit the business further or in a much broader scale, and (3) to key executives or top management to secure their continuous support in social media-related activities. The latter is even necessary in a rather conservative company like American Airlines (Analyzer) and Garuda Indonesia (Defender). This is also in line with the assumed social media-related control systems for a Defender and an Analyzer. In a Defender, progress reports and explanations should flow up to higher level executives (*‘long-looped’* vertical information system) to spot performance deviations early, thus, the stability inherent in their operations on social media is maintained. Whereas in Analyzer, they should have that kind of information system along with their *‘short-looped’* horizontal flow of information (among the team members and to other departments) to

maintain a balance between stability and flexibility in their social media operations. As discussed in chapter 4 section III, American Airlines already has such control systems.

It can be concluded that *social media-related education and training* could give many benefits to the company which *continuously* provides or conducts it. It enables the social media team to provide a consistent and responsive service, to develop engaging content, to communicate in an appropriate manner to customers, to manage risks and issues effectively, and even to sell on social media as evident in KLM. Ongoing social media education program enable the social media team or whoever manage or deploy social media activities to constantly refresh their social media-related competencies due to the rapidly changing social media landscape. Lastly, it can be concluded that social media education for employees enables employees' engagement on social media; whereas educating the management secures their support, thus, could add more resources to social media.

It can be concluded that American Airlines and KLM have dedicated more resources to social media-related education and training than Emirates and Garuda Indonesia. In the case of KLM, this is most likely related to their *people-intensive approach* which is typical in a Prospector, thus, KLM invests a lot in social media education and training. In the case of American Airlines, they need to 'educate' nearly the whole company about the values of social media for the business because as an Analyzer organization, some parts of the company are rather conservative and strive to achieve a stability in their operations. Thus, the new and dynamic social media need to be introduced properly in the organization in order to gain a good understanding about and acceptance of social media from the members of the organization, which is needed for a good collaboration between the social media team and various business units.

It is also important for Emirates' social media team and Garuda Indonesia's social media staff to continuously update their knowledge and skills about social media by undertaking ongoing social media education and training to cope up with the dynamic nature of social media as communication channels. Besides that, the basic education about social media is also needed by other employees who are even not in charge in the company's management of social media activities. Without the availability of a basic social media education to the rank-and-file employees at Emirates, it might result in uninformed representatives who engage with the customers on behalf of the airlines. Whereas at Garuda Indonesia, the basic education is needed as it would be difficult for them to always control their staff to not talk about the company or engage with the airlines' communities in social media platforms, especially when the number of social networks users in Indonesia has been

rapidly increasing since 2012 and is predicted to reach 84.5 million users in 2016 (Statista, 2015c). Therefore, the basic education for employees could promote a stability in Garuda Indonesia's operations on social media.

Based on previous studies' and this study's findings concerning *supportive learning environment* and *leadership behavior that reinforces learning* for social media use in business, it can be concluded that leadership in a corporate social media team plays an important role to enable a supportive learning environment within the team, as well as to connect the team with the key executives and other business units within company. But as the team needs the company's resources to be invested in social media efforts, and also needs to collaborate with many other business units within the company, *a conducive corporate culture* (*collaborative, open to new ideas, transparent*) and *full support from the management or key executives* are needed. Both are also prerequisites for a deep integration of social media into the business, and an acceleration of the pace of the integration.

5.2.2 Responsiveness Competency on Social Media

This section discusses the importance of responsiveness competency for organizations which use social media especially for customer service purposes such as airlines companies. This section begins with strategic management's view about responsiveness to customers, followed by the changes and challenges that social media have brought to this concept, and evidence concerning the four airlines' responsiveness competency on social media.

Responsiveness to Customers in the View of Strategic Management

In strategic management literature, it is argued that a company's superior responsiveness to its customers can help the company build and sustain competitive advantage (Jones & Hill, 2010, p.85). Companies can provide their customers a higher level of satisfaction if they differentiate their products or services by reducing the time it takes to respond to or satisfy the needs of their customers (Jones & Hill, 2010, p. 136-137). Companies who can satisfy the demands of their customers for rapid response can **build brand loyalty, differentiate their products or services, and charge higher prices** for them (Jones & Hill, 2010, p. 136-137). On the contrary, a company's slow response time has been proven in many studies to be a major source of customer dissatisfaction (Stalk & Hout, 1990, as cited in Jones & Hill, 2010, p.137).

Besides evaluating a company's responsiveness from its response time to customers, a company is said to achieve responsiveness by improving the quality of its product/service and/or developing a new product/service with features that the existing product/service lacks as well (Jones & Hill, 2010, p.89).

In service industries like airlines, responsiveness is one of important determinants of service quality as well, which has the following attributes: "Keeping customer informed as to when services will be performed, prompt service to customers, willingness to help customers, and readiness to respond to customers' request."³⁶¹

Based on the strategic management's perception toward the concept of responsiveness to customers, it can be implied that a company's superior responsiveness on social media could indirectly help the company build and sustain a competitive advantage in the industry.

³⁶¹ See Parasuraman, Zeithaml and Berry's conceptual model of service quality (1985) as cited in Kotler and Keller (2012, p.396).

Responsiveness to Customers in the Era of Social Media

Social media have changed the paradigm in customer care. The most responsive and dynamic audiences are now on social media, and they demand for rapid responses to their questions and issues there, according to Socialbakers (2014b), a leading provider of social media analytics. Companies must be able to operationalize their response rapidly on social media – be it reactive or proactive – as **social media have no business hours and can quickly create many fans or enemies** for them (Zinner & Zhou, 2011, p.84). “Real-time complaints require real-time intervention,” companies do not have the luxury anymore to respond to their customers’ issues within months, they need to respond on the same day, even within hours (Zinner & Zhou, 2011, p.88).

In airlines industry, SimpliFlying consultancy argues that **real-time customer service through social media is a priority, otherwise airlines might risk losing its customers** (Nigam, 2014). Companies will see their **reputation get tarnished rapidly** [a threat to KPI 6] if they do not act quickly to resolve customer outrage voiced through social media (Sadowski, 2011, p.143). But if a company’s responses are well designed and delivered quickly through the same social media channels, it **can enhance the company’s reputation** [KPI 6] (Sadowski, 2011, p.144).

Companies which are devoted on social media (**socially devoted companies**) understand this change. Socially devoted companies, according to Socialbakers, are **able to respond to at least 65% of their audiences’ questions** [KPI 1] on Facebook and/or Twitter, to **communicate or respond in a timely fashion** [KPI 1], and to **use social media as 2-way communication channels** (maintain a dialogue with their audiences, KPI 2). As socially devoted companies, they get benefits of receiving **3,5 times more interactions** [KPI 2] than their less-responsive counterparts.³⁶²

McKinsey & Company’s study in almost 200 German companies also produced similar findings that **responsiveness on social media is one of the key factors for success** when utilizing social media as a channel to offer customer service, as it can **drive customer satisfaction** (Mattern et al., 2012, p.16-17).

³⁶² All information in this paragraph relies on Socialbakers (2014b).

Challenges and Solutions in Providing Responsive Service on Social Media

According to strategic management literature, achieving superior responsiveness to customers is, however, not an easy task, and this requires some distinctive competencies (Jones & Hill, 2010, p.89). A company must be able to perform better than its competitors in **identifying and satisfying customers' needs** to achieve superior responsiveness to its customers (Jones & Hill, 2010, p.89). In general, as marketing department has a role as the point of contact with the customers, it must know the customers' needs and be able to **quickly communicate customer feedback to the appropriate functions**. Although marketing function plays an important role in attaining this goal, other functions in the company, as well the top management, also have major roles, for instance, through leadership, a company-wide commitment to responsiveness to customers can be built (Jones & Hill, 2010, p.138). In addition to that, the role of the IT function in achieving this goal, for instance, is utilizing web-based information systems which can increase responsiveness to customers (Jones & Hill, 2010, p.138).

Social media could give companies opportunities to shorten their response times to the customers or other issues (Sadowski, 2011, p.146). But at the same time, social media also give companies many challenges in being responsive. On social media, it is difficult for companies to answer all customers' questions in a timely manner due to a **high volume of questions** they receive (Zinner & Zhou, 2011, p.88). Unlike the pre-social media era in which the amount of customers' complaints and feedback received was relatively predictable, social media generate higher and unpredictable volumes of those (Zinner & Zhou, 2011, p.88). Moreover, it is also difficult on social media to manage the diversity of customer opinions, to incorporate the voluminous social data into traditional customer data, to segment the customers, and to mine or interpret the data (Zinner & Zhou, 2011, p.88). It is not straightforward to determine which new skills, processes, and technologies are necessary (Zinner & Zhou, 2011, p.88).

A study conducted by Altimeter Group found that companies which are advanced on social media prepared "**enterprise-wide response processes** for rapid workflow and engagement with customers in social media" (Owyang, Jones, Tran & Nguyen, 2011). To provide rapid responses on social media, companies must accelerate the processes by which they listen, understand, act, and measure the adequacy of their action (Zinner & Zhou, 2011, p.88). To respond effectively to customers' frustration on social media, **relevant parts of a company must act quickly and collaborate**, which is one of the biggest challenges for companies (Zinner & Zhou, 2011, p.84).

Moreover, to achieve and maintain responsiveness on social media, technology which can detect issues earlier is required (Zinner & Zhou, 2011, p.84). Miller (2014), Socialbakers' social media analyst, has also observed that **“the most successful companies use analytical tools to chart their responsiveness, and have brought their customer care and social teams, in-house.”** This is related to the empirical findings outlined in chapter 4, that the use of social media analytical tools is part of the airlines' *solutions to social media-related technological problems*, whereas bringing the customer care and social media team in-house is a necessary change to the *organization structure* to effectively use social media.

5.2.2.1 Empirical Findings: Responsiveness Competency of the Airlines on Social Media

KLM Royal Dutch Airlines

According to Drimmelen (2012b), KLM's Online Reputation Manager, KLM sets their standards high in providing close-to-real-time social customer service. But by setting the standards high, they have also raised their audiences' expectations on social media (Drimmelen, 2012b). KLM has grasped that if they provide social customer service only during office hours, it would not work out for the around-the-clock type of business on social media, especially as the volume of their online conversations always grows (Drimmelen, 2012b). Therefore, KLM decided on 18 July 2011 to be **one of the first companies in the world to provide 24/7 service on social media** (Drimmelen, 2012b).

According to Martijn van der Zee (2014), Senior Vice President of Air France-KLM for e-commerce, besides providing a 24/7 service on social media, KLM also **guarantees to respond to their customers within one hour** on Facebook and Twitter. KLM is even working on improving their response time **from one hour to 30 minutes** (Zee, 2014; Haar, 2015). The reason behind it, according to Haar (2015a), KLM's Social Media Hub Manager, is:

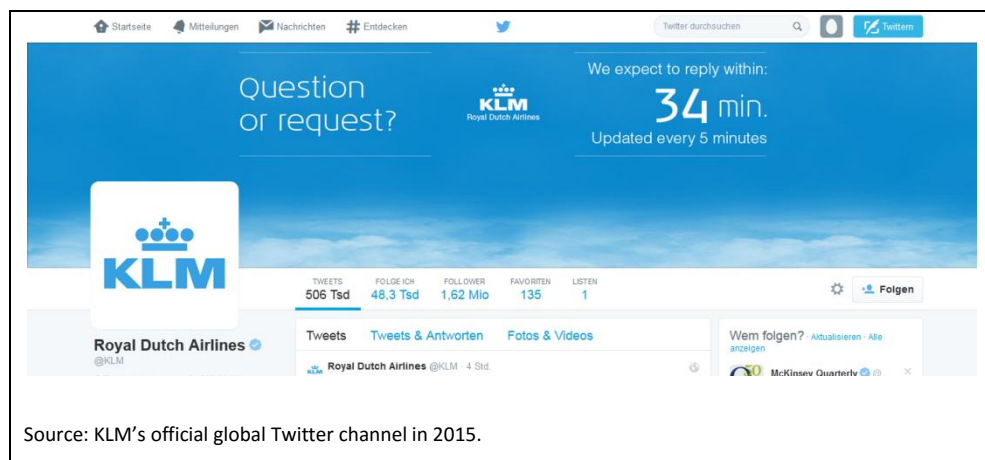
Five years ago, people thought it was fantastic if your company offered service via social media. Nowadays, a response within the hour is sometimes reason to complain. More and more customers are telling us they've “already been waiting 20 minutes for an answer”. That means we need to adjust our service to the expectations of our customers, so we're striving to reduce our response time to 30 minutes. (Haar, 2015a)

KLM's speedy service has become so popular and they plan to increase it even further because people told them that **the reason they buy KLM's ticket is because it is so reassuring for them to get an answer from KLM so quick on social media, and to no**

longer have to wait on the phone (Zee, 2014). KLM believes that **one of the requirements to generate revenue** [KPI 4] on social media is to provide a stellar customer service first (Meijer, 2014b).

KLM also lets its customers know on its official global Facebook page and Twitter channel, and also on the plane, that they really aim to respond to all questions within the hour or faster on social media (Haar & Groeneveld, 2014). In addition to that, it is also written at the main page of their website www.klm.com/home that their customers who expect an answer within the hour and a solution within a day can contact KLM 24/7 through Facebook. To show how truly socially devoted KLM is, they have even added a **live service monitor** (see the image below) on the header of their Twitter account showing the accurate response times, to let their followers know how long on average they should expect to wait for a reply from the KLM's Twitter team (Socialbakers, 2013; Meijer, 2014b). KLM also has an application installed in its global Facebook page called 'Response Time,' showing the accurate response time which KLM can guarantee.³⁶³

Figure 7: KLM's 'Response Time' Live Service Monitor



Source: KLM's official global Twitter channel in 2015.

Van der Zee (2014) admits that **the right solutions are required at the back end to guarantee a one-hour turnaround on social media**. As outlined earlier in chapter 4, by using Application Programming Interfaces (API) from Facebook, Twitter and VKontakte (a Russian social media), KLM loads all tweets or posts from customers into the application, and connects the application to their own databases, so that their social customer service people can see everything on their screen, and the internal systems are pushed to be real-time. KLM's live service monitor is updated every 5 minutes with data from KLM's

³⁶³ See KLM's 'Response Time' application on its official global Facebook page.

Salesforce system, which connects all KLM's social media systems (Meijer, 2014b). All questions that KLM receives are automatically loaded in the system and transferred to the service agents who answer it, and the system monitors the answering times to questions (Meijer, 2014b). Besides that, a big corporate social media team of 150 staff deal with about 45.000 mentions a week (in 2014) on social media, which lead to approximately 5000 cases or questions that need resolutions, such as lost luggage, and rebooking (Meijer, 2014b). By April 2015, KLM handles about **60.000 questions** per week through social media (Haar, 2015a). Frequently asked questions are responded the quickest to avoid bottlenecks in the process (Zee, 2014). As discussed in chapter 2, using multiple technologies and applying a 'people-intensive' approach are typical technological solutions in **Prospectors**, which implies that KLM has implemented the right solutions in order to be very responsive on social media.

When offering responsive customer service on social media, KLM is certain that it is really important to be a *one-stop-shop* on social media, which means, not only responding to the customers' questions but also directly offering them a solution there as well. KLM's fans or customers can ask *anything* 24/7 via social media in many different world languages (Meijer, 2014b). KLM's social media team is able to handle any inquiry without directing the customers to another channel or department for a resolution. But KLM admits that it is not easy to achieve as the social media team needs to know everything. KLM has observed that some other airlines still cannot achieve it, for instance, American Airlines which is really active on Twitter and claims that they provide a one-stop-shop too, but it does not offer solutions to their customers. Instead, they redirect people to their call center, suggest people to send email to a certain department for certain issues.³⁶⁴

For KLM, responsive service via social media also means being **able to turn customers' negative sentiment into positive sentiment** [KPI 6] (Haar, 2015b). As outlined earlier in chapter 2, customers' sentiment on social media could affect a company's **online reputation**. Gert wim ter Haar from KLM points out:

...really to bring a customer from a negative sentiment or even a neutral to positive sentiment. We see a huge number of customers being repeat customers. Even people who started out a few years ago as negative customers or a very critical customer are now being very positive and you could almost say ambassador for our brand. Teach your teams to see negative or critical questions as a chance to shine and show what service is about. (Haar, 2015b)

³⁶⁴ All information in this paragraph relies on Robertjan Groeneveld (2014) from KLM.

To optimize its responsiveness on social media, KLM **undertakes a weekly evaluation** to analyze their average response times and average case ages during the whole week (Lassalle, 2013b). On average, KLM manages to answer **within 23 minutes** [KPI 1], except if there are a disruption, flights cancelled due to a storm, the waiting times can be longer (Meijer, 2014b). An overview of KLM's responsiveness on Facebook and Twitter for the whole period of 2014, which is superior in comparison with Emirates', American Airlines', and Garuda Indonesia's responsiveness, can be seen in the table below:

Table 17: KLM's, Emirates', American Airlines' and Garuda Indonesia's Responsiveness on Social Media in 2014

	Quarter 1 Jan 1–Mar 31 2014	Quarter 2 April 1-Jun 30 2014	Quarter 3 Jul 1-Sep 30 2014	Quarter 4 Oct 1-Dec 31 2014
Facebook	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 78 min. • RR: 96,44% • A-IQ: 17,365 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 1,190 min. • RR: 81,09% <p>AA, GI & Emirates were not on the top 10 list in this quarter.</p>	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 59 min. • RR: 99,22% • A-IQ: 15,571 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 1.059 min. • RR: 84,05% <p>AA, GI & Emirates were on the top 10 list in this quarter.</p>	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 135 min. • RR: 98,76% • A-IQ: 20,069 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 1,421 min. • RR: 86,02% <p>AA, GI & Emirates were on the top 10 list in this quarter.</p>	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 99 min. • RR: 99,06% • A-IQ: 20,543 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 1,175 min. • RR: 85,3% <p>AA, GI & Emirates were not on the top 10 list in this quarter.</p>
Twitter	<p>1. American Airlines</p> <ul style="list-style-type: none"> • RT: 13 min. • RR: 82,56% • A-IQ: 9,058 <p>2. KLM</p> <ul style="list-style-type: none"> • RT: 68 min. • RR: 83,82% • A-IQ: 6,691 <p>5. Garuda Indonesia</p> <ul style="list-style-type: none"> • RT: 41 min. • RR: 86,64% • A-IQ: 2,315 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 479 min. • RR: 56,96% 	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 64 min. • RR: 81,50% • A-IQ: 6,872 <p>2. American Airlines</p> <ul style="list-style-type: none"> • RT: 19 min. • RR: 70,02% • A-IQ: 6,324 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 620 min. • RR: 58,42% 	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 89 min. • RR: 75% • A-IQ: 6,962 <p>2. American Airlines</p> <ul style="list-style-type: none"> • RT: 15 min. • RR: 69,57% • A-IQ: 5,454 <p>4. Garuda Indonesia</p> <ul style="list-style-type: none"> • RT: 10 min. • RR: 86,18% • A-IQ: 1,770 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 643 min. • RR: 54,24% 	<p>1. KLM</p> <ul style="list-style-type: none"> • RT: 65 min. • RR: 68,13% • A-IQ: 6,438 <p>3. Garuda Indonesia</p> <ul style="list-style-type: none"> • RT: 8 min. • RR: 72,67% • A-IQ: 2,606 <p>8. Emirates Support</p> <ul style="list-style-type: none"> • RT: 251 min. • RR: 67,89% • A-IQ: 350 <p>10. Garuda Ind. Promo</p> <ul style="list-style-type: none"> • RT: 9 min. • RR: 80,29% • A-IQ: 166 <p>Industry benchmark:</p> <ul style="list-style-type: none"> • RT: 343 min. • RR: 43,44%

Own development based on the statistical analysis performed by Socialbakers (2014abcd)

Note: .

- Response Time (RT): The average time it takes for the company to respond to the users' questions.
- Response Rate (RR): The percentage of users' questions that get responded to by a particular company.
- Answered minus ignored questions (A-IQ): The total amount of answered questions in a given quarter.

Emirates Airlines

According to Emirates' Head of Social Media, Emirates acknowledges the importance of addressing their customers' concerns on social media, and doing it in a real time. That is why the success of their social customer service efforts is measured by evaluating their responsiveness on social media [KPI 1], such as how many people actually contacted Emirates and how many people were getting answered (*response rate*), how many problems were solved (*resolution rate*), and how fast they responded to the questions (*response time*).³⁶⁵

But Emirates Airlines is not operating 24/7 on social media yet because so far they have *limited human resources*, and they are still *new on social media* too. The social media team is still relatively small as it only consists of four people. The team has been helped by another larger team too, which is the customer service team of 14 people within the Call Center department. However, Emirates believes that being 24/7 for social customer service is a good goal to accomplish and Emirates will be there at some point.³⁶⁶ At the moment Emirates Airlines' official Twitter channel for customer service, @EmiratesSupport, provides customer service in English and Arabic daily from 8am to 8pm GST (Dubai local time).³⁶⁷

How responsive Emirates on social media had been evaluated by some external parties. According to Unmetric consultancy who conducted an analysis of social media performance of major airlines in the Middle East for the period of April 2013, Emirates was not responsive on Facebook and on Twitter in comparison with its competitors. While five airlines attempted to give prompt replies on Facebook, Emirates and three other airlines chose not to reply to their fans' questions there. Unmetric argued that it was an odd strategy as the global trend in the airlines industry is investing more and more resources into providing customer service on social media. Emirates seems to use Facebook as a brand awareness platform and not for customer interaction. It was also the same case on Twitter. While the other eight airlines responded to customers' queries on Twitter, Emirates chose not to be active yet on this platform at that time.³⁶⁸

³⁶⁵ All information in this paragraph relies on JS from Emirates (Personal communication).

³⁶⁶ *Ibid.* Unless stated otherwise.

³⁶⁷ See <https://twitter.com/emiratessupport> Until July 2015 this information is still correct.

³⁶⁸ All information in this paragraph relies on Claridge (2013) from Unmetric. The other Middle East airlines analyzed by Unmetric were Etihad Airways, Saudi Airlines, Nas Air, Royal Jordanian, Fly Egypt Air, Qatar Airways, Kuwait Airways, and Gulf Air.

Fortunately, Emirates has improved its responsiveness. According to Simplify 360, a provider of social business intelligence platform, in the period of October 2014 Emirates' average turnaround time on Twitter was 20 minutes during the working hours. Their response time on Facebook was a bit longer as it was close to 5 hours. Unfortunately, Emirates did not answer all queries they received. They only responded to 75% of the queries. But Emirates followed up on the complaints and made sure to close the cases.³⁶⁹

Having observed Emirates' other Twitter channel (@Emirates) and its other social media channels³⁷⁰, Emirates rarely responds to its followers' comments or questions and does not try to have a conversation with them either. It seems that they will only respond to comments or questions that are critical and can threaten the company's reputation. This is probably due to limited number of social media staff, and Emirates' preference to use these channels mainly to promote their marketing campaigns.

Based on the researcher's observation, most of the times Emirates manages to respond to customers' complaints or questions on Twitter on the same day they receive them, sometimes within minutes, and sometimes within hours. See the table above for an overview of Emirates' responsiveness on Facebook and Twitter for the whole months in 2014 in comparison with the three other airlines in this study.

American Airlines

In 2011, American realized that they really needed to bring their **social customer care efforts in-house**, in order to be effective and to be able to resolve customer issues at the first point of contact. The airlines' social media efforts were previously handled by an external public relations firm. So they realized the plan in August 2011.³⁷¹

Until the end of 2012, American Airlines' social media team operated during business hours only. At that time, they focused their resources on supporting their customers only when they needed and wanted them, which was generally during the peak fly time, 18 hours a day, 7 days a week, from 6am to midnight CT.³⁷²

American Airlines' customer service representatives were on Twitter to respond to the customers' questions in a timely manner, as well as to take care of any problems that may arise. To improve its social customer service, American Airlines planned to address

³⁶⁹ All information in this paragraph relies on Lian (2014).

³⁷⁰ Emirates is presence on Facebook, Google+, YouTube, Instagram, LinkedIn and Pinterest.

³⁷¹ All information in this paragraph relies on Katy Phillips (2013) from American Airlines.

³⁷² All information in this paragraph relies on SS from American Airlines (Personal communication). See also Scott (2012).

100% of the incoming questions on social media, to be quicker in responding to queries in social media, and to provide a 24/7 social customer service.³⁷³

Again, American Airlines managed to realize their plan. In order to really lay the social customer service foundation, and to be a world-class social media team, American Airlines has decided since 2013 to provide customer service on a **24/7** basis on Facebook and Twitter, in coordination with their brand relaunch in January. Out of 22 team members, 17 were dedicated to social customer service and four focused on social customer engagement.³⁷⁴

American Airlines faces a lot of challenges in its attempt to provide responsive service on social media, especially because **the volumes of conversations on social media about American Airlines have increased rapidly**. As a comparison, on Twitter alone the airlines sent out 8,000 tweets in August 2011, but in August 2013 it sent out 28,000 tweets (Phillips, 2013). American Airlines' Twitter streams were mostly made up of a back-and-forth conversation with customers who complained about many different things. American Airlines attempted to apologize within an hour and to **forward the complaints to the appropriate managers**. It is American Airlines' main goal on Twitter to address their customers in this fashion. American Airlines was **able to take about 50 percent of customer issues on Twitter [KPI 1]** and to turn them around or **to resolve them [KPI 1]** and to delight their customers.³⁷⁵

American Airlines' Director of Social Media, Pierce (2013c), assures that American Airlines has a willingness to step up, to apologize and to seek resolution on social media:

As clichéd as it may sound, we've progressed from being willing to turn a negative experience around to literally wanting to turn a negative experience around. Once we knew we had the right people and strategies in place to be effective with social response, we began helping customers as often as we could, and it's made all the difference. **Our listening and responsiveness also means we can keep small issues from quickly escalating into reputation crises [KPI 7 - emphasis added]**, and that's crucial in this digital age. (Pierce, 2013c)

By being responsive on social media, American Airlines believes that they can also acquire more customers following them on their social media channels (Scott, 2012), which **increases the size of American Airlines' social media communities [KPI 8]**.

³⁷³ *Ibid.*

³⁷⁴ See Phillips (2013) from American Airlines.

³⁷⁵ All information in this paragraph relies on Scott (2012) from American Airlines unless stated otherwise.

As part of being responsive on social media, American Airlines responds to posts that mentioned their name as well, regardless of whether it was specifically tagged or mentioned (Phillips, 2014):

We respond to mentions on our direct handle. Often people will mention AA in a post, and their friends will recommend they tweet directly to @AA because we're responsive. We do search for keywords and respond. ...They're pleased that we find them and help resolve an issue. People often go to social media just to talk, not expecting a response, so when they get one they're thankful. (Phillips, 2014)

American Airlines shared that they had to build and support sophisticated and extremely responsive social media team, as nowadays people like to share their dissatisfaction with airlines on social media and there have been trends towards the always-on conversation from them as well. American Airlines is well aware that these days, people have become so connected and many consumers prefer to communicate via social media rather than face-to-face. Thus, American Airlines has equipped the staff with hand-held and tablet mobile devices, so that they are on equal footing with the customers. Besides, it gives American Airlines a competitive advantage when they are able to identify concerns about the airlines raised on social media platforms and to solve the issues quickly via online connection.³⁷⁶

American Airlines' efforts to be responsive on social media seem to be fruitful. According to Unmetric consultancy which conducted a comparison between US airlines' average responses times on Twitter from January 2013 to September 2013, American Airlines' competitors – Delta, JetBlue, Southwest Air, and Virgin Airlines – were still much faster than American Airlines. However, American Airlines managed to respond to their customers more efficiently there. Unmetric observed that American Airlines was **able to reply to 86% of the tweets [KPI 1] they received within the average response time (ART) of 15 minutes [KPI 1].**³⁷⁷ This was also much better than American Airlines' average response time on Twitter in the period of March 2012, which was one hour 54 minutes (Claridge, 2012b). Between May and July 2012, American Airlines responded to 42% of 3,812 fans' posts on Facebook with an average response time of three hours 59 minutes 13 seconds (Claridge, 2012c). Nevertheless, a journalist of CNBC business news and information provider, Darren Booth, wrote about his pleasant experience communicating with American Airlines via social media in 2012:

³⁷⁶ All information in this paragraph relies on Saettler (2014).

³⁷⁷ All information in this paragraph relies on American Airlines (2013) unless stated otherwise.

American Airlines not only informs and responds to customer questions on Twitter, but does so in a sincere and human approach that I find refreshing for such a large organization. My direct interactions with American's social media team on Twitter have been downright enjoyable, with occasional fun back-and-forth banter akin to a friendship. And I know I'm not the only follower with the same experience. ...The interactions always put a smile on my face. ...American clearly is paving the way for how an airline can build a unique relationship with customers, using new technology. (Pierce, 2012a)

In 2014, American Airlines' responsiveness on social media had become even better. According to Mobile Marketer portal (Saettler, 2014), in 2014 American Airlines won at using Twitter for customer relationship management, in comparison with nine other U.S. airlines. Not only American Airlines received the highest volume of social mentions (572,901), it was also **the most engaged and active with customers** [KPI 2] as they responded more than 68,400 times, 36 percent of their overall mentions.³⁷⁸ According to a statistical analysis performed by Socialbakers (2014abc), American Airlines was also very responsive on Twitter during the first, second and third quarter of 2014. However, American Airlines was not that responsive on Facebook for the whole period of 2014 [See table 17] (Socialbakers, 2014abcd). It is also interesting to see that American Airlines only managed to triumph over KLM on Twitter in the first quarter of 2014 (Ross, 2014).

Garuda Indonesia

According to Garuda Indonesia's Public Relations Director, it is very important for Garuda Indonesia to be able to respond quickly to customers' questions or concerns on social media. The reason is, Garuda Indonesia is a preventive-oriented company, which means, preventing or minimizing issues that are related to the airlines to escalate is crucial for Garuda Indonesia. This is not unexpected as **Defenders want to maintain their stability and efficiency**. Thus, Garuda Indonesia must strive to respond quickly and to be responsive to the current issues **to prevent or minimize the issues to escalate** [KPI 7]. And in order to be responsive on social media, Garuda Indonesia has to *proactively grab the issues there as well through monitoring*. Garuda Indonesia believes that if they could be responsive on social media, they will have **a reputation as a responsible company** in the eyes of its publics [KPI 6].³⁷⁹

³⁷⁸ The analysis was conducted from 1st May to 21st July 2014 by a social engagement platform, Engagor. The analysis included how the airlines performed on Twitter in terms of receiving mentions, the frequency they were mentioned, the number of customer posts and how many times the airlines responded.

³⁷⁹ All information in this paragraph relies on IR from Garuda Indonesia (Personal communication).

Since Garuda Indonesia has been leveraging social media for customer service, the company has seen some **improvements in its responsiveness** [KPI 1] as well. Before the era of social media, usually people lodged their complaints at Garuda Indonesia Call Center and it took ages for them to get responses from the airlines. But since Garuda Indonesia has been leveraging Twitter for customer support, their customers get faster response, and as a result, complaints have decreased.³⁸⁰

In 2013, Garuda Indonesia did not feel the need yet to always be stand by 24/7 on social media. This would be a very difficult effort too as the airlines had *limited human resources for social media*. At that time, there was only one person from their social media agency who handled the customers' inquiries on Twitter, one person on Facebook, and some call center staff were planned to help handling the complaints too. Other employees were not allowed to help responding to the complaints on social media. So they usually responded to the inquiries on social media according to the normal working hours in Indonesia. Only occasionally they responded to the customers early in the morning (at 6am) or late in the evening.³⁸¹

According to Unmetric consultancy which conducted a statistical analysis of how airlines in South East Asia performed on social media, the result for Garuda Indonesia was satisfying (Bysani, 2013). Unmetric analyzed the Average Response Time (ART) to customers' queries on Twitter for the period of June 2013, and found that Garuda Indonesia replied to the queries they received in **average of 84 minutes per Tweet** [KPI 1]. Although Garuda Indonesia was still 58 minutes slower than Philippine Airlines, but it was quicker than eight other South East Asia airlines (Bysani, 2013).

In 2014, Garuda Indonesia's responsiveness on Twitter showed a great improvement, according to a whole year evaluation conducted by Socialbakers (2014acd). Nevertheless, they were not able to be responsive on Facebook yet. According to Socialbakers (2014acd) which continuously analyzes airlines' responsiveness on social media, Garuda Indonesia was never on the list of "Top Ten Socially Devoted Airline Brands" before. Airlines on the list are very responsive and provide consistent social support on social media. Surprisingly, Garuda Indonesia Airlines was finally on this list in 2014, sitting on the 5th position in the first quarter, 4th position on the third quarter, and on 3rd position in the last quarter of 2014 [see table 17] (Socialbakers, 2014acd). Regarding the answered minus ignored questions,

³⁸⁰ All information in this paragraph relies on LiquidThread (Personal communication), the social media agency of Garuda Indonesia at the time of the interview.

³⁸¹ *Ibid.*

Socialbakers points out that a company's competency to respond to a high volume of questions is a crucial factor to consider. Of course a company which could answer 10 out of 10 questions would receive a pure response rate of 100%, nevertheless, this is not a fair metric. This explains why Garuda Indonesia was on position 5 during the first quarter even though its response rate was higher than American Airlines and KLM. Garuda Indonesia received a much lower volume of questions than the other 2 airlines.

Finally, Garuda Indonesia announced in January 2015 that they can now provide a 24/7 social customer service on Twitter.³⁸² For this purpose, Garuda Indonesia has opened a new Twitter account, @Garuda_Cares, which is dedicated for customer service matters only.

Conclusion

Based on the literature review and empirical findings of this study, it can be concluded that responsiveness competency on social media is a must-have competency, especially for companies which utilize social media to provide customer service like airlines. This competency not only contributes to the airlines' *responsiveness on social media*, it also influences their *competency in social media crisis management* [KPI 7], which is required to be able to effectively manage social media crisis (including risks and issues on social media) and *online reputation* [KPI 6]. The airlines' competency in providing responsive service on social media is a *prerequisite for undertaking commercial endeavors* on social media [KPI 4], and can also influence their *engagement* with [KPI 2] and the *growth* of their social media communities [KPI 8].

KLM (Prospector) views that their responsive service on social media could also influence their **online reputation** [KPI 6], which supports the finding of a previous study, and is a **prerequisite to sell** on social media [KPI 4]. Whereas American Airlines (Analyzer) and Garuda Indonesia (Defender) believe that by being responsive on social media, they could also **keep small issues from quickly escalating into a crisis** [KPI 7], thus, this competency could positively impact their reputation [KPI 6] as well. Moreover, Analyzer believes that their responsive service on social media could also **grow their social media communities** [KPI 8] and positively impact the airlines' **engagement** with them [KPI 2]. Although these impacts could also apply to the Prospector and the Defender, perhaps it is not that important for the Prospector to be responsive on social media in order to grow their

³⁸² See https://twitter.com/Garuda_Cares/status/557457811358367744

social media communities and to enhance their engagement with the communities, because they already have big communities on social media.

According to the statistical analysis provided by Socialbakers (2014abcd) about the airlines' responsiveness on Facebook and Twitter, it is obvious that KLM (Prospector) is *consistently* the most responsive airlines, not only of all the airlines in this study but also of all other airlines which provide customer service on Facebook and Twitter.

Being responsive on social media is, however, very challenging as it concerns with many things that a company has to do at the back end to make sure that this rapid response can happen. Multiple factors that are assumed to have contributed to KLM's responsiveness on social media have been discussed in chapter 4 section IV. In brief, it is mainly because of the fit between the configuration of their social media strategy, structure and processes.

Lastly, this study found that the corporate resource-base also influences the airlines' responsiveness on social media. The sources of customers' complaints and problems are not from the social media team, but from various customer touch points outside the social media team. Thus, the airlines' responsiveness on social media is strongly depending on the responsiveness of the whole organization to solve problems and to act upon feedback they receive from social media. A good relationship and a close collaboration between the social media team and relevant departments within the company are crucial to enable the team to deliver responsive service on social media to the customers.

5.2.3 Competency in Social Media Content Management

This section discusses the importance of a competency in social media content management for organizations which use social media for business purposes. The importance of having *engaging social media content* as well as *effective management of social media content* have been stressed often in social media literature. Some studies had also attempted to identify the kinds of social media content that are most favored or endorsed by social media users, which will be briefly outlined in this section. But social media content will not be regarded as an asset in this study because to achieve specific social media-related performance, the key is the competency in managing social media content.

Nowadays companies have evolved into media companies as they are challenged to continually produce content for many different media, including for social media (Lieb et al., 2013, p.3). Companies which are present on social media must *continually* feed their social media channels with fresh content (Lieb et al., 2013, p.3). And the demands for fresh and unique content are even stronger as the social media uses become greater (Kiron, Palmer, Phillips & Berkman, 2013, p.15). The result of a study in U.S., the CMO Survey 2012, showed that even an “average organization is responsible for continual and increasing content demands of 178 social media properties” (Lieb et al., 2013, p.3). Similarly, content marketing was the top external social media strategy objective, according to Altimeter’s Group survey of 130 social media strategists in 2013 (Lieb et al., 2013, p.3). A study by Gartner (2013) also found that the top role performed by social media marketing teams is creating and/or curating content, and this often force them to outsource it.

The capability to create and curate quality and meaningful content are one of must-haves to achieve success in using social media for business, according to a study of global companies’ use of social media by MIT Sloan Management Review and Deloitte in 2012 (Kiron et al., 2013, p.15). **Creative skills**, “an authentic voice, imagination, and the ability to craft compelling stories and to turn them into media products that make people take note and “lean forward,” as well as **technical skills** of digital-multimedia production, are needed by organizations on social media (Deiser & Newton, 2013, p.4).

Social Media Content

A message is one of key elements in a communication process. In communicating via social media, the message which organizations create to communicate with its audiences is often referred to as **social media content**. Halvorson and Rach (2012) define content (for the web) as “what the user came to read, learn, see, or experience”, and content from a business perspective as “the critical information to the website, application, intranet, or any other deliver vehicle was created to contain or communicate” (Loc. 511). Whilst Lieb, Silva and Tran (2013) define content as “owned media created by the brand and published or distributed on media channels the brand controls” (p.5).

The format of content is not limited to written text only. Images, photos, videos, and audio files can enhance the content offerings (Lieb, 2012, Loc.504). In addition to that, Lieb argued that in a digital environment tools count as content too, and such content can be called *utility content* or tools that provide utility (Loc.862). For instance, loan calculators offered by financial services sites, retailers’ tools to help customers find suitable jeans, virtual makeover tools and so forth (Loc.862-952).³⁸³

On social media, a series of content may also be a part of or put out by a **campaign of a brand or a company**. A social media campaign of a company or a brand is a series of activities or events that are undertaken by a company on social media or may also include offline activities, to achieve specific results and usually last for a certain period of time. According to Raghavan (2013) from Unmetric, a social media analytic company, social media campaigns have several unique characteristics:

On social media, campaigns are not just repurposed content from other media. They take on their own diverse shapes and formats...all of them specific to the allowances of social media platforms. Campaigns take on all forms...big and small and everything in between. Engagement and interactions by the brand’s audience that imbibe such content with its virality and popular appeal...make the campaign take on a life of its own. The campaign stands out when it has gone viral, when its hashtag enters the common lexicon, when its content made the evening news and everyone sat up and paid attention. That’s what makes a really good campaign. (Raghavan, 2013)

³⁸³ Utility content on social media will be further discussed in the “Social Media-Related Assets” section as they are categorized as social media-related product (social products).

Impacts of Quality Content

It is noted in social media literature that when an organization uses social media to communicate with its target audience, the quality of the content that the organization conveys to them plays a very important role. This is because compelling social media content is one of the main reasons why **people follow certain brands** [KPI 8] or organizations in social media (Deiser & Newton, 2012, p.5). Halvorson and Rach (2012, Loc.355) argue that great content is regarded as valuable business asset as great content can **meet the needs of social media users** as well as can **support key business objectives** (Loc.355), **can engage** [KPI 2] **and inform**, and **can keep people coming back for more** (Loc.347).

Furthermore, Lieb (2012) identified many benefits of content, with an emphasis of content that supports marketing goals:

Content marketing aids in brand recognition, trust, authority, credibility, loyalty, and authenticity. ...Content marketing creates value and helps people. It answers questions and provides foundational information. It makes customers and clients more educated and informed, so they feel they can make purchase decision, or, in organizations, to recommend purchase to colleagues or superiors. ...Content can spark **customer engagement** [*KPI 2, emphasis added*] at all stages of the buying cycle, including helping to establish an ongoing relationship when a prospect becomes a customer. Content can reinforce an existing relationship, inspire upselling, cross-selling, renewals, upgrades, and referrals. (Lieb, 2012, Loc.343-358)

Social Media Content Management

Delivering high quality content consistently to a target audience requires thoughts, works, originality, strategies, experimentations, and persistence (Lieb, 2012, Loc.373). It also needs some investments, skills, real people and real resources (Halvorson & Rach, 2012, Loc.369). Although nowadays there are overabundance of potential online channels for content, this adds complexity to the choices organizations must make about what content to produce, in what form, how to broadcast it, and how to measure its effectiveness (Lieb, 2012, Loc.373).

As social media are considered new channels and platforms of communication which favor visual and audiovisual content instead of written word, these have created new skills demands (Lieb et al., 2013, p.4). As mentioned earlier, Deiser and Newton (2012, p.5) also argue that leaders in organizations who use social media should have the competency to create compelling social media content, which include creative and technical skills. This means, they should be able to communicate with authentic voice, to have imagination, to

craft compelling stories, and to produce digital-multimedia content (Deiser & Newton, 2012, p.4).

In framing message content for communication efforts, communication theorists Cutlip, Center and Broom (2000, p.410) argued that the principles that organizations should pay attention to are (1) to know their position and the problem situation, and (2) to know the needs, interests, and concerns of the target publics. In social media environment, one can also argue that companies should define how they will use content to achieve their objectives, as well as to find out what kinds of social media content is needed by and can interest their social media communities. This is in line with Halvorson and Rach's argument (2012) that **content is more or less worthless unless it supports a key business objective or fulfills users' needs, or does both** (Loc.243), and with Jones' (2011, Loc.595) that **organization needs to identify the result or what it wants to accomplish through its content**.

As previously mentioned, organizations need content strategy to deliver high quality content consistently to the audiences. Content strategy can mean a few different things, but essentially, content strategy basically guides a company's plans for the creation, delivery and governance of useful and usable content to meet the business goals and satisfy their users' needs (Halvorson & Rach, 2012, Loc.529; Jones, 2011, Loc.409). According to Halvorson and Rach (2012, Loc.546), the core of content strategy includes four critical components:

- (1) **Substance:** The kinds of content needed and the messages that the content needs to communicate to the audience. Factors that should be considered when determining the content, a company needs include the audience, messaging, topics, purposes, voice and tone, and sources of the content (Loc.1505).
- (2) **Structure:** How the content is prioritized, organized, formatted, and displayed. This includes decisions of which channels, platforms and formats for the content to be available.
- (3) **Workflow:** The processes, tools, and human resources needed for content initiatives to launch successfully and to maintain ongoing quality of the content.
- (4) **Governance:** How the key decisions about content and content strategy are made and how changes are initiated and communicated. (Halvorson & Rach, 2012, Loc.546)

Halvorson and Rach (2012) call substance and structure as the *content* components of the content strategy, whilst workflow and governance as the *people* components of the content strategy (Loc. 1505). They argue that one of the most important roles that content

strategy plays in an organization is to connect both components (Loc. 1505).

Lieb et al. (2013) also offered a similar definition of content strategy and suggest some important elements of it:

Content strategy is the framework within which content marketing initiatives are executed. It embodies all content-related objectives, processes, and governance, from the selection of tools, technologies, staff, and partners, as well as the how and what content is produced, to its approval and publishing processes and maintenance. (Lieb et al., 2013, p.7)

Lieb et al. (2013) added that the purpose of having a centralized and strategic alignment to why and how content is being produced as well as the resource allocation for its production is to prevent companies to easily fall into the trap of opening a social media account merely because everybody else is doing it (p.7).

Based on the definition of the content strategy above, Lieb et al. (2013, p.7-8) suggest some essential elements of content that organizations must consider in creating effective and efficient content on a regular basis:

1. **Authority/management:** A content authority to develop both content strategy and ongoing governance, and to oversee mistakes in content. This governing body must have “cross-functional and multidivisional visibility”, and a vision to operate efficiently.
2. **Staff:** Roles that are dedicated to or spend a majority of their time to create and publish content. In addition to that, appropriate skill sets (e.g. copywriting, graphic design, video production) should be mapped with social media channel requirements.
3. **Technology:** Tools for content production, measurement, collaboration and management, curation, aggregation, publishing, and so forth.
4. **Measurement:** Measuring the impact of content in a holistic way using cross-divisional strategy, as multidisciplinary reach of content creates different and often conflicting metrics.
5. **Audit:** Content audits should be carried out regularly to identify what content assets an organization owns and where they reside within the organization. This prevents resource inefficiencies and reduplication of content efforts.
6. **Unified guidelines and playbooks:** Guidelines that define what content should and should not be published to achieve alignment across groups who create content. The guidelines should have “editorial calendars, workflows maps, editing, style and brand guidelines, rules for voice, tone and brand, and a persona map.”
7. **Training:** When more resources are put into content, formal content training programs for the content staff are required. (Lieb et al., 2013, p.7-8)

Previous Studies on Social Media Content

Tone and Voice

Some studies had attempted to identify the kinds of social media content that are most favored or endorsed by social media users. Kwok and Yu (2013) conducted a study about what kinds of social media content gained the most ‘Like’ and comments in Facebook using a text-mining approach. The study, which analyzed 982 Facebook messages created by firms in hospitality industry, found that messages that are *conversational* in nature (that do not directly sell or promote the product) **gain more attention** [KPI 2] from Facebook users than sales and marketing kind-of-messages. Thus, Kwok and Yu suggest companies to communicate with their Facebook fans more like to ‘friends’ than to marketing targets, and balance the frequencies between sending sales or marketing messages and conversational messages. This is similar to Lieb’s recommendation (2012, Loc.1101) that when creating online content—whether in written text or spoken word—companies should try to be more *informal* and conversational with their audience.

Furthermore, Lieb (2012, Loc.588) argued that content should be *entertaining*, as content which contains only facts, figures, numbers, or statistics usually will not be remembered. In contrary, content with entertaining stories will be easily recalled and spread. Moreover, Lieb believed that content should have **informative** and **educational** aspects, which means, they should do beyond selling their products and services by sharing their knowledge, expertise and how-to. This is similar to the result of a study of 98 global brands’ content on Facebook, that brands who posted information, especially information designed to enrich and educate the fans, gained a high number of ‘likes’ (Malhotra, Malhotra & See, 2013, p.18). Examples of content which educates and is informative in the study include the history of the brand and the ways in which the company operates or produce their products.

A study of 47 companies’ marketing communication with its followers on Twitter found that companies which *humanize their brand* or make their brand personal or appear to be a ‘living’ thing could drive electronic word of mouth, as it shows that “there is more to the brand than just making and selling products or services” (Malhotra, Malhotra & See, 2012, p.64). The study identified that the ways companies humanize the brand are by injecting humor into their messages, or by creating content in a form of a historical view of the brand or inspirational message. Furthermore, the study also found that companies which share their accomplishments or success with customers **build brand relationships**, as the

customers would like to be informed of success and achievements of the brands they follow and to advocate their preferred brands to others.

Languages of the Content

Companies should take a *multilingual approach* on social media as bad customers reviews will hurt their business regardless the language; so it is important to be able to analyze comments in different languages, argued Davis from SAS, a business analytics software company (Harvard Business Review Analytic Service, 2010, p.21). According to Kane, Charki and Boukef (2015), especially in multinational companies who deal with global customer base, social media initiatives may call for a multilingual approach, and the externally facing social media team should be fluent in a wide variety of languages.³⁸⁴

Types of Content

Hvass and Munar (2012) analyzed and categorized eleven airlines' social media content on Facebook and Twitter using the promotional marketing mix as a framework. The study found that most of the airlines' content on Facebook and Twitter were **heavily advertising** and **selling focused**. The authors suggest the airlines to integrate better between content that merely describes their products/services and content that tries to sell the products/services, to integrate their content better among social media platforms, to communicate with less anonymity to strengthen relationships with the airlines' fans and followers, and to enhance customer segmentation on social media platforms and to focus the content based on the segmentation as the fans and followers may seek different things from airlines through social media interaction (Hvass & Munar, 2011, p.101).

Similar to the result of the above study, SimpliFlying consultancy (Serusi, 2014) also found that most airlines have a disproportionate amount of materials that are *'too commercial'* on social media, as they allocate more than 60% of their content to communicate about their offers or about themselves. Serusi argues that no one would listen to a company who spends 60% of their time to talk about how good they are and to try selling something. Airlines are recommended to create content which can inspire them to travel and can make them interested in and receptive to the content. This is principally the same strategy used by TV channels, radio stations and other traditional media, according to SimpliFlying,

³⁸⁴ Their argument is based on the findings of the *MIT Sloan Management Review's* 2014 study, which identified that social media often enable multinational companies to work more effectively across global boundaries, the obstacles which are imposed by differing languages became more pronounced.

as in order to get revenue, they produce content that can keep their audiences stay on the channel. So airlines who want to get revenue from social media should create content that make people interested in traveling to the destinations which the airlines fly to.³⁸⁵

Formats of Content

In terms of the formats of the content, the study of 98 global brands conducted by Malhotra, Malhotra and See (2013, p.18) discovered that brands who express themselves on Facebook through *photos* can increase the chances to **create brand engagement** [KPI 2] or **elicit a high number of ‘likes,’ comments, shares** [KPI 3]. Similarly, a study by Kwok and Yu (2013) also revealed that on Facebook, content of hospitalities companies which showed *photos* and *text-only status* received more likes and comments than content which contains links and videos (p.89).

5.2.3.1 Empirical Findings: The Airlines’ Competency in Social Media Content Management

KLM Royal Dutch Airlines

KLM’s social media content is produced by several **editors from the creative editorial team** within the social media team. The editorial team is responsible for creating engaging social media content for KLM and for the content calendar. All KLM’s social media campaigns and commercial actions are added to this content calendar as well.³⁸⁶

Karlijn Vogel-Meijer (2013a), KLM’s Social Media Manager, added that **some of KLM’s content are sometimes created by its customers**. But this did not happen just like that. In order to make people create content for KLM, there should be a strong bonding between the people and KLM as a foundation, which can be developed through KLM’s excellent social customer service. So, service is the basic of everything that KLM does, as service bonds the customers to KLM.³⁸⁷

Besides the customers, KLM’s **staff and external bloggers are also allowed to participate** in the creation of the airlines’ social media content. KLM acknowledges that some of their employees are fantastic bloggers and storytellers, thus, KLM tries to gives them chances whenever possible to create social media content for KLM, for instance on KLM blog (Meijer, 2014b). On KLM’s blog (www.blog/klm.com), one can see from the

³⁸⁵ All information in this paragraph relies on Serusi (2014)

³⁸⁶ All information in this paragraph relies on Meijer (2014b).

³⁸⁷ *Ibid.*

‘bloggers’ section that there are plenty of articles written by different level of staff of the airlines, ranging from the cabin crew to the top-level staff. Some other articles were produced by the external bloggers who have various backgrounds but share the same passion for travel.

In order to produce engaging content, the editors **pick up on general attitudes of people** and **have to be attuned 24/7** so that they can influence the crowd positively. It also means that they must have **extensive knowledge about the destinations to which KLM flies to**. The editors should **observe cultural differences** and **learn continuously how to translate ideas into content**. They should also **know about the general behavior of certain countries**, the things that they like, that make them tick and inspire them too. Moreover, the editors are also able to **write about their passion**, which can make them emotional. Thus, of the thousands of posts and tweets that the editors had created over the last few years, “many of them were just fine, some of them were really very good, and a few of them felt like little gems.”³⁸⁸ Lastly, Spiers (2012) from KLM shared that internally they also needed to **break the company silos** first between e-commerce, corporate communication and marketing department, and to be ‘social’ within the company itself, in order to produce engaging social media content.

As KLM’s social media team consists of 150 people, KLM also makes sure that all of them can give and maintain a consistent tone of voice on social media. But this is not easy to accomplish. Therefore, all members of KLM’s social media team received a **5-week period training program** which includes the tone-of-voice training. The members were really trained on how to respond to the customers on social media and how to be aware that the conversation on social media is really open or transparent that everybody can read it, and it can also create a lot of ‘buzz’ when the influencers communicate with them.³⁸⁹

Gaining **high brand awareness** [KPI 3] and **high engagement** [KPI 2] are the goals that KLM strives to reach through their social media content. As a global company, KLM focuses on creating cross-border campaigns with **massive reach**. Since 2014, KLM has started making Facebook video a major component in their media mix. KLM believes that by using videos, they aim to support these goals, promote the launch of their new products, and draw attention to specific destinations. “Moreover, we want to take the opportunity to investigate how video can help drive people through the sales funnel,” explains Karlijn

³⁸⁸ All information in this paragraph relies on KLM (2014f) unless stated otherwise.

³⁸⁹ All information in this paragraph relies on KLM’s Groeneveld (2014).

Vogel-Meijer, Manager of Social Media at KLM. Facebook has acknowledged that **KLM “cracks video storytelling on Facebook, generating huge views at low cost to build awareness and drive return on investment.”** The cost per view on their most popular videos was only 0.01€. KLM’s ‘Lost & Found’ video **reached 25 million people** [KPI 3], whereas 27% watched their complete 9-minute ‘Cockpit’ video ad. KLM also **gained 15x return on investment** [KPI 4] on their best campaigns.³⁹⁰

Since 2010, KLM has launched numerous social media campaigns (Drimmelen, 2012c). Thus, a big portion of KLM’s social media content are related to their social media campaigns. According to Lassalle (2013b) from KLM, KLM’s social media campaigns and social products can **generate both direct returns (sales) [KPI 4] and indirect returns in brand** such as add to brand values, strengthen the airlines’ relationship with customers, and create a lot of brand awareness. For KLM, these indirect returns are very important too and worth a lot of money (Lassalle, 2013b). The table below shows the name of the campaigns which KLM had and is still conducting on social media, and also shows that KLM has much more campaigns than the three other airlines in this study:

Table 18: KLM’s, Emirates’, American Airlines’ and Garuda Indonesia’s Campaigns on Social Media During Period of 2012-2014

KLM	Emirates	American Airlines	Garuda Indonesia
Personal Space	Hello Tomorrow	New American	Garuda Indonesia and
Dream Destinations	Milestone Series	Behind the Scenes	Liverpool FC Experience
Latino	Harmony	@American Air	Bring People Together
KLM Fans	Share a Smile	AdmiralsClub	Cabin Crew Unrevealed
KLM Surprise	Google+ Hangout	AAtoAsia	Story
Fly2Miami	The Proposal	Scavenger Hunt	All the Reason You Should
Tile & Inspire	Ask the Crew	Going for Great	Fly with Us
Livereply	SayHelloA380	AATeam	Behind the Scenes
Destination Hangman	HelloBoston		
Social Offer	Europe Your Way		
Mr Miles			
Flat or Not			
CitySelfie			
Wannagives			
HappytoHelp			
Cockpit Tales			
KLM 95 Years			

To achieve their goals, KLM believes that there are several characteristics which KLM’s content must have. KLM’s Senior Vice President for e-commerce, Martijn van der Zee (2014), shared that KLM always attempts to create **shareable and exciting social media**

³⁹⁰ All information in this paragraph relies on Facebook (2015).

content because it always results in a **huge reach** and **viral effect** [KPI 3]. This can be seen, for example, from KLM's biggest fan bases which are in very unexpected countries like Brazil and Malaysia, although KLM only flies to two destinations in Brazil, and to one destination in Malaysia (van der Zee, 2014). "Our campaigns show how publishing worth-sharing content on the right platform allows us to achieve great results," says Meijer (Facebook, 2015).

In order to create worth-sharing content, KLM pays attention to the elements of **simplicity, creativity** and **sense of humor**. KLM has noticed that most of the time simple and interactive content could really make a difference (Spiers, 2012). Van der Zee (2012) believes that "as long as it's authentic, creative, and a bit disruptive, people are really willing to share our message." For example, KLM's social media effort to raise people's awareness of its new Boeing 777-300 PH-BVG aircraft was considered by their social media communities as one of the best efforts. With their sense of humor and unusual approach, KLM posted a funny picture of the plane in Facebook on 21 June 2012, with a baby's pacifier stocked on the mouth of the plane, and with a funny caption as follows:

Welcome Wolong! We are so proud! Her name is: 'Wolong Natural Nature Reserve'. Born on the morning of June 18th 2012, weighing 167.800.000 grams and is 7390 centimeters in length. Hooray! If you want to visit her and count her little wheels, please let us know. (KLM, 2012e)

Meijer (2014a) agreed that the current approach for content on social media seems to be **witty and quirky**, and to try to have "**conversations**" with people. Although KLM also uses this approach, KLM was once unsure and had an internal discussion if people are actually tired of companies who do that. At that time, KLM was still thinking that KLM could reach millions of people with a good organic post. But now the situation has changed. Although brands now have to pay to get the best reach, but the content still has to be really good that people want to share and talk about it. Meijer also sees that every brand tries to be witty and better than others. But for KLM, it is really important to stick to who they are and not try to be something they are not.³⁹¹

KLM is a Dutch brand and the Dutch are known for being pragmatic and authentic and also for being very straightforward, which is sometimes confused with being rude, but that's really who the Dutch are. A mistake a lot of brands make is that they don't stick to who they are. But social is so straightforward that you get it back immediately. (Meijer, 2014a)

³⁹¹ All information in this paragraph relies on Meijer (2014a) of KLM.

Although witty and quirky content usually works well for KLM on social media, KLM had finally experienced that apparently **not everybody can understand its Dutch humor**. Because of KLM's tweet which was meant to be a joke about Mexico's loss against the Netherlands at the World Cup 2014,³⁹² KLM had to face a lot of criticisms, gained numerous negative publicities, and many of its customers even said that they do not even want to fly with KLM anymore.³⁹³ "Never try to make fun of somebody else. That's what we did and it was really wrong. We made fun of Mexico, which was really stupid. We shouldn't have done that," explained Meijer (2014a). KLM regarded its mistakes as part of experimenting, learning and discovering of what is possible and what is not on social media, and that during the learning process it can sometimes do wrong things, so KLM should accept that, learn its lessons and continue (Meijer, 2014a; KLM, 2014f).

Furthermore, in order **to create continuous engagement on social media** [KPI 2], KLM believes that the content should **keep people surprised and informed all the time** (Meijer, 2013b). Many of KLM's social media campaigns are intended to surprise people in many ways, such as giving people gifts (KLM Surprise, Wannagives) and helping travelers who did not even fly with KLM (HappytoHelp).³⁹⁴ KLM also posts **informative and educational content** on its social media channels from time to time. For instance, KLM posed the following question on the wall of their global Facebook page on 20th June 2014: "*How many people does it take to change an engine on a Boeing 777-300?*"

KLM also attempts **not to push things** through their content (Lassalle, 2013b). Even though KLM's content is sometimes rather commercial too, its concepts should be designed to genuinely engage people, to be **relevant** and to **offer value** to the airlines' communities (Lassalle, 2013b). According to Meijer (2014a), another strategy for social media content that KLM applies is to **have an offline component** that merges the digital and the physical for many of its social media contests and content. For instance, the "Must See Map"³⁹⁵ or "KLM Surprise"³⁹⁶ campaign. Despite a lot of digitalization in the airline industry, KLM

³⁹² KLM tweeted a picture of a sombrero, moustache and serape blanket, next to next to an airport departures sign, with a heading "Adios Amigos! #NEDMEX." The image can still be easily found on the Internet although KLM had deleted the tweet.

³⁹³ See for example the news written by New York Daily News (Clayton, 2014), The Guardian (Bleaney, 2014), and Mashable (Daileda, 2014) which contained negative reactions from people towards KLM's offensive tweet.

³⁹⁴ For further information about these campaigns, see KLM's YouTube channel: <https://www.youtube.com/user/KLMRoyalDutchAirline>

³⁹⁵ For further information, see KLM's Must See Map's website. http://mustseemap.klm.com/de_en/create-map/info

³⁹⁶ For further information see 'KLM Surprise' campaign on YouTube (KLM, 2010).

believes that the strength of personal contact can still be seen. That is why KLM aims to recognize people as people instead of numbers. With ‘KLM Surprise’, for instance, KLM was looking into the people’s digital profiles that they shared on social media in order to get to know them, then KLM surprised them with a very small gift that suites them. This campaign has made people feel recognized and special. Thus, they voluntarily shared a message about KLM on social media. According to Pal (2012a) from SimpliFlying consultancy, ‘KLM Surprise’ campaign managed to delight passengers, and it is estimated that **this campaign earned KLM over 1 million Twitter impressions** [KPI 3].³⁹⁷

KLM realizes the importance to take a **multilingual approach** on social media, thus, KLM has been continually expanding their languages on social media. According to van der Zee (2014), in 2014 KLM guaranteed to respond to inquiries on social media in 10 languages and they were working on expanding it to 14 languages, so that their customers always get responses in their own language. He argued that **communicating with the customers on social media in their local language is a strength for KLM**, especially when many other airlines are also on social media. By June 2015, KLM has managed to communicate in 15 world languages on social media (KLM, 2015b). According to Kane, Charki and Boukef (2015), it is challenging for most companies to have a social media team staffed with people who are fluent in enough languages in order to successfully deal with their different global customer base. But in order to succeed, a company has not much choices except meeting the customer’s need in their own mother tongue (Kane et al., 2015).

KLM also **acknowledges different cultures** of social media users. Therefore, KLM also has many local or country-specific Facebook pages and as well. The local KLM team, for instance, KLM team in India, is responsible for the content of the Indian Facebook page within the boundaries of KLM’s central social media strategy (Meijer, 2014b). “At headquarters we believe our local colleagues can do better with regard to local flavour than we can in Amsterdam,” explains Meijer (2014b).

As discussed in chapter 4 section II, KLM is active on many social media channels. Meijer (2013a) shared that managing quite a lot of social media channels does not make KLM take the easy way by creating the same content for all of them. Principally, **KLM strives to create different content for different channels**, although on Google+ and Facebook the content are still a bit overlapping, but this would change as KLM is focusing on what to do with Google+. KLM has a content strategy for each channel. For example,

³⁹⁷ All information in this paragraph relies on Meijer (2014a) unless stated otherwise.

Twitter and Facebook are used to connect with its customers and commercial things, YouTube is used to influence people via films, and LinkedIn is mainly for posts which KLM thinks are interesting for certain groups of people.³⁹⁸

Moreover, KLM **optimizes their daily social media content** as well (Socialbakers, 2012i). KLM shared that as their knowledge about their customer base has become better through social media monitoring, they can optimize their daily content and can create creative and engaging social media campaigns (Socialbakers, 2012i). Van der Zee (2014) from KLM also confirms that through analyzing all the social data they collect through monitoring, KLM knows which content is working well, and which one is not.

KLM also believes in the power of **co-creation with their customers**. Thus, it created a ‘Social Offer’ campaign, which involved customers in a new social media sales concept. KLM invited potential customers to vote for their favorite destination. Then they had to invite their friends within their social networks to do the same too, and to tell KLM how badly they want to go there. The most popular destinations could up up to the next round. KLM promised that the more people join in, the higher the discount. After announcing the final ticket price, KLM offered the participants an opportunity to buy the discounted tickets. In 2013, KLM gained **an increase of up to 30% sales compared to a normal day** [KPI 4] because of this Social Offer. In addition to that, it had also managed to **reach a total of 1.100.000 customers** [KPI 3] and to get **increased engagement level** [KPI 2].³⁹⁹

Emirates Airlines

Emirates’ content on social media is **produced by the airlines’ social media team**. Emirates’ **employees** can also contribute on social media, as long as they do it within the guidelines that the social media team enforces. However, only the designated and trained employees are allowed to reply to customers’ questions on social media.⁴⁰⁰

Besides the social media team, Emirates’ customer service team also uses social media channels to engage with their customers. Everything that the customer service team does on social media is mandated by the social media team, especially concerning their language and tone of voice, and some trainings for them too. So the social media team determines how the customer service team communicates with the customers on social

³⁹⁸ All information in this paragraph relies on Meijer (2013a).

³⁹⁹ All information in this paragraph relies on Lassalle (2013) and Spiers (2012).

⁴⁰⁰ All information in this paragraph relies on JS (Personal communication) from Emirates.

media.⁴⁰¹

As **achieving high level of engagement** [KPI 2] with the customers is their primary focus on social media, Emirates strives to create engaging content which people relate to. Emirates has been successful so far in this, but Emirates aspires to maintain its high engagement level at the highest point by constantly providing and pushing out engaging content for their audience on social media.⁴⁰²

Emirates is aware that other airlines brands are focusing on social commerce on social media. But unlike other airlines, Emirates does not aim to sell on social media. This has impacted on the kinds of content Emirates disseminates on its social media channels as well. For example, Emirates does not post any link to sell their tickets on their social media channels. Unlike KLM, Emirates will not develop many social products (utility content) either. Instead of following what other airlines do on social media, Emirates aims to do things that make other airlines follow them. Emirates wants to **focus on doing creative things on social media**. One success story was when Emirates posted some Valentine's Day messages back in 2013, six other airlines did the same thing and created the similar version of Emirates' messages.⁴⁰³

To manage the content for social media, Emirates utilizes some tools as well. Almost all the tools that Emirates uses at the moment are for scheduling and publishing their social media content. Emirates utilizes a marketing platform to broadcast their content, to create quick application and quick campaign. Emirates once used *BuddyMedia* for it, but not anymore now as they do not need it. Emirates also utilizes a special tool to evaluate the performance of their social media content. Emirates regularly reviews the engagement rate their content gets as it shows how active their communities are in connecting with Emirates. This enables Emirates to optimize their social media content too.⁴⁰⁴

Although Emirates utilizes some supporting tools to manage its social media content, Emirates has several rules of thumbs that govern the management of their social media content. Emirates informed that they do not do automated content scheduling. They do not employ any agency either to create and manage their social media content. They basically **do everything related to the content in house**. And they 'push out' the content themselves. So, there is no machine or software that posts the content on Twitter or on Facebook for

⁴⁰¹ *Ibid.*

⁴⁰² *Ibid.*

⁴⁰³ *Ibid.*

⁴⁰⁴ *Ibid.*

Emirates. Every content is hand written and needs to be approved. Images which have been selected have to go to the approval system as well. When they have reached an agreement about the timing of publication, then they will push the content out. Emirates admits that an automated system to post social media content which many airlines use has their advantages, that one does not have to sit and to do everything. But Emirates really **focuses on the quality**, and the quality really comes from really thinking about it and not letting any computer doing it for them.⁴⁰⁵

As mentioned earlier in the ‘Social Media-Related Learning Competency’ section, Emirates does not have a formal training program for the members of the social media team, nor for other departments who use social media either. This means that the staff who create the social media content did not get any formal training program related to content either. Emirates’ approach on social media is ‘learning by doing.’ Nevertheless, the social media team plans in the future to provide an internal social media training to other departments which are involved in social media.⁴⁰⁶

It is apparent that the main topic of Emirates’ social media content is really about **lifestyle**. Emirates’ new brand platform ‘*Hello Tomorrow*’ which was launched in 2013, marked Emirates’ evolution from a travel brand to an inclusive global lifestyle brand. Emirates strives to be a top global lifestyle brand and to serve the needs and earn the loyalty of Globalistas⁴⁰⁷, people who view travel as important part of their lifestyle. This is Emirates’ intention to stay away from the typical airlines brands. Thus, Emirates has always been striving to ‘push things out’ on social media, such as through contents and campaigns, which go along the line with the airline’s new brand platform, which is all about lifestyle.⁴⁰⁸

Emirates’ social media campaigns are intended **to gain a high level of brand engagement** [KPI 2], as this is the most important objective for Emirates on social media. The topics of the campaigns are closely related to the airlines’ goals **to be a top global lifestyle brand** and to serve the needs and earn the loyalty of Globalistas, people who view travel as important part of their lifestyle. To date, Emirates has created a lot of marketing campaigns that are related to prestigious sport events. This is because as a global lifestyle brand, Emirates wants to get involved as a **sponsor of global sport events**, such as

⁴⁰⁵ *Ibid.*

⁴⁰⁶ *Ibid.*

⁴⁰⁷ According to Emirates (2013b), Globalistas are “people who live for new experiences, people for whom the world is getting smaller. They are well-travelled, or have aspirations to become well-travelled. For them travel is about connectivity – a bridge between people and cultures, places and ideas, imagination and exploration. Put simply, Globalistas view travel as essential part of their lifestyle” (p.28).

⁴⁰⁸ All information in this paragraph relies on Saydam, *op. cit.*, and Emirates (2013b).

Australian Open, US Open, World Cup, Melbourne Cup, and of some high profile sporting clubs such as AC Milan, Real Madrid, Arsenal, and Sport Lisboa e Benfica.⁴⁰⁹ This explains why Emirates' social media channels are filled with many content that is related to these prestigious sport events, and presented in many different formats such as pictures, infographics, competitions, and videos.

Furthermore, Emirates also strives to create and post content that are **relevant** to their customers as Emirates' presence on social media is about relevancy. As Emirates noted:

We have a huge data about them. Sometimes we are really pushing custom messages that make sense to them. Our brand, our presence on social media is all about relevancy. We need to be relevant to them, and therefore our content we push out need **to make them feel connected to the brand** [*KPI 2, emphasis added*]. So relevancy and connection are huge factors for us. (SS, Personal communication)

Moreover, Emirates attempts to be **informative** by including some facts, figures and statistics in its content, probably in order to enhance its corporate image and excellence as an airline.⁴¹⁰ The facts, figures and statistics are sometimes presented in a form of infographic.⁴¹¹ Below is an example of Emirates' content which has some facts and figures in it, and appeared on its Google+ page:

Did you know that Emirates along with Dubai Airports and the aviation sector as a whole contributed \$26.7 billion to Dubai's economy in 2013? This was almost 27% of Dubai's GDP, supporting a total of 416,500 jobs. Did you know that aviation will contribute \$53.1 billion to Dubai's economy and support over 750,000 jobs by 2020? <http://bit.ly/oerek> #emiratesairline #dubai #aviation. (Emirates, 2014d)

Unlike KLM, it seems that generally Emirates does not try to be humorous and quirky on social media. Emirates even chooses a rather **formal tone-of-voice** for their content on social media. Below is an example of Emirates' way in introducing their aircraft on Facebook on 11 July 2014:

Emirates strengthened its position as the world's largest international airline yesterday when it took delivery of its 50th A380 aircraft. This latest delivery takes Emirates' all wide-body fleet to 224 aircraft, representing the world's largest fleet of A380s, and also the world's largest fleet of Boeing 777s. Here are some pictures of the day. (Emirates, 2014c)

Occasionally, Emirates **encourages their social media communities to create**

⁴⁰⁹ As an example, Emirates posted some pictures on its Facebook page on 6 November 2013 to celebrate its 10th year as the title sponsor of the Melbourne Cup (Emirates, 2013d).

⁴¹⁰ See for instance 'Emirates 2014 in Review' on its Google+ channel (Emirates, 2014f).

⁴¹¹ To see an example of Emirates' infographic, see Emirates' tweet on 23 November 2014 (Emirates, 2014e) about how many European Tour players who have flown how many miles on Emirates.

content for Emirates' social media channels. Most of the content produced by them are pictures. Emirates asked its communities to send their finest photos of Emirates aircraft, then Emirates would post a selection of it on its social media channels. For instance, as posted by Emirates on 10th August 2013 on Facebook, *“A selection of the finest Emirates aircraft photos taken by our fans around the world. Send us your best Emirates aircraft photos at facebook@emirates.com and we will feature them here”* (Emirates, 2013c).

Concerning the main language that Emirates uses for its content on social media, it is noticeable that Emirates prefers to publish its content in **English** although Emirates has acknowledged that the top 12 countries of Emirates' fans on Facebook are Australia, Brazil, France, Germany, India, Italy, Pakistan, Saudi Arabia, South Africa, UAE, UK and USA (Emirates, 2012). Nearly all of Emirates' content on social media are in English, and only very few times Emirates had published content in Arabic, the official language of the United Arab Emirates. However, Emirates has stated that they will also answer to people's inquiries in Arabic on their global Facebook page and on their customer support channel on Twitter.⁴¹² An exception is on the Chinese micro blogging platform Sina Weibo, in which Emirates must communicate in Chinese language.⁴¹³

The performance of Emirates' social media content had been analyzed by some external parties as well. A year after Emirates entered the social media landscape, Unmetric, a social media analytics company, analysed and compared Emirates' Facebook content with other major airlines in the middle east for the period of April 2013. Unmetric found that the highest engagement score went to Emirates. **Emirates gained a fantastic engagement score** of 411 [KPI 2], which was double to what their nearest competitor scored, although Emirates only had in total 27 Facebook posts in that month, which proved that fans engagement often depends on quality over quantity of content. Although Emirates also promoted some of their content (paid content), it showed that they consider social media as an effective marketing channel. Emirates' content mainly consisted of posts about themselves and few about aviation which usually drive high engagement score in airlines industry. This strategy seemed to work well for them. Emirates' content was a mixture of contests, information about the corporate's CSR activities, events, questions and brand news. From these five content categories, news about the Emirates brand received the highest amount of engagement. Most of their posts were in the form of questions, but these received

⁴¹² See Emirates' Facebook page: <https://www.facebook.com/Emirates> and Emirates' Twitter channel for customer support: <https://twitter.com/emiratessupport>

⁴¹³ See Emirates' page on Sina Weibo on <http://www.weibo.com/emirates>

lower engagement than brand news, which is strange as other sectors achieve a huge amount of success from asking questions as part of their content.⁴¹⁴

According to Dachis Group which analyzed and compared Emirates' social media content with other airlines during the period of 9-15 January 2014, **Emirates was the most engaging airline** [KPI 2] as demonstrated by how active their audiences were in connecting with Emirates, followed by KLM and American Airlines. Emirates' engagement levels were number one during this period which indicates that **Emirates was successful in entertaining and driving action from their audiences through their content**. Dachis Group observed that Emirates often promoted the success and growth of the city of Dubai and the United Arab Emirates, showcased deals, engaged with their consumers through quizzes, shared photos made by people in their community, and published eye-catching images of their airplanes.⁴¹⁵

According to the Travel Social Media Benchmark results from eDigitalResearch in January 2015, **Emirates is one of the fastest growing social media brands** [KPI 8] in the travel industry and this is likely **because of their content strategy which showcases big name players from the high profile sporting clubs** which they sponsor. Emirates had attracted almost 250,000 new Twitter followers in the last six months in 2014, moving them 10 places up to the top 5 biggest travel brands on Twitter. On Instagram, Emirates' amount of followers is almost three times more than any other travel brand on the platform.⁴¹⁶

Garuda Indonesia

LiquidThread, the first social media agency of Garuda Indonesia, argues that having excellent content is definitely a success factor for a company on social media. Without continuous and great content, there will be less engagement [KPI 2] with the company's communities on social media.⁴¹⁷

The agency, in consultation with several divisions of Garuda Indonesia, **developed a weekly content strategy or plan for the airlines**. Each department in Garuda Indonesia that is involved in social media activities (e.g. Marketing, Corporate Communication, and Customer Service) should feed the agency with information that they wish to publish on social media. The departments have their own 'slots' on social media platforms, similar like

⁴¹⁴ All information in this paragraph relies on Claridge (2013) from Unmetric.

⁴¹⁵ All information in this paragraph relies on Dachis Group (Bass, 2014).

⁴¹⁶ All information in this paragraph relies on Travolution (2015).

⁴¹⁷ All information in this paragraph relies on LiquidThread (Personal communication)

the time slots in radio stations. So, there are prime times and regular times in a week for the publication of social media content. The publication slots are limited as they should share it with the other divisions.⁴¹⁸

Since early 2015, the management of Garuda Indonesia's marketing-related content is handled by the promotional division of the e-commerce department which is now structured under the marketing department (BAN, Personal communication). It is likely that this has impacted on the 'look' of Garuda Indonesia's visual content. Since early 2015, one can see that all the images that Garuda Indonesia has published on its social media platforms have a more consistent look and more appealing design than the content in previous years.⁴¹⁹

According to Garuda Indonesia's Senior Manager of Corporate Communication, the creation of Garuda Indonesia's social media **content is based on or should adjust to the airlines' actual summer and winter programs or plans**. Moreover, Garuda Indonesia also **adjusts their content to the characters of the mainstream social media** themselves (e.g. Facebook, Twitter, YouTube).⁴²⁰

Despite the airline's active engagement on social media, a formal social media education or training program does not exist yet in the company. As the social media agency had a major role in managing the airlines' social media activities (including in managing the content), the airlines expected the agency to update their skills and knowledge about social media on their own initiative. Then, as the airlines does not allow employees to have a direct contact with their customers via social media platforms, no social media training is needed. In addition to that, the staff who are in charge of social media and liaise with and support the social media agency, e.g. Corporate Communication and Marketing staff, are expected to already have exceptional communication skills, and to update it on their own.⁴²¹

Garuda Indonesia has changed their policy in about mid 2014 concerning the **anonymity** of the agency staff who respond to the fans and followers' comments and inquiries on its Facebook page and Twitter channels. Initially, the name of the staff who gave the responses was not made available to the airlines' fans and followers. But now Garuda Indonesia has shifted from anonymous to **transparent** policy and their fans and followers can see the name of the staff who responds to them.⁴²²

⁴¹⁸ *Ibid.*

⁴¹⁹ Based on the researcher's observation on Garuda Indonesia's social media platforms.

⁴²⁰ All information in this paragraph relies on IR (Personal communication) from Garuda Indonesia.

⁴²¹ *Ibid.*

⁴²² All information in this paragraph is based on the researcher's observation on Garuda Indonesia's global Facebook page and Twitter channel.

As Garuda Indonesia's corporate culture is rather conservative, it influences their policy concerning their social media content as well. The airline has a lot of 'Dos' and 'Donts' that makes the content creation challenging. **It is not Garuda Indonesia's approach to be quirky or witty on social media.** There would be a lot of parties complaining as well if Garuda Indonesia is acting 'too different' on social media.⁴²³

On social media, Garuda Indonesia's content is **focused on promoting their campaigns**, either marketing campaigns (which are the majority), or campaigns that are made for social media only. One of its major marketing campaigns since 2012 is the "Garuda Indonesia and Liverpool FC Experience". As part of its goals to be a global airlines company, Garuda Indonesia has opened a new route to London. And to promote this route, Garuda signed a 3-year partnership deal with Liverpool Football Club, one of England's major football clubs. Garuda Indonesia has been leveraging social media heavily to make people aware of all their activities related to this campaign.⁴²⁴

Other examples of Garuda Indonesia's marketing campaigns that are supported by social media are their participations in some international events. For example, as Garuda Indonesia was the official airline partner of the 63rd Miss World 2013 which took place in Bali, the airlines created two videos for their YouTube channel which showcase how the delegates enjoyed flying with Garuda Indonesia.⁴²⁵ The videos were also promoted in the airlines' Facebook page as one of Garuda Indonesia's highlights of the year.⁴²⁶

Furthermore, as Garuda Indonesia has been having progressive transformation programs throughout all aspects of the company (at the time of the interview, Garuda Indonesia was preparing itself to be a world's 5-star airline), Garuda Indonesia has taken advantage the powerful social media to **support this major corporate transformation** and brand renewal and to boost their corporate image as well [KPI 6].⁴²⁷ In order to get all stakeholders' support (including their social media communities), Garuda Indonesia makes sure that the stakeholders are informed about the company's numerous achievements, activities, events, and programs through their social media content.⁴²⁸

⁴²³ All information in this paragraph relies on LiquidThread, *op.cit.*

⁴²⁴ All information in this paragraph is based on the researcher's observation on Garuda Indonesia's global social media channels, and based on LiquidThread and IR, *op.cit.*

⁴²⁵ See the videos "Garuda Indonesia – Miss World 2013" on Garuda Indonesia's official YouTube channel.

⁴²⁶ See Garuda Indonesia's post on its official Facebook fanpage on 6 November 2013 (no link available).

⁴²⁷ Garuda Indonesia creates and publishes numerous content on social media **to enhance their favorable corporate image**. For instance, a video of Garuda Indonesia Operation Center on YouTube that showcases their excellence in maintaining on-time performance (Garuda Indonesia, 2014c, 2014d).

⁴²⁸ All information in this paragraph relies on IR, *op. cit.*

As Indonesia's flag carrier, Garuda Indonesia also creates numerous social media **content which promotes the country**, ranging from promoting exotic locations in Indonesia, the diversity of Indonesian culture, Indonesian food, and so forth. For instance, Garuda Indonesia posted beautiful pictures of Indonesian traditional dances, and asked a question to their fans and followers if they can recognize the dance. LiquidThread also confirms that Garuda Indonesia's approach to their social media content is very **'local'**, which means, **they adjust to the culture and the taste of the Indonesian people**. Perhaps this also explains why the languages that Garuda Indonesia uses for their social media content are mainly Indonesian, followed by English.

LiquidThread also shared that Garuda Indonesia's social media content is created in a way so that it can **build a solid and engaging social media community** [KPI 2]. Thus, the agency and the airlines created a social media campaign 'Bring People Together' in 2012 that showcased that the airlines cares about the communities, such as giving free tickets to the poor people during the Ramadhan (fasting) time. The program provided unfortunate people a chance to gather with their family on Idul Fitri, as they had not seen the family for a long time due to financial reasons (Garuda Indonesia, 2012). There were more than 100 people participated in this campaign by nominating 109 people, with a total of 300 votes during the period of 23 July - 13 August 2012 (Garuda Indonesia, 2012).

Concerning the impact of the airlines' social media content, LiquidThread informed that they **review the performance of the content** they create by looking at the number of interactions it gets, such as how many 'Likes', comments and shares. LiquidThread also noticed that **the number of Garuda Indonesia's fans and followers increases** [KPI 8] every time they conduct a social media campaign.

The performance of Garuda Indonesia's social media content had been evaluated by an external social media monitoring company as well. For instance, Brand24, conducted a review about the performance of Indonesian airlines on social media during the period of February to April 2013, and found that there were many conversations in microblogs, Facebook and blogs about Garuda Indonesia, and **the sentiments** [KPI 6] of the people who talked about Garuda Indonesia were mostly positive especially during the time when a special event was happening (Brand24, 2013). Brand24 conducted a similar review in the following year and found that Garuda Indonesia's particular content on Facebook and YouTube were among the best in Indonesia in 2014, and in March 2014 Garuda Indonesia got **93% positive sentiments** [KPI 6] from a total of **433,100 mentions** [KPI 3] about them (Lukman, 2014). Garuda Indonesia's announcement on Facebook concerning recruitment

had a high interactivity index, many engaged users, and received many likes, comments and shares; whereas a video about the launch of their Garuda Social Miles platform received many views on YouTube (Lukman, 2014).

American Airlines

American Airlines shared that **driving engagement** [KPI 2] with their social media communities is essential for them. The airlines has been experimenting with several ways to achieve that; one of them is by creating social media content that can stimulate a lot of conversations among their social media communities.⁴²⁹

As American Airlines is present on many social media platforms – Twitter, Facebook, Google+, LinkedIn, YouTube, Pinterest, Instagram, and Foursquare – they have gone to great lengths over the years to make sure that they have **a unique use strategy for each of their social networks**, according to American Airlines’ Social Media Director, Jonathan Pierce (2013b). “A campaign may use a certain set of networks to tell a story, and use a different set of networks to tell another story. That flexibility is important to our social initiatives,” explained Pierce (2013b).

According to Scott (2013), American Airlines’ Social Media Specialist, in managing the content creation process, American Airlines **always makes sure that it has something interesting to publish**. One way to get that is by **collaborating with the internal business units**. The social media team has identified that there are more than 30 business units across American Airlines which have engaging stories to share. The team has educated the business units about the value of social media and has informed them some best practices in social media content strategy. Besides attending the recurring social media meetings, the business units also come to the social media team when they have compelling content which can be shared on social media.

Fortunately, the social media team receives a steady influx of interesting content. The team then shapes them into engaging stories which have ‘a social hook’. Besides collaborating with business units across American Airlines to create compelling content, the social media team also **brainstorms creative tactics** that can engage their audience and can tell their brand story. Moreover, the team also develops regular promotional stuff to further grow and engage their communities on social media (Scott, 2013).

As the social media team assists various internal business units with sharing

⁴²⁹ All information in this paragraph relies on SS (Personal communication) from American Airlines.

information on the company's social media channels regarding their products, services, and other corporate initiatives, the team ensures that they are assisting a variety of internal groups, and not just one or two, so that the **content distribution** is good. So, every month the team tracks which internal group each social media post is supporting, and then they review the distribution of those categorizations to ensure that they have a good mix of content.⁴³⁰

In addition to that, American Airlines also **gets ideas for content from their social media monitoring activities** (*surveillance mechanism, and learning competency*). “We listen every minute of every day to what our customers are telling us, and that helps shape the content we create”, Pierce explained (2013c). American Airlines' social media team also regularly monitors various aspects of their competitors' social media presence by using third-party social media listening tools, in order to discover general trends and interesting themes or ideas which they can use for their own content (BM, Personal communication).

As social media features enable user-generated content, American Airlines has been **encouraging their social media communities to contribute to American Airlines' social media content** as well. They are invited to share their pictures about beautiful views that are captured from American Airlines' wing, and to tag the pictures with #AmericanView. This initiative has been successful so far judging from the numerous pictures American Airlines has received.⁴³¹

American Airlines admits that managing the company's content for social media is a lot of hard work, and therefore, **dedicated staff for content**, as well as **various technological solutions to help managing the content**, are required. American Airlines has a social customer engagement team that consists of three people, two of whom are dedicated to content strategy and community management and another who develops social media marketing campaigns (Scott, 2013).

Regarding their various technological solutions for content management, American Airlines' social media team utilizes a software or tool to produce the content, and uses the *Adobe Context Optional* to publish their content to plenty social media platforms at once (SS, Personal communication). To track their content, a *SharePoint* platform is used (Pierce, 2013b), whereas to measure the performance of the content, *NetBase* is used (Phillips, 2014).

⁴³⁰ All information in this paragraph relies on BM from American Airlines (Personal communication, May 2015).

⁴³¹ To see the pictures that American Airlines' social media communities have contributed, search the by using the hashtag #AmericanView on Facebook, Twitter, Pinterest, Instagram and Google+.

NetBase is also utilized to identify the airlines' top influencers by looking at their follower accounts and number of engagements, those who were interacting regularly and positively with the airlines (Phillips, 2014). This insight, combined with the social media team's personality, were used to create certain content, for instance, "Valenvines" – online Valentine messages that they posted on Twitter, as an appreciation to their biggest fans and influencers (Phillips, 2014). American Airlines also uses a variety of tools to track and measure their social media campaigns (Pierce, 2013b).

Although there are dedicated staff to manage the company's social media content, each member of the social media team must undertake **a social media training program** which focuses on the right grammar, tone of voice, and writing skills as well, so that they can produce good quality of social media content and communicate with the customers in the right manner on social media (Phillips, 2013). American Airlines really devotes time and resources to educate, scale and train its social media team as it is committed to provide a world-class social customer service (Phillips, 2014).

Phillips (2014) also noted the importance of **categorizing and tracking their messages**, as it allows for comparative analysis and optimization. Besides that, Phillips believed it is useful to identify actionable data, as it can be used to improve engagement policies and develop content ideas. These have made American Airlines' customer engagement strategy on social media successful, as they have many happy customers that they touch with their strategy (Phillips, 2014).

In order to optimize their social media content and engagement strategy, Phillips (2014) shared that American Airlines **regularly conducts evaluation of the performance of their content**. Each previous month's posts are reviewed to see which content performs well. From this review, American Airlines found that **casual and authentic posts**, as well as **fan-generated content** performed way better than 'corporate-speak' content as they receive the most 'likes' and 'shares' (Phillips, 2014).

American Airlines has some strategies or approaches for their social media content. Content that is **inspiring** and designed to build customer relationship is one of American Airlines' social media strategies (Phillips, 2013). Jonathan Pierce, American Airlines' Director of Social Media Communication, shared that to achieve a balance between assistance and inspiring travel, American Airlines should **deliver real value** in the content they create and share (Pierce, 2012). "We don't share something unless we think it adds value for the customer," Scott (2012) noted. And in order to deliver real value, their content on social media should be **authentic** and have **human touch** (SS, Personal communication).

To provide authentic communication in social media, Pierce (2012) shared that their social media team is empowered to relate to customers, to find connections and to be authentic in every response. The team always makes sure that there is a “face and voice” behind each of their post. Besides that, the team understands about the trials and difficulties of travel and genuinely wants the customers to have a positive experience with American Airlines.

Pierce (2012a) added that besides providing exceptional customer service, the American Airlines’ social media team is also **allowed to have fun and to add personality** to their responses, particularly on Twitter. So the human touch element is there when the team responds and inspires customers to fly American with practical travel advice and assistance. American Airlines wants to move from communication to conversation as the evolution and expectation in how the customers are engaging with American Airlines has shifted. As the team members are fun, fresh, and innovative thinkers, their personalities are naturally expressed into American Airlines’ social media communities. The team members also understand when it is appropriate to add personality, compassion and understanding into the conversation (Pierce, 2012a).⁴³²

Although American Airlines’ social media team is allowed to have fun and add personality and to include human touch into the content, there are also some **guidelines which govern the creation of the content** that they have to pay attention to (Phillips, 2013). For instance, how the tone of voice should be in the content. It is noticeable that American Airlines’ content has a quite different tone of voice from KLM’s. Although American Airlines attempts to be informal, conversational and informative, they do not try to be funny and they still have a little formality in the messages. Below is an example of how American Airlines informed their social media communities about a benefit of the merger which showcase a little formality:

Today we introduce another benefit of our merger with US Airways. We’re starting to align our flight schedules and will now sell codeshare tickets for US Airways flights, so you can travel seamlessly on one itinerary beginning January 23. <http://bit.ly/AAUScodeshare> Tell us: Which US Airways destinations are you most excited about? (American Airlines, 2014a)

And below is another example of American Airlines’ formality in introducing a new aircraft on their official global Facebook page:

American is the first U.S. airline to take delivery of the Boeing 777-300ER, an important part of our fleet renewal efforts. Two aircraft will begin service on Jan. 31 with 14 more scheduled for delivery through 2014. <http://bit.ly/Fly777s> (American

⁴³² All information in this paragraph relies on Pierce (2012a)

Airlines, 2013a)

Concerning the languages that American Airlines uses for its social media content, **English** is still the main language to date as most of their social media communities live in the USA. Pierce (2012a) explained: “As a large global company, what we've learned is that while our primary social follower base resides in the U.S., we reach a wider global audience. As a brand, we have to communicate one voice that can cater to a culturally diverse audience.”

Especially in 2013, the majority of American Airlines' social media content was in line with the “**New American**” **campaign**, which reflected the airlines' **brand transformation efforts**. Because American Airlines has been operating under the Chapter 11 Bankruptcy Code⁴³³ and has merged with US Airways in 2013, the American Airlines brand has been experiencing an evolution and undergoing a public brand transformation.⁴³⁴ After the merger announcement, American Airlines' social media content was filled with the introduction of their new aircrafts and new routes. American Airlines posted images and videos on social media of the cities they fly to in order to inspire people to fly with American Airlines,⁴³⁵ ran social advertising and sales promotion activities, and promoted their events. The new American Airlines brand was also introduced through *behind-the-scenes videos*⁴³⁶ on YouTube, images and events in Facebook, Google+ and on some other social channels.⁴³⁷ This demonstrates that the airlines' competency in managing their social media content could eventually influence the *corporate reputation* (corporate asset) as well.

Unmetric, a social media analytics company, took the opportunity to evaluate the

⁴³³ American Airline's parent company AMR has been operating under Chapter 11 bankruptcy protection since the end of 2011 in order to keep its business alive. Chapter 11 is a chapter of the United States' Bankruptcy Code, that provides a reorganization of a corporation under the United States' bankruptcy laws. See United States Courts for more information.

⁴³⁴ Due to the brand transformation, intentional changes have been made at the company to positively impact the customer experience. Pierce (2013) shared that American Airlines has striven to refresh and modernize the airline over the past few years. So they have been taking delivery of new planes, adding more fully lie-flat seats on its planes for premium customers, creating a new logo and livery for the airline, and introduced some new products and services.

⁴³⁵ See for example American Airlines' Pinterest board which showcases their Asian destinations: <http://www.pinterest.com/americanair/aa-to-asia/>

⁴³⁶ “Behind the Scenes at American Air” is a YouTube series which answers frequent customer questions about what happens behind the scenes at American. The video series includes our people answering real customer questions, like “[what happens during a weather delay](#)”, “[why do fares go up and down](#)”, and “[where does your bag go after it's checked](#)”. By answering customer questions and engaging our employees, we are hoping to empower others to tell the brand story. (Pierce, 2013a)

⁴³⁷ See American Airlines' Pinterest board which showcases pictures related to the new American Airlines: <http://www.pinterest.com/americanair/new-american/>

impacts of American Airlines' and US Airways' re-branding campaigns on social media. In all key metrics, American Airlines was far ahead of US Airways. American Airlines was engaging with their communities much better, receiving an **engagement score of 102** [KPI 2] for the time period analyzed, compared to US Airways' score of 50. Unmetric found it interesting that American Airlines' most engaging content was about the new branding and not about the merger. Apparently, their communities preferred to share American Airlines' content related to the new branding rather than the content of the merger. Unmetric also looked at the net sentiment before and after the merger and found that negative sentiment increased very slightly for both airlines. However, while the **positive sentiment** [KPI 6] **for American Airlines increased**, it decreased for US Airways. American Airlines has put a lot of efforts in leveraging their YouTube channel for the campaign. They uploaded nearly three times more videos than US Airways, which resulted in ten times more video views. Concerning the merger, both airlines uploaded three separate videos, but American Airlines' videos attracted **over 72,000 views** [KPI 3] compared to the 11,500 views obtained by US Airways' videos, although American Airlines had the same number of subscribers as US Airways on that channel.⁴³⁸ Based on Unmetric's analysis of both airlines' merger and rebranding campaign on social media, it can be concluded that American Airlines' efforts were more successful than US Airways.

In 2013, American Airlines was also **experimenting with location-based content and targeting key influencers on social media** [Asset 4]. According to Scott (2013b), American Airlines' customers are passionate travelers who love to share with friends and family where they are via social media. This enables rich content sharing on social media which benefits American Airlines. So, in May 2013, American Airlines launched a promotion with Klout, whereby influencers on social media with a Klout score of 55 or over were given a prize of a free Admirals Club One Day Pass, which is usually open only for American Airlines' ultra-frequent fliers and business travellers. Those with a score lower than 55 received a \$50 voucher to be redeemed. American Airlines encouraged the people who redeemed their passes to check in on Foursquare, to post Instagram photos or tweet using the hashtag #AdmiralsClub. This location-based content **successfully drove positive sentiment** [KPI 6] **toward the Admirals Clubs**.⁴³⁹ According to Nigam (2013a) from

⁴³⁸ All information in this paragraph relies on Claridge (2013) from Unmetric, a social media analytics provider. Unmetric calculated the engagement score based on the number of Likes, Comments, Shares and Estimated Impressions of both airlines' content. So even if one of them has bigger communities, the engagement score is normalized for both airlines.

⁴³⁹ All information in this paragraph relies on Scott (2013b) unless stated otherwise.

SimpliFlying, American Airlines has realized the power of key influencers and has put good thought into targeting them. Their influencers program has received **over 21 million impressions** [KPI 3] on Twitter in just the first few days (Nigam, 2013a).

Since 2014, American Airlines has been focusing on **sharing employees-related content** on their social channels, in order to make their employees ‘heroes’ and to highlight the incredible work the employees do around the world (#AATeam campaign). Because of this focus, employees-related stories were the second highest content category in 2014 (in terms of the number of posts) on Facebook, and they were the third highest content category on Twitter. American Airlines managed to produce 110 Tweets and Facebook posts about the employees-related stories, and achieved **15 Million potential impressions on Twitter and reaching 3 Million people on Facebook** [KPI 3].⁴⁴⁰

From time to time American Airlines also poses fun questions to its fans and followers on its social media channels, for instance, “*Mirror, mirror on the ramp – who is the fairest bird of all?*”⁴⁴¹ They call such messages as ‘**community building**’ messages. According to Scott (2012), when American Airlines asks their fans to give their opinion, American Airlines’ **engagement rates** [KPI 2] are at their highest as they get a lot of replies and they come in every second.

Scott (2012) added that another type of content that **encourages American Airlines’ fans to speak up** [KPI 2] is **traveling tips**. American Airlines had compiled a list of 80 cities, along with ideas on where to go and what to do once a person arrives there. “These fun and easy tweets that the company puts out never fail to hit with fans,” explained Scott. Besides that, Scott (2012) has often seen that whenever American Airlines published **behind-the-scenes photos**, such as photo of new airplanes, they receive well responses from its Twitter followers. Scott believes that pictures which show what goes on behind the scenes motivate their fans to retweet and favorite the posts “Social media is a very image driven place. Whenever we post a beautiful photo it tends to get really **high engagement** [KPI 2, *emphasis added*],” Scott said.

As American Airlines is one of the well-known travel brands on social media, the performance of their social media content has been evaluated by many external parties. Analysis of American Airlines’ social media content performance conducted by Unmetric

⁴⁴⁰ All information in this paragraph relies on BM (Personal communication) from American Airlines.

⁴⁴¹ See American Airlines’ Tweet on 7 November 2014:

<https://twitter.com/AmericanAir/status/530849720298921984>

and SimpliFlying have been outlined earlier. Dachis Group⁴⁴² had also evaluated and compared the performance of American Airlines' social media content with several other airlines during the period of 9 to 15 January 2014. According to Dachis Group's analysis, **American Airlines was the most social airlines**, at least during this period. When it comes to impressions (reach of the content), American Airlines had topped KLM and their competitors. American Airlines' content which used "witty copy, light-hearted topics, and beautiful imagery" received a high number of impressions although KLM has an active followers and fans base as well. American Airlines was number one overall with a score of 64 out of 69 total points, with **the most impressions or reach [KPI 3] per social media post (impressions ratio)** by far. Impressions per post (impressions ratio) "measures the awareness that has been generated for a brand based on the propagation of a brand's content through owned and earned media."⁴⁴³

Dachis Group also found out that American Airlines also earned **the most engagement [KPI 2] for each piece of content** they posted (content engagement ratio), and **a strong engagement per follower (engagement ratio)**. During this period, American Airlines promoted the latest movies and television shows being shown on their long flights, shared fun facts (e.g. how long it takes paint to dry on a widebody plane), and promoted their latest travel promotions. Their Facebook posts had earned thousands of likes, long comment threads, and hundreds of shares from their fans. Dachis Group commented:

...American is not just relying on its large audience, but is also producing content that effectively triggers a consumer response. American engages audiences on many topics, from flight delay updates to beautiful images of their airplanes and the cities to which they fly. ... they have achieved an ideal combination of producing good quality content to an engaged audience. (Bass, 2014)

Conclusion

Based on the literature review and empirical findings in this study, it can be concluded that a competency in managing social media content is required by companies which use social media for business purposes as it could greatly influence how far their messages or content can **reach** social media users [KPI 3], the **engagement** between the

⁴⁴² Dachis Group, using its brand leaderboard software, analyzed the content of several airlines during 9-15 January 2014. In analyzing the content performance of several airlines, the size of the airlines' communities was factored out of the measure, so that they do not rank high simply because of their large follower and fan base. For more information about how Dachis Group analyzed American Airlines' social media content, see Bass (2014).

⁴⁴³ All information in this paragraph relies on Bass (2014).

companies and their social media communities [KPI 2], and the **growth of the companies' social media communities** [KPI 8]. Although KLM did not specifically mention that their competency in managing social media content has contributed to the growth of their social media communities [KPI 8], the size of KLM's social media communities (ca. 17 million by end of 2014) is indeed the biggest in comparison with the other three airlines in this study (see chapter 4 section III.5).

A new finding that this study found is that this competency could support KPI 4 (revenue generation). It is evident in KLM (Prospector) only that their competency in social media content management – which has resulted in continuous, engaging, relevant, and worth-sharing social media content, including social media campaigns – has successfully **generated revenue** for KLM [KPI 4]. KLM shares that because of their extensive social media monitoring and analytics using special tools (*Prospector's surveillance mechanism and technological solution*), KLM's knowledge about their customers has increased [KPI 5], including the kind of content or campaigns that are relevant and valuable for their customers (Zee, 2014; Socialbakers, 2012i).

Another new finding that this study generated is that social media content could positively impact people's **sentiment** about a company [KPI 6], as evident in American Airlines (Analyzer) and Garuda Indonesia (Defender).

Despite the importance of this competency, only KLM (Prospector) and American Airlines (Analyzer) invest in a training to develop it. This is probably because Garuda Indonesia (Defender), which is very cost-efficient, considers a social media training as a deviation from their focus to achieve this efficiency. Whereas the reason why Emirates does not have such a training is probably because the members of Emirates' corporate social media team (who are recruited externally), are accepted to be in the team because they already possess all this competency.

5.2.4 Innovative Competency on Social Media

This section discusses the importance of innovative competency for organizations which use social media for business purposes. The relationship between an organization's innovative competency on social media and their social media-related performance have not been empirically tested yet, however, several studies had been conducted to investigate the correlation between a firm's innovative capabilities and firm performance.⁴⁴⁴ Thus, it is assumed in this study that a company's innovative competency on social media could contribute to its performance on social media. This section begins with a brief discussion about what innovation means in organization, followed with how organizations organize innovation processes, and the empirical findings in this study – the airlines' views about innovative competency on social media and how they organize their social media-related innovation processes.

Innovation in Organization

In strategic management literatures, a firm's innovative capabilities have been widely perceived as one of sources of a firm's successful performance. An organization's innovation competency is one of the important basic core competencies which can put the organization in a competitive advantage, as it can create value for customers, it is difficult to imitate and to substitute (Habann, 2000, p.15). The innovation orientation of top management, which many top companies have, has a strong influence as well in leading the company to competitive advantages and sustainable success (Matzler, Bailom, Anschober & Richardson, 2010, p.6-7). According to Miles and Snow (2003, p.57), a strong orientation to innovation is usually possessed by the Prospector type of organization.

Although there are numerous studies on innovation, organizational innovation researchers found that the impacts of innovative capabilities remain inconclusive and inconsistent in empirical literature.⁴⁴⁵ Miles and Snow (2003, p.73) argue that besides organizations which prosper by being the creators of change in their industries and by finding and exploiting new product and market opportunities (the Prospector type), there are also

⁴⁴⁴ See for example Cho and Pucik (2005) who investigated the relationship between innovativeness, quality, growth, profitability and market value; a study by Kyrgidou and Spyropoulou (2013), Lisboa, Skarmas and Lages (2011), and Hult, Hurley and Knight (2004) about the drivers and performance outcomes of innovative capabilities.

⁴⁴⁵ See for example Droge, Calantone & Harmancioglu, 2008; and Gopalakrishnan & Damanpour, 1997.

organizations which are successful by being avid, cautious and selective followers of change, which imitate the best of the products and markets developed by others (the Analyzer type).

Before discussing the innovative competency further, it is necessary to understand what an innovation means. According to Hauschildt (2004, p.3), the definition of innovation is multifaceted and there is no consensus about it. Different definitions of innovation and innovativeness across disciplines are the reason why the findings of innovation studies are inconsistent (Cho & Pucik, 2005, p.556). Rogers (2003), defines innovation as “an idea, practice, or object that is perceived as new by an individual or other unit of adoption” (p. 12). Roberts (1987, p.3) argues that new products or processes can only be called an innovation if they have been successfully exploited.⁴⁴⁶ Hauschildt (2004, p.7) emphasizes that innovations are new products or processes, that qualitatively differ (significantly) from existing products or processes. Anderson, Potočnik and Zhou (2014) define innovation at workplace as the process and product of attempts to develop and introduce new and improved ways of doing things.⁴⁴⁷ Regardless of these differences, an innovation is universally perceived as something new which has not existed before. And adopting it to the organizational use of social media context, an **innovative competency on social media** means having an excellent ability to successfully create and adopt a social media-related product, a process, or a practice, that is *perceived as new* by the communities on social media.

Organizing the Innovation Process

According to Chesbrough (2013, p.21), the era in which the innovation process only took place within an organization is over. Chesbrough demonstrated that valuable knowledge is no longer concentrated in a few large organizations, thus, organizations must adopt a new, “open” model of innovation. **Open innovation** means companies should organize their innovation process to become more open to external knowledge and ideas. And social media are example of platforms which offer tremendous opportunities for organizations **to source external knowledge and ideas** [KPI 5] to innovate on products and services.

⁴⁴⁶ According to Roberts (1987), “...innovation = invention + exploitation. The invention process covers all efforts aimed at creating new ideas and getting them to work. The exploitation process includes all stages of commercial development, application, and transfer, including the focusing of ideas or inventions towards specific objectives...”

⁴⁴⁷ A page number is not available as the article is an online version.

It is noted in social media literature that innovative companies perceive social media to be important to innovating for competitive differentiation, thus, have been leveraging social media to accelerate innovation of products and services, and to refine existing products and services.⁴⁴⁸ According to DiMauro and Zawel (2012, p.4), these companies engage with their customers via social media to get their feedback, to test new concepts, and to validate new ideas. These activities are powerful **to capture insights** [KPI 5] which can be used to improve existing products or services and to identify needs which can expand business opportunities (DiMauro & Zawel, 2012, p.4).

According to Li and Solis (2013, Loc.594), innovating through social media usually takes one of the following forms: (1) Crowdsourcing⁴⁴⁹, to actively solicit new ideas from people via social media and to make them visible for comment and voting, with prizes and/or physic income given as incentive, and (2) Community-based innovation, using small communities run by companies to generate insights and to actively collaborate on new ideas.

5.2.4.1 Empirical Findings: The Airlines' Innovative Competency on Social Media

According to Nigam, the CEO of SimpliFlying consultancy, in airlines industry, the success posture that airlines should pursue to achieve long-term sustainability is to be avid followers of change instead of to be innovators. The main reasons are the high risks and the high costs that innovators must take and pay to produce the innovation which has no guarantee of success, or to remove the innovation when it fails. Airlines industry is very dynamic too, as there are a lot of changes in the market such as increasing oil prices. Thus, airlines have to be a little risk averse and careful in introducing new things, so they do not waste a lot of money. Exceptions are Emirates and Singapore Airlines who succeed as innovators but at the same time are cost- and price-leaders. Being imitators would be less risky as they only need to re-invent or modify the innovative products or services created by other airlines.⁴⁵⁰

But **on social media landscape**, Nigam argues that **being innovative is very important in order to be successful**. If on social media an airline imitates what other

⁴⁴⁸ See DiMauro and Zawel (2014), Li and Solis (2013), Kiron, Palmer, Phillips and Kruschwitz (2012, p.11).

⁴⁴⁹ The term crowdsourcing was first introduced by a journalist Jeff Howe in the Wired magazine in 2006. Crowdsourcing is “the act of taking a job traditionally performed by a designated agent (usually an employee) and outsourcing it to an undefined, generally large group of people in the form of an open call” (Howe, 2010).

⁴⁵⁰ All information in this paragraph relies on the CEO of SimpliFlying consultancy, SN (Personal communication).

airlines do, not only it will be very boring, but customers can also recognize it easily which airlines are innovators or imitators. In addition to that, by always doing novel things on social media, the innovative airlines will be well known very fast, thus, it can **boost their reputation** [KPI 6] This is certainly a real benefit for the airlines, especially if in the real life they are considered as just ‘ordinary’ airlines. Now there are more than 200 airlines on Twitter or Facebook. As a customer, why would they want to follow so many airlines? Probably, they will only follow 1 or 2 airlines. Therefore, in order **to get a lot of supporters** [KPI 8], airlines have to be innovative on social media, for example by creating innovative social media campaigns or social products.⁴⁵¹

KLM Royal Dutch Airlines

Having analyzed numerous airlines’ social media initiatives, it is clear for Nigam that on social media KLM is an innovator, whilst American Airlines tends to be a follower or imitator. **KLM’s core competency on social media is clearly in being innovative**, which is not unexpected as KLM is a **Prospector** type of organization. On social media, KLM has stood out as an airline who consistently creates innovative social media initiatives. For instance, **KLM’s Meet and Seat**⁴⁵², is the first truly revolutionary social seating system for airlines, which has really changed people’s flying experience.⁴⁵³

KLM has also created many **innovative social media applications** which are helpful and useful for travelers in many ways, such as Travel Predictions, Trip Planner, Must See Map, and so forth. KLM is the first airlines which enables its passengers to pay ‘socially’ via Facebook and Twitter, as its customers had wished for this before.⁴⁵⁴

Besides creating innovative offerings that last like Meet and Seat, KLM has created many small to big scale one-time-only **innovative campaigns** as well to keep its social media communities engaged with KLM and to enlarge its communities. All the campaigns

⁴⁵¹ *Ibid.*

⁴⁵² Meet and Seat works like this: After passengers have completed their booking process, they are able to share their Facebook or LinkedIn profiles with other passengers. Then, they can view the Facebook or LinkedIn profiles of other passengers who will be on board in order to choose their seat mates. See KLM (2012ab).

⁴⁵³ All information in this paragraph relies on SN, *Op.cit.* unless stated otherwise. Airlinetrends.com, an industry and consumer trends research agency, also notes that KLM is known for its innovative marketing campaigns (Kollau, 2014a).

⁴⁵⁴ Further discussion about KLM’s innovative social media products can be found in the ‘Social Products’ section.

have similarities in a way that they are very unusual, witty, and fun. For instance, **KLM is the first airline which allows their passengers to reschedule their flight by posting a request on Twitter**, as well as the first airline who entered the Guinness Book of Records for hosting the highest altitude dance party.⁴⁵⁵ KLM created a ‘**Stewardess Yourself App**’ which enabled its Facebook fans to have plenty of fun by putting their face (by choosing a photo from their Facebook profile) to one of seven different vintage sceneries pictures and portraying themselves as either a stewardess or a pilot (Serusi, 2012b).⁴⁵⁶ Serusi from SimpliFlying consultancy commented KLM’s ‘Stewardess Yourself’ application:

Ultimately, this initiative again affirms the fact that **KLM is undoubtedly one of the most innovative airlines in the world** [*emphasis added*] and has mastered the art of creating initiatives that not just create buzz but can ultimately be tied to their business objectives as well. (Serusi, 2012b)

According to airlinetrends.com, an industry and consumer trends research agency, KLM’s **#HappyToHelp** campaign in October 2014 is considered as one of the most innovative airlines marketing campaigns in 2014 as KLM took ‘social service’ to a new level (Kollau, 2014b). During five days in this month, KLM’s dedicated team scanned social media for *any* passenger throughout the world who were facing travel-related problems, and KLM’s team responded to them with real-time answers and support (Kollau, 2014a).

What KLM has done on social media often has **set a benchmark for other airlines**. Many of KLM’s social media efforts have been copied by other airlines brands. For example, after KLM launched Meet and Seat in February 2012, airBaltic and the Spanish national carrier Iberia have also launched similar social seating campaign (Nigam, 2013). KLM Surprises⁴⁵⁷ campaign in 2011 was followed by Thai Airways who surprised their passengers traveling to Chiang Mai during the Loy Krathong festival with Lotus flowers (Nigam, 2012).

⁴⁵⁵ This social media initiative is called Fly2Miami. For further information, see KLM’s Fly2Miami video on YouTube (KLM, 2011a).

⁴⁵⁶ Furthermore, the users of this app could upload their steward(ess) or pilot-look-alike picture to their Facebook photoalbum, invite their friends to join and share the app with friends. Users who shared the app to at least five friends could win one of the five personalized posters portraying them as a KLM steward(ess) or pilot. To drive revenue, KLM also offered the users a chance to buy a personalized mug, a bag or a mouse pad, of course with their photo on it. See Serusi (2012b) for further details.

⁴⁵⁷ The KLM Surprises campaign giving away small gifts to passengers who used Foursquare or Twitter to inform their friends that they were about to fly with KLM. It worked like this: When passengers arrived at security checkpoints and gates, flight attendants would be there to greet them by name and give them a personalized gift. The gifts were carefully chosen after researching the passengers’ social media profile. The passengers were randomly identified via their tweet or check-in on FourSquare, indicating that they were about to fly with KLM. It was estimated that this initiative earned KLM over 1 million Twitter impressions. For more information, see KLM Surprise video on YouTube (KLM, 2010).

Principally, being innovative and maintaining its reputation as an innovator in product-market development are important for KLM as a corporate (KLM, 2011c, 2012a), which is a distinct characteristic of a **Prospector** organization. And KLM applies this success posture in running all their social media activities as well. KLM's Senior Vice President E-Commerce, Martijn van der Zee (2012a), confirms that "KLM is leading and innovative on social media and is always looking for new innovations." It is evident that KLM's innovative competency on social media has resulted in numerous innovative social products and campaigns, which have really given KLM an edge over its competitors, and even over many other airlines in social media. KLM believes that because of their innovative campaigns and products, **KLM earns about 25 Million Euros a year on social media** [KPI 4] (Meijer, 2014b), has created **a more satisfied customer base, a more engaged social community** [KPI 2], **a rapid increase in fan growth** [KPI 8], and **an increase in brand awareness** [KPI 3] (Socialbakers, 2012i). As mentioned earlier in chapter 4, the size KLM's social media communities is the biggest amongst the other three airlines. By the end of 2014, it consists of ca. **17 million people** in total (KLM, 2015, p.9).

Organizing the Innovation Process

KLM shares that most of the creative ideas behind KLM's innovative social media campaigns came from **KLM's social media team** itself (Spiers, 2012). But KLM also acknowledges that **several agencies** have been engaged to help them creating some social media campaigns (Spiers, 2012).

To generate innovative ideas, KLM also **harnesses social media and their social media communities** themselves, which demonstrates an open innovation. For instance, KLM launched a 'Bright Ideas' in 2011 which is a Facebook tab, where its Facebook fans were invited to share and discuss among themselves their opinions and ideas, in order to improve KLM's products and services. Not only KLM **obtained many feedback and ideas** [KPI 5] through this **crowdsourcing** initiative, KLM also **generated a lot of buzz or mentions** [KPI 3] on social media. KLM shares that the crowdsourcing was very useful and they had implemented some of the feedback and ideas they received from it. KLM's Bright Idea App on Facebook was acknowledged as one of the best airlines crowdsourcing initiatives in 2011 as well.⁴⁵⁸ Furthermore, as mentioned earlier in chapter 4 and the 'social media-related learning competency' section, KLM conducts **extensive social media**

⁴⁵⁸ All information in this paragraph relies on Serusi (2011).

monitoring and analytics in order to **generate insights about their customers** [KPI 5], e.g. the kind of service they wish to have. Extensive surveillance of the environment is also a typical method used by **Prospectors** type of organization in order to spot and exploit new areas of opportunities, which implies that KLM has been carrying out the right activity. The insights gained from social media monitoring and analytics activities are then used to develop innovative social offers and products such as the ‘Lost and Found’ service (Zee, 2014).

Emirates

Emirates has a reputation in the industry as an innovative airline who has introduced many of the first things in the aviation industry. One of Emirates corporate pillars is to be innovative, so everything that Emirates does has to be innovative. This typical **Prospectors’** success posture is applied by Emirates on social media as well. Therefore, being innovative on social media is very important for Emirates too.⁴⁵⁹

Despite having the innovation orientation for social media, Emirates does not intend to develop numerous social products and to sell on social media, like KLM has done. Emirates does not want to follow KLM’s strategy. Nevertheless, Emirates strives on social media to do things that make people follow them. For example, last year when they put the Valentine's message out, then six other airlines did the same thing, did the similar version of their message. Emirates also focuses on creating creative programs for social media.⁴⁶⁰

Emirates thinks that this is the right approach on social media, as it has resulted in the desired benefits not so long after it started its social media activities, for instance, **high engagement rate** [KPI 2] with its customers, and **a fascinating growth of its social media communities** [KPI 8]. Emirates is one of the most engaged airlines on social media, and even ranked no 6 among all global brands in 2013. By December 2014, Emirates’ social media communities are **over 8.5 million** people in total (Emirates, 2015, p.43).⁴⁶¹

⁴⁵⁹ All information in this paragraph relies on JS (Personal communication) from Emirates.

⁴⁶⁰ *Ibid.*

⁴⁶¹ *Ibid.* unless otherwise stated. See chapter 4 for further information about Emirates’ engagement rate on social media.

Organizing the Innovation Process.

At Emirates, most of their social media initiatives are **envisioned internally** based on their communication and marketing plans (Saydam, 2012). In addition to that, Emirates also has a strong **agency partner** that helps them executing these initiatives effectively (Saydam, 2012). Although Emirates' social media team conducts extensive social media monitoring and analytics, and shares the customers' insights gained [KPI 5] from these activities with some departments within Emirates (JS, Personal communication), there is no information available if Emirates has taken advantage of these insights to develop something innovative on social media.

American Airlines

American Airlines also agrees that being innovative on social media is important in order to succeed in this dynamic landscape. However, **American Airlines only wants to adopt new ideas and innovations on social media after it has been proven that the new ideas and innovations are truly beneficial**, which demonstrates *a distinct characteristic of Analyzer* organizations. So they always do a careful analysis about it beforehand. Although American Airlines generally aims to be more innovative, but the fact is, they admit that they are not a true innovator yet. In this area, they always want to do it in a more careful and selective way.⁴⁶²

Besides that, American Airlines admits that they do not have that kind of social media strategy or competencies which cannot be imitated by its competitors yet. Besides, American Airlines believes that on social media it is a matter of speed until other companies can also do the same. But when it comes to social media marketing, American Airlines agrees that it is really a matter of creativity and innovation. American Airlines feels that all of its competitors are at the cutting edge on social media and is certain that they are all certainly staying there.⁴⁶³

In addition to that, American Airlines also shares that its corporate culture is rather conservative, thus, the social media team has not much flexibility in creating new things for social media (SS, Personal communication). In general, American Airlines is more careful

⁴⁶² All information in this paragraph relies on SS (Personal communication) from American Airlines.

⁴⁶³ *Ibid.*

with their brand and they want to do everything right, they do not want to make mistakes, thus, they do less experiments on social media (SN, Personal communication). This is why American Airlines is lacking of innovative competency on social media, as an innovation requires conducive corporate culture that fosters entrepreneurship, dynamism, flexibility and risk taking (Matzler et al., 2010, p.11).

Despite American Airlines' lack of innovative competency on social media, American Airlines is absolutely confident that their social media efforts have improved their customers' experience, as this is demonstrated by the continuous rapid **growth of their social media communities** [KPI 8] and their **engagement level** [KPI 2] with the airlines on social media.⁴⁶⁴ This corresponds to the inconsistent findings of innovation research discussed earlier, and Miles and Snow's argument that firms can also succeed by being imitators. But this strategy might not work anymore when American Airlines aims to achieve better performance on social media, e.g. bigger social media communities, thus, higher reach of their social media content and higher brand awareness. By end of 2014, American Airlines' social media communities only consist of ca. **5,4 million** people in total, which is much less than the size of KLM's and Emirates' social media communities.⁴⁶⁵

Organizing the Innovation Process

Similar to KLM, although American Airlines has also **partnered with external servicers**, it claims that it is its **social media team** which comprises of highly-innovative individuals (Pierce, 2012b). The members of the team are given the freedom to express themselves on social media in a way that conveys a distinct spark and brand personality of American Airlines (Pierce, 2012b). Besides that, American Airlines had also carried out a **crowdsourcing initiative** on social media in order **to gain ideas for their social media content or campaigns** [KPI 5] (Serusi 2011). According to Pierce (2012b), American Airlines' YouTube videos series called 'Behind the Scenes @AmericanAir' were created based on crowdsourced questions from their customers, the questions that are related to specific aspects of the business (e.g. Why do fares change, what happens to baggage, etc.). Cumulatively, the videos have drowned **over 60,000 views** [KPI 3], which has excited

⁴⁶⁴ All information in this paragraph relies on AOB from American Airlines (Personal communication) unless stated otherwise.

⁴⁶⁵ This figure is calculated by adding the number of American Airlines' fans in each of their social media channels (Facebook, Twitter, LinkedIn, Google+, YouTube, and Instagram).

American Airlines (Pierce, 2012b). Since the launch of the first video in March 2012, many other airlines have made similar behind-the-scenes videos as well.⁴⁶⁶

Another strategy that American Airlines implements is **monitoring its competitors closely** in order to look for inspirations from their competitors' campaigns and content (BM, Personal communication), which also demonstrates *a distinct characteristic of Analyzer organizations*.

Garuda Indonesia

Garuda Indonesia has a view that it has to be innovative on social media to some extent, or at least, tries to be innovative, so that the brand sticks to the customers' head. Even though being innovative is risky, but if it is part of service improvement and it can add value to the customers, then Garuda Indonesia will give it a try. Garuda Indonesia believes that it will be beneficial if they can create innovative content or campaigns on social media, as they will be the first in customers' memory. However, Garuda Indonesia admits that it is still **difficult** for them **to be innovative on social media** because they still consider themselves as a new player there which is still not capable enough to create innovative social media campaigns.⁴⁶⁷

Moreover, Garuda Indonesia's corporate culture is quiet conservative. At Garuda Indonesia, there are a lot of "Dos and Dents" policies that hinder them to be innovative. The airlines' social media team and agency are not allowed to act too different or unusual on social media. If they do, there will be a lot of parties within the company who complain. That is why, although the airline aims to be an innovative airline on social media as well, they cannot achieve it yet at this stage.⁴⁶⁸

That Garuda Indonesia is lacking in innovative competency on social media is not unexpected, as in general, ***Defenders are not known for having an innovative competency***. That explains why many of Garuda Indonesia's social media content (including its social media campaigns) tend to be similar with those of other airlines. For instance, most of

⁴⁶⁶ See American Airlines' YouTube Channel under the playlist 'Behind the Scenes @AmericanAir'. In these videos, American Airlines' employees answer customer questions in in-depth. To date, American Airlines still encourages its customers to let them know if there is a question or topic they would like the airlines to cover next.

⁴⁶⁷ All information in this paragraph relies on IR from Garuda Indonesia (Personal communication).

⁴⁶⁸ All information in this paragraph relies on LiquidThread (Personal communication).

Garuda Indonesia's social media content since 2012 are related to the airlines' marketing activities with Liverpool Football Club, one of England's major sport clubs. This is because the airlines has signed a 3-year partnership with the club to promote its new route to London and to show that the airlines has become a global company.⁴⁶⁹ This marketing campaign was clearly inspired by Emirates' numerous partnerships with many prestigious sport clubs and sport events, which the airlines has been doing since many years ago (as outlined in the 'competency in social media content management' section). Emirates' social media content has been filled with all kinds of Emirates' activities with the sport clubs and events.

Moreover, Garuda Indonesia's lack of innovative competency on social media has probably influenced the size of Garuda Indonesia's social media communities. In comparison with the other three airlines in this study, Garuda Indonesia only networks with ca. **3,3 million social media users** [KPI 8] in their social media communities by July 2015.⁴⁷⁰

Organizing the Innovation Process

As mentioned earlier, at Garuda Indonesia, **a social media agency** has been engaged since November 2012 to assist the airlines in creating and managing its social media activities. Together with the agency, Garuda Indonesia's public relations, marketing, and customer service usually brainstorms about new ideas for their services, campaigns, content and product on social media.⁴⁷¹ Garuda Indonesia's partnership with an agency has resulted in a social product, Garuda SocialMiles, a user-generated social media platform (see the 'Social Products' section for further details).

Conclusion

Based on the literature review, it can be concluded that innovative competency on social media enables companies to gain competitive insights [KPI 5] by conducting the right innovation processes. SimpliFlying added that this competency could also boost a company's reputation [KPI 6] and grow their social media communities [KPI 8]. Although the empirical findings also generally support these KPIs, some new findings are gained.

⁴⁶⁹ For further information about Garuda Indonesia's partnership with Liverpool FC, please see the airlines' website

⁴⁷⁰ This figure is calculated by adding the number of Garuda Indonesia's fans or followers in each of their social media platforms (Facebook, Twitter, Google+, YouTube, Instagram, and LinkedIn).

⁴⁷¹ All information in this paragraph relies on IR, *Op.cit.*

All airlines in this study are principally aiming to be innovative airlines on social media to some extent, as they believe it is an important competency that can give them many business benefits. However, in practice, only KLM (Prospector) which soars as an innovative airline on social media, which means that **KLM has developed the right competency** to support their *prospecting strategy* to grow on social media. KLM's innovative social media campaigns and products have greatly influenced KLM's performance on social media in many aspects, ranging from **increasing brand awareness** [KPI 3], **more engaged social media communities** [KPI 2], **growing their social media communities** [KPI 8], to **generating revenue** [KPI 4] for them. KLM's innovative competency on social media is likely to be influenced by their continuous attempt to find and exploit new product, service, and market opportunities on social media, and extensive social media monitoring and analytics (see chapter IV section I) in order to **gain competitive insights** [KPI 5] which they use as a basis to innovate. As Miles and Snow (2003, p.56) argue, this kind of growth pattern and surveillance mechanisms often make Prospectors "*the creators of change*" in the industry.

As another Prospector, the fact that Emirates has a strong orientation to innovation and they use it to develop their innovative competency on social media is the right decision. In spite of this, the scope of Emirates' innovation on social media is limited as Emirates intentionally does not develop any innovative social product and service for their customers (see chapter 4 section I) like what KLM has done. Although through their innovative social media content and campaigns Emirates has achieved their goals – **high engagement with their communities** [KPI 2], **customers' insights** [KPI 5] and **a high growth of their social media communities** [KPI 8] – Emirates needs to innovate further on social media in order to achieve more performance on social media, especially when their social media efforts have reached a maturity level.

However, this does not necessarily mean that airlines which are less or not innovative cannot gain any benefit on social media at all. In the case of American Airlines (Analyzer), it is evident that they could also gain **high engagement** [KPI 2], **high reach** [KPI 3], and **growth in their social media communities** [KPI 8] by imitating successful social media initiatives created by other airlines. This corresponds to the inconsistent findings of innovation research discussed earlier, and Miles and Snow's argument that Analyzers can also succeed by being imitators. As an Analyzer, American Airlines has made the right decision to be an *avid follower of change* on social media instead of a creator of change like KLM. Their *extensive social media monitoring and analytics mechanisms* and use of

multiple social media-related technological solutions as a method to get innovative ideas [KPI 5] have supported this as well (see chapter 4 section I). However, being a follower on social media apparently does not enable American Airlines to generate revenue from social media.

The fact that Garuda Indonesia is not able to be innovative on social media is closely related to their strategy type as a Defender which is generally known to be lacking an innovative competency. Unlike KLM, Garuda Indonesia does not aim to prosper on social media by continuously developing new markets, product, or services; thus, they invest in less extensive social media monitoring, analytics and crowdsourcing efforts, which is a typical characteristic of Defenders. In addition to that, Garuda Indonesia's conservative corporate culture also hinders them to be innovative on social media. Innovation requires conducive corporate culture that fosters entrepreneurship, dynamism, flexibility and risk taking (Matzler et al., 2010, p.11), as found in KLM. Thus, Garuda Indonesia's partnership with a social media agency has been proven to be a strategic way to *outsource* their innovation competency. However, a continuous dependency in an agency will not develop Garuda Indonesia's innovative competency any further. And when the partnership had to be ended, Garuda Indonesia would need to find a new partner which has this competency.

5.2.5 Competency in Social Media Crisis Management

Numerous studies and scholars have consistently stressed the importance of incorporating social media into organizational crisis management processes, and that organizations need to update their crisis management skills in order to be able to effectively manage all potential risks and crises associated with their uses of social media.⁴⁷² Thus, it is assumed in this study that companies which use social media for business purposes should have a competency in managing crisis through social media.

This section begins with a discussion about what a social media crisis is, followed with the importance social media crisis management (which includes issues, risks, and reputation management), approaches in social media crisis management, and closed with the airlines' point of views towards crisis management through social media.

Social Media Crisis

Coombs (2014, p.14) argue that nowadays, all types of organizations are more vulnerable to crises due to an array of developments, such as the development of communication technologies which include the rise of social media. Unlike traditional mass media, social media have a much broader and faster reach to the audiences, as a result, it can spread a crisis within minutes to all parts of the world, thus, it makes a crisis become global (Coombs, 2014, p.14). In addition to that, company's stakeholders – customers, shareholders, employees, community groups and activists – are increasingly using social media as well to voice their concerns and anger about organizations' behaviors, to pressure organizations to change their behaviors, to organize boycotts, and so forth, which can lead to an organizational crisis (Coombs, 2014, p.14).

A study reveals that organizational social media crises have risen steadily since 2001 (Owyang, Jones, Tran, & Nguyen, 2011, p. 18). In social media literature, one can find numerous cases that demonstrate how social media created or escalated a crisis, which had

⁴⁷² For example, Veil, Buehner and Palenchar (2011) demonstrated how communication practitioners can embrace social media to manage a risk or a crisis communication better. A study by Liu and Fraustino (2014) found that scholars have attempted to incorporate several crisis communication-related theories, such as the Networked Crisis Communication model (NCC) and the Social-Mediated Crisis Communication model (SMCC), into the context of social media crises. Renowned crisis communication scholars like Coombs (2014), Seeger, Sellnow and Ulmer (2014) have also attempted to refine the conceptualization of crisis and crisis communication management due to the continuous challenges that social media bring to crisis communication.

negatively impacted the organizations.⁴⁷³ Airlines industry is one of the industries which is affected by social media crises (Owyang et al., 2011, p.17). Numerous airlines, ranging from small, local, to big global airlines, had experienced at least one kind of social media crisis, such as United Airlines, Southwest Airlines, KLM, Thai Airways, Singapore Airlines, Asiana Airlines, American Airlines, and Qantas.⁴⁷⁴

Before discussing further about social media crises, it is necessary to understand what social media crises are. One can find various definitions of a social media crisis in social media literature, yet there is no consensus of what a social media crisis is. Perhaps because the definition of a crisis itself has no consensus either in academic literature. According to Coombs (2014, p.2), a crisis consists of (1) disaster and (2) organizational crisis. **Disasters** are “events that are sudden, seriously disrupt routines of systems, require new courses of actions to cope with the disruption, and pose a danger to values and social goals” (Quarantelli, 2005, as cited in Coombs, 2014, p.3), whilst **organizational crisis**⁴⁷⁵ is defined as:

...the perception of an unpredictable event that threatens important expectancies of stakeholders related to health, safety, environmental, and economic issues, and can seriously impact an organization’s performance and generate negative outcomes. (Coombs, 2014, p.3)

Slightly different from Coombs’ definition above, Ulmer, Sellnow and Seeger (2014) argue that organizational crisis can also create several opportunities which may not be available during normal business opportunities such as opportunities to learn through failures (p.188), make strategic changes, grow or develop new competitive advantages, disrupt a crisis and prevent it from reaching its full magnitude through effective risk communication (p.199). Thus, their working definition of organizational crisis is as follow:

An organizational crisis is a specific, *unexpected*, and *non-routine* events or series of events that create high levels of *uncertainty* and simultaneously present an organization with both *opportunities* for and *threats* to its *high-priority goals*. (Ulmer, Sellnow & Seeger, 2014, p. 8)

⁴⁷³ To name a few, the crises experienced by Dell in 2005, Domino’s Pizza in 2009, and Nestle in 2010 have become classical examples of social media crises. See also Pang, Hassan and Chong (2012) who examined how crises could be triggered on social media and how different social media channels escalated crises.

⁴⁷⁴ See more examples of social media crises experienced by airlines companies in SimpliFlying (2013a).

⁴⁷⁵ According to Coombs (2014, p.4), a crisis is not the same as an incident, because an incident is only a minor, localized disruption, whilst a crisis disrupts or has the potential to affect the entire organization. Coombs and Holladay (2012) argue that social media have generated another form of a crisis called “a paracrisis” which means “a publicly visible crisis threat that charges an organization with irresponsible and unethical behavior” (p.409). Examples of a paracrisis is a petition from an organization’s stakeholders or stakeholders sharing their concerns about the organization publicly on social media. Coombs and Holladay argue that paracrisis emerges at the crisis prevention process, but it is not a crisis yet although it also requires the organization to act.

Altimeter Group defines an organizational social media crisis that is based on their assessment of 50 social media crises as “an issue that arises in or is amplified by social media, and results in negative mainstream media coverage, a change in business process, or financial loss” (Owyang et al., 2011, p. 9).

Based on various definitions of a crisis, **social media crises** are defined in this study as unexpected events that occur, or escalate, or need to be managed on social media, which can threaten the important expectancies of an organization’s stakeholders and negatively impact an organization’s performance.

Just like organizational crises, social media crises have different forms as well. Some attempts have been made to group social media crises into categories.⁴⁷⁶ For example, Gundel (2005) has classified social media crises based on their high and low *predictability* and *controllability*, whilst Malshe (unknown year), has done it based on their high and low *controllability* and *shock value of trigger*, which has resulted in four types of social media crises called *soft crises*, *wait and watch*, *firefighting*, and *disaster*.⁴⁷⁷ SimpliFlying consultancy has observed that *accidents and incidents*, *terrorism and sabotage*, *natural disasters*, *IT failures*, and *PR-disasters* are typical social media crises that airlines industry suffers from (SimpliFlying, 2013a, p.5). Identification of a crisis is important as it determines the kinds of crisis responses or coping strategies which an organization has to undertake to mitigate its impact.

The Values of Social Media Crisis Management

According to Coombs (2014), crisis management represents:

...a set of factors designed to combat crises and to lessen the actual damage inflicted. ...it seeks **to prevent or lessen the negative outcomes of a crisis** [*KPI 7, emphasis added*] and thereby **protect the organization, stakeholders, and industry from harm** [*KPI 6, emphasis added*]. ...comprises a set of four interrelated factors: prevention, preparation, response, and revision. (Coombs, 2014, p.5)

⁴⁷⁶ According to SimpliFlying consultancy (2010), the characteristics of social media crises are *sudden*, which are expected but they are not happening now; *smoldering*, which are ongoing and blowing up; and *bizarre*, which are unexpected and one never thought of.

⁴⁷⁷ Mashe criticizes Gundel’s emphasis on the predictability dimension, as crises on social media are almost impossible to predict (p.3). Thus, Mashe only adapted Gundel’s concept of controllability of crises into his work. According to Mashe, “a social media crisis is controllable if responses to limit or eliminate the crisis by influencing its causes are known as well as executable” (p. 6), whilst shock value of trigger is “the degree to which an incident that is embedded in the context and time offends members of the social media community” (p.7).

Adapting the above definition of crisis management into the organizational use of social media context, **a competency in social media crisis management** is defined in this study as having an excellent capability in preventing, preparing for, and responding to social media crises in order to prevent or mitigate the negative consequences they cause. It also includes the capability in evaluating and improving the social media crisis management efforts.

The values of social media crisis management are high. It is argued in social media literature that organization's competency in managing social media crises can **reduce the likelihood of social media crises from occurring** and **prepares an organization to cope with the crises** when they really happen, including **reducing the time it takes to recover** from the crises and **minimizing the negative outcomes** (Coombs, 2014; Ulmer et al., 2014). These values basically demonstrate an effective social media crisis management [KPI 7] in order to protect an organization's reputation [KPI 6], which can be achieved through a competency in managing the crisis.

In today's environment where social media have created numerous changes in crisis communication, Coombs (2014, p.12) argues that a higher premium is placed on crisis management as the costs of crisis mismanagement seem to increase. **If not effectively managed, social media crises can lead to some serious negative consequences** such as decrease in revenue or financial loss, cutbacks and/or layoffs, a damaged brand or company reputation, increased media scrutiny, increased government scrutiny, decreased share price, loss of trust or credibility, and so forth.⁴⁷⁸

According to Coombs (2014), **a brand's or a company's reputation** [KPI 6] is an extremely valuable intangible organizational resource whose value has increased too nowadays (p.12) because crisis threats, especially those which can damage the reputations, can emerge and grow rapidly on social media (p.15). Thus, crisis management is a means to protect reputational assets (Coombs & Holladay, 2012).

Coombs adds that crisis management is valuable as it also prepares organizations to deal with the increasing stakeholders activities against the organizations as a result of the development of communication technologies. Nowadays crises can be generated from angry stakeholders who voice their concerns and put pressures on organizations via social media, therefore, organizations must be prepared for that. Lastly, crisis management is valuable as it can protect the organization, its stakeholders and also the environment, thus, organizations

⁴⁷⁸ See Webber et al. (2012, p.7), Coombs (2014, p.12), and Accenture (2014, p. 5-7).

who did not take precautions to prevent potential crises and were not prepared to respond can be found legally liable.⁴⁷⁹

Most companies usually have a crisis management plan, but only few have a social media crisis management plan in place (Champoux, Durgee & McGlynn, p.28). In airlines industry, SimpliFlying consultancy (2013a) has seen that some airlines still do not have any strategy for social media crises, as they ban people from posting on the airlines' Facebook wall, and they only reply to positive tweets but do not answer customers' questions. This habit will certainly backfire when there is a crisis situation (SimpliFlying, 2013a). Thus, it is vital for companies to have a proper crisis management customized for their social media activities, in order to manage their social media accounts, to prevent crisis, and to control the damage of inevitable crises (Socialbakers, 2013d).

Three-Stage Approach in Social Media Crisis Management

Crisis management is complex as it comprises numerous, long-term, and ongoing phases. There are different staged approaches used in crisis management, but the influential ones are Fink's (1986) four-stage model, Mitroff's (1994) five-stage model, and the basic three-stage model (as cited in Coombs, 2014, p.7). Coombs argues that the four- and five-stage models fit naturally within the general three-stage approach, thus, he proposes that crisis management processes should cover three macro stages: **(1) Pre-crisis**, which encompasses all possible actions to prevent and prepare crises, **(2) Crisis event**, all appropriate actions taken to cope with the trigger event, and **(3) Post-crisis**, all actions taken during the period after a crisis is considered to be resolved (Coombs, 2014, p.26-29).⁴⁸⁰

Coombs (2014, p.26) argues that social media have caused changes in the way organizations undertake all the actions in each stage, nevertheless, this three-stage approach of crisis management is fundamentally still applicable in the era of social media. But as social media landscape is very dynamic, organizations have to continuously improve their crisis management processes (Coombs, 2014, p.26).

The following table shows what specific processes or sub stages that each of the aforementioned macro stage in crisis management has.

⁴⁷⁹ All information in this paragraph relies on Coombs (2014, p.15).

⁴⁸⁰ According to Coombs (2014, p.31), all actions taken related to issues, reputation, and risks management are called proactive crisis management or proactive management functions, whilst organizations who only focus on responding to crises are said to be implementing reactive crisis management approach.

Table 19: Three-Stage Approach to Social Media Crisis Management

1. PRE-CRISIS	2. CRISIS EVENT	3. POST-CRISIS
<p>1.1. Signal detection</p> <p>1.1.1. Identify sources for warning signs</p> <p>1.1.2. Collect information related to warning signs</p> <p>1.1.3. Analyze the information</p> <p>1.1.4. Reporting to the appropriate department</p> <p>1.2. Prevention</p> <p>1.2.1. Issues management</p> <p>1.2.2. Risk management</p> <p>1.2.3. Reputation management</p> <p>1.3. Crisis preparation</p> <p>1.3.1. Identify crisis vulnerabilities</p> <p>1.3.2. Assess crisis types</p> <p>1.3.3. Select & train crisis teams</p> <p>1.3.4. Select & train spokesperson</p> <p>1.3.5. Draft crisis management plan</p> <p>1.3.6. Develop crisis portfolios</p> <p>1.3.7. Review crisis comm. system</p>	<p>2.1. Crisis recognition</p> <p>Understanding of how events get labeled and accepted as crisis (how to sell the crisis to the management), collecting and processing crisis-related information.</p> <p>2.2. Crisis containment</p> <p>Focuses on organization's crisis responses:</p> <p>2.2.1. Form of crisis response</p> <p>2.2.2. A strategic focus (objectives and target audience) of crisis response</p> <p>2.2.3. Content of crisis response</p> <p>2.2.4. Crisis response strategies</p> <p>2.2.5. Follow-up concerns</p>	<p>3.1. Crisis evaluation</p> <p>3.1.1. Crisis management performance evaluation</p> <ul style="list-style-type: none"> • Data collection • Organize & analyze crisis management performance data <p>3.1.2. Impact evaluation</p> <ul style="list-style-type: none"> • Specific measures: Assess objectives • General measures <p>3.2. Learning from crisis</p> <p>3.3. Follow-up communication with stakeholders</p> <p>3.4. Continued monitoring of issues related to crisis</p>

Own development based on Coombs (2014).

In social media literature, a lot of attentions have been given to **risk management** processes (Pre-crisis stage, sub stage 1.2.2), followed by **issues management** (Pre-crisis stage, sub stage 1.2.1). The reason is, although some crises are inevitable, many of them can actually be averted. A study of 50 social media crises that occurred between 2001 and 2011 by Altimeter Group found that companies who suffered social media crises lacked proper internal preparation or requirements, and that more than three-fourths of these social media crises may actually have been diminished or averted (Owyang et al., 2011, p. 18). Moreover, scholars argue that one of the best methods to manage a crisis is to prevent it. Crisis prevention is “the “alpha” or starting point of crisis management and crisis communication” (Coombs & Holladay, 2012, p.408).

The existing crisis management efforts in airlines industry are usually focused on **accidents**, although they happen less than 5% of the time, whilst **incidents** and **occurrences** which happen 90% of the time and fill social media conversations are often unreported (Nigam, 2015). Empirical evidence also shows that many social media crises occurred because there were failures to successfully resolve **social media issues** (Socialbakers,

2013d).⁴⁸¹ Thus, the role of a proper social media issue management plan is important for managing regular social media issues on a day-to-day basis, in order to prevent a crisis and to control the damages of an inevitable crisis (Socialbakers, 2013d).

Having risk management for social media is crucial because besides numerous opportunities and potential business benefits that social media offer to companies, social media also expose companies with many new kinds of risks which can threaten them (Culp, Gomes & Narveson, 2014, p.7). Companies have reported that they view social media as a significant or critical risk to their brand or company reputation, as a threat to productivity, intellectual capital, security, privacy, management authority, regulatory compliance, and so forth.⁴⁸²

According to Altimeter Group (Webber, Li & Szymanski, 2012), **social media risk** is “the likelihood that a social media event will happen (multiplied by) the impact that negative event will have if it does happen” (p.3), or all potential risks that can be manifested through social media, which can include the risks that are created in the social media channels, or the risks that social media will amplify a situation or an incident (p.6).

Altimeter Group (Webber et al., 2012, p.3-4) found through their study that the four largest risks that social media present for companies are (1) a damage to brand reputation as the largest risk, (2) a release of confidential information, (3) legal, regulatory and compliance violations, and (4) identity theft or hijacking. Companies see Facebook, Twitter and YouTube as the social media platforms which have the largest potential risks due to their broadest reach, whilst third-party blogs as a source of either moderate or significant risk (Webber et al., 2012, p. 5).

On social media landscape, the correlation between poor risk management and a crisis applies as well (Ulmer, Sellnow & Seeger, 2014, p.10). It implies that poor management of social media risks can lead to a social media crisis. Therefore, companies who are actively engaging with dynamic customers and employees via social media need to manage all potential risks that are associated with their social media deployment and prepare themselves for any potential crisis that can emerge on and be amplified by social media (Li & Solis, 2013, Loc. 822). When a company is proactive instead of reactive by putting a social

⁴⁸¹ Socialbakers (2013) defines a social media issue as anything that a social media user posts with negative sentiment that requires a response or action from a company, which ranges from customer service complaints to replying to user’s negative feedback. Unlike resolving social media crises, a company should never require resources or human capital other than the pre-allocated ones in resolving social media issues.

⁴⁸² See BITKOM (2012, p.21; 2008, p.20), Deloitte (2012), Chui et al. (2012, p.12), Bradley and McDonald (2012), Culp, Gomes and Narveson (2014, p.7).

media risk and crisis management plan in place, it can prevent a social media crisis to occur or to reduce the impact of the crisis (Webber et al., 2012, p.6). A study by Altimeter Group found that besides having a social media crisis response plan, companies who are succeed in social business also have a risk management plan in place as part of their social business strategy governance (Li & Solis, 2013, Loc.819).

Neither managing social media risks nor social media crises is easy but many companies seem to underestimate it. A study of corporate social media risks by Accenture business consultancy found that 71% of respondents are overconfident as they believe that social media risks can be avoided or mitigated, whilst the rest believed that their companies do not have appreciable social media risks, and 59% of them reported that they had no social media risk assessment plan in place (Culp, Gomes & Narveson, 2014, p.3). Accenture has witnessed that social media's growth in popularity and importance is much faster than most companies' risk management competencies can currently manage, because traditional risk management policies were not designed for minute-by-minute monitoring of social media conversations to identify risks related to brand, strategy, compliance, legal and market (Culp et al., 2014, p.2). Moreover, social media risks mitigation is complicated due to several marketplaces, technology and organizational factors, and social media risks are also difficult to quantify (Culp et al., 2014, p.5).

Based on their research, Webber et al. (2012) of Altimeter Group and Accenture business consultancy (2014) suggest that a social media risk management should include several strategic processes, which is started by **identifying or assessing all potential risks that can be manifested through social media**, which can include the risks that are created on social media, and the risk that social media will amplify an incident. In this step, companies are advised to use a *social media listening or monitoring* platform and/or run brainstorming sessions to identify what is being said about the company on social media, issues that arises from social media conversations from the point of view of regulatory, business and brand risks, and so forth. The next step is **assessing, evaluating and prioritizing the risks** based on the possibility that they will occur and the potential negative impact they can bring. Afterwards, **effective mitigation, management and control efforts** should be implemented by conducting distinctive activities across *governance, processes, and systems*. Social media governance is focused on creating *new structures, acceptable-use social media policies* and *accountabilities* for managing social media risks. It also includes the need to *train the employees and executives* on organizational social media policies and processes, to *coordinate effectively among business units* or functions and to *have well-*

defined crisis management procedures. To make these new structures and policies alive, *consistent processes* should be put in place as well which includes adjusting operations for proactive and continuous social media risks and opportunities assessment and monitoring, and *regular reporting activities* on social media risks from different functional perspectives. In regards to the systems, companies are advised to *manage (mine, analyze, organize, store, report) social media data* effectively across social media platforms and to leverage new technologies for that. Lastly, due to the constant changes of the social media landscape, organizations should **regularly monitor, review, evaluate and enhance their current social media risk management plan.**⁴⁸³

When a crisis has occurred, organizations need to **develop the right response strategies** in order to minimize the negative impacts of the crisis (See stage 2 and sub stage 2.2 in the table above). In social media literature, some scholars have attempted to apply some best practices in crisis recovery strategies, for example various dialogue strategies and Benoit's (1997) image restoration strategies, to analyze how organizations responded to social media crises, but without making any theory modification.⁴⁸⁴ Only few have developed new frameworks, approaches or strategies to respond to social media crises based on the existing crisis management theories.⁴⁸⁵ Researchers have concluded that although the theories are still applicable, they are maybe too linear and static for social media, thus, adaptations and expansions when applying the theories to social media context are needed (Liu & Fraustino, 2014, p.544).

From the industry's point of view, there are many new strategies that companies must apply as well in responding to social media crises, because today's environment is so different from the environment in the pre-social media era. For instance, crises, news and rumors can be spread rapidly and globally through social media; as customers are now connected to the world via social media, they can create and share information easily on social media; multiple personas emerge on social media during crises; and 90% of news

⁴⁸³ See also Owyang et al. (2011) who outlined how companies who are advanced in social media prepared their social business to reduce risks.

⁴⁸⁴ For example, Pang et al. (2014) used Benoit's theory of image restoration, whilst Romenti, Murtarelli, and Valentini (2013) used the dialogue strategies to analyze the communication approaches of several organizations in managing social media crises.

⁴⁸⁵ For example, Mei, Bansal and Pang (2010) have developed a new crisis communication model on how organizations could leverage new media to gain advantages while implementing safeguards against possible threats that social media pose. The model integrates the González-Herrero and Smith's crisis management model and the contingency theory of strategic conflict management.

editors go to social media within 20 seconds of an incident (Nigam, 2015). To cope with a crisis in such environment, the following examples of crisis containment strategies are strongly recommended to implement on social media⁴⁸⁶:

- *Be responsive and respond rapidly.* Companies should respond to stakeholders' questions, criticisms, or inquiries, and the actions must be swift. Social media crises happen at a lightning speed, it is considered late to respond in two hours, or even in twenty minutes.
- *Consistent and open.* Companies should communicate with the audiences with one voice across social media platforms, and with openness.
- *Include human touch.* Replies should be kept personal, 'corporate' feel of the replies should be removed. Companies should communicate with empathy, compassion, and concern.
- *Transparency.* People demand transparency on social media. To gain trust from its stakeholders on social media, organizations should engage in transparent social media practices.
- *No censorship.* Organizations shall not censor or delete stakeholders' criticisms or negative comments in social media channels. Deleted negative comments would only trigger the emotion of the users who posted it.
- *Choose the right social media channels.* Organizations are advised to respond in the same channel where the crisis originates, and use the most relevant social media channels, Facebook and Twitter, to manage their crisis
- *Track and influence what is being said about a company.* Organizations should leverage social media monitoring platforms to listen to conversations around the clock about the company or brand's crisis on social media. Then organizations should correct false information, inform customers how they have fixed the problem or what is being or has been done to correct the situation, and improve its situational awareness.
- *Admit mistakes and apologize.* Even if the company is not directly to blame, they are expected to take responsibility and to admit their mistake.
- *Engagement.* Organizations should apply engagement strategy instead of intimidation by carrying out personal and ongoing dialogues with its stakeholders on social media.
- *Cultivate social media influencers and brand advocates.* They can be helpful in crisis situation, for example, when they reply to other users who attempt to hijack a conversation or are unfair in their comments. However, building a relationship with them should be done before the crisis occurs.
- *Keep the website and all social media accounts updated.* In crisis times, mass media, customers and other stakeholders expect to get the latest information around the clock. Keeping the corporate website and social media accounts updated will satisfy their needs and prevent rumors or false information about the crisis to go viral on social media.

⁴⁸⁶ These crisis containment strategies are compiled from SimpliFlying (2013a, p.8-41), Coombs (2014, p.129-158), Veil et al. (2011, p.112-117), Champoux et al. (2012, p.28), Nigam (2015). Please note that this study does not intend to provide an exhaustive list of crisis containment strategies.

KLM Royal Dutch Airlines

At the early phase of KLM's social media adoption, KLM was forced to handle a crisis through social media without having an experience in it at all. Air France-KLM's Senior Vice President, Martijn van der Zee (2014), shared that the eruptions of the Icelandic volcano Eyjafjallajökull in 2010 forced KLM to conduct new experiments with the way they communicated with their customers through social media during crisis time. During the first few days of and in the weeks after the disaster, KLM experienced a kind of "tsunami in communication" in a way that it was bombarded with inquiries from so many people in airports, its call centers and website. Although their website can handle a lot of inquiries, it could not handle the massive volume of people who tried to reach out to KLM. This had caused many of their customers to start communicating with KLM in volume through Facebook and Twitter. It was the only way they could get through to the company. That is why KLM, in turn, communicated back with their customers through Facebook and Twitter.⁴⁸⁷

Although at that time KLM had no experience yet in responding to a crisis through social media, the company could see that its willingness to communicate with their customers through social media was very much appreciated. **KLM received many positive comments** [a metric for KPI 6] from them like, "You're the only ones helping and at least you're informing us." Moreover, conversations also occurred as people responded whenever KLM gave updates through social media.⁴⁸⁸

KLM had learned a lot during the time of this crisis. Social media have really brought changes to the way KLM manages crises. Now it is the customers who decide whether an incident is culpable or force majeure, so it is impossible to merely pick a strategy. *It is essential to listen how the customers and other stakeholders are talking about the incident first.* In the cases of culpable incidents, maintenance of reputation is the highest attainable situation (damage control). But contingency (unforeseen circumstances with a lot of impacts) like the ash cloud, is non-culpable, and offers a number of opportunities to strengthen or improve the reputation, for example by offering very rapid personal service.

⁴⁸⁷ All information in this paragraph was obtained from van der Zee (2014) and Lassalle (2013b) from KLM. For further information about KLM's responsiveness on social media, please see the 'Responsiveness Competency on Social Media' section.

⁴⁸⁸ All information in this paragraph was obtained from van der Zee (2014) of KLM.

After the ash cloud, KLM realized that there was no way to go back to the old way of communicating. They should continue communicating *in empathic, transparent, and personal approach* like they did during the ash cloud time.⁴⁸⁹

So, KLM aims to do better in managing crises by leveraging social media (Groeneveld, 2014). Since this ash cloud crisis, KLM has been doing its utmost to help their customers via social media. KLM was *the first airlines which starts a 24/7 (24 hours 7 days) and rapid social customer service* on Facebook and Twitter. On Facebook and Twitter, KLM promises to response to customers' inquiries, issues or complaints within an hour. KLM is also the only airlines in the world which provides *social customer service in the most languages* and has *the biggest social media team*. KLM has dealt with abundant customer-service related problems, issues, or incidents via Facebook and Twitter.⁴⁹⁰ Every week KLM manages approximately 5000 customer service-related cases (questions that need extra effort, such as lost luggage, rebooking) on social media (Meijer, 2014b).

Moreover, KLM has managed to include social media in the company's crisis management plans as well. Meijer (2014b) from KLM explains:

Social media is completely covered in our crisis management plans. It is of utmost importance, as people turn to social instantly in case of crisis. In case of crisis, corporate communications make sure that all messages on all social platforms are aligned with the messages we send out via other media. (Meijer, 2014b)

To prevent a social media crisis to happen, KLM has social media issues, risks and reputation management processes in place. Managing its **online reputation** [KPI 6] is important for KLM. KLM argues that as their consumers are talking about them on social media, it can affect the reputation of their brand in a very public manner. Therefore, *KLM listens to their customers seriously* by performing monitoring activities in various social media platforms using a sophisticated social media monitoring tool. KLM utilizes *Radian6* that gives insights in what is said about KLM on social media or any other search that is relevant to them via approximately 1 billion external sources on social media (Meijer, 2014b). KLM believes that the only way to successfully managing its reputation on social media is by *proactively monitoring and actively influencing the conversation around the brand in social media* themselves.⁴⁹¹

⁴⁸⁹ All information in this paragraph relies on Groot (2012) from KLM.

⁴⁹⁰ *Ibid.* Unless stated otherwise.

⁴⁹¹ All information in this paragraph relies on Drimmelen (2012d) from KLM unless stated otherwise.

Through the 24/7 listening activities, KLM also experiences that people's conversations about KLM on social media are not always positive. In fact, the negative sentiments on Twitter and Facebook about the KLM brand are not few. But KLM is not afraid of this negativism. KLM embraces customers' feedback, both positive and negative, and looks at it as an **opportunity to delight the customers**. So, to prevent these negative feedback or sentiments to escalate, KLM always attempts to **turn them into neutral and even positive sentiments** by quickly addressing their concerns, answering their questions, solving their problems, and engaging with them via social media. As a result, KLM gain a return on investment in a form of **improved online sentiment** [a metric for KPI 6 & 7] (Drimmelen, 2012d).⁴⁹²

In regards to the social media risks management efforts, KLM enforces *a company-wide social media policy* which was developed by multiple departments within KLM (Socialbakers, 2012i). "KLM is a big company with 30.000 employees. If anything happens that is not allowed, we speak to the employee in person and explain why this is not allowed. It is mainly about learning from mistakes", explained Meijer (2014b) from KLM. KLM also has a *community policy* for its official global Facebook page, which outlines in which manners KLM interacts with the community on Facebook, and lists unacceptable behaviors within the community as well. To protect KLM's employees from risks, KLM does not allow them to post their personal details like names, emails, and phone numbers on Facebook. Whilst to safeguard its own privacy, KLM refuses to answer questions on confidential, strategic, or commercial topics.⁴⁹³ Besides having social media policies, KLM also provides *social media education and training programs* not only for the members of the social media team, but also for other employees and the management.⁴⁹⁴

Despite all the above mentioned efforts, it does not make KLM flawless in managing their crises on social media. For instance, in 2013, **KLM's reputation was threatened to seriously damage** after the misbehavior of a KLM Malaysia's ground staff who treated a passenger badly had gone viral on social media, resulted in backlash and reached mass media. How KLM Malaysia and KLM global responded to this incident had caused a lot of harsh criticisms and outrages and only made the situation to escalate. In addition to that,

⁴⁹² All information in this paragraph relies on Haar and Groeneveld (2014) from KLM unless stated otherwise.

⁴⁹³ For further information about KLM's social media policies, please see the 'Social Media Policies' section.

⁴⁹⁴ For further information about KLM's social media education and training, please see the 'Social Media-Related Learning Competency' section.

KLM was accused for racism and discrimination, which had caused some customers threatening to boycott KLM.⁴⁹⁵

According to SimpliFlying consultancy, although KLM Malaysia responded to some people's messages about the crisis on its Facebook page and apologized, KLM Malaysia was *not careful with the words* it used in the responses. Besides that, KLM Malaysia was **neither proactive nor responsive** as they asked the representatives of the NGO who sponsored the passenger to contact them instead of contacting the passenger and the NGO's staff directly for a resolution. On the KLM's global Facebook page, *KLM deleted fans' negative comments and posts* about the event but denied the deletion, which caused outrage and escalating situation. KLM Malaysia posted an official statement on its Facebook page, informing that it had resolved the issue, but again failed to use the right words needed in such a tense situation and it still *did not admit its mistakes*. The situation did not get better and criticisms kept on coming. KLM Malaysia and KLM Global stopped its Facebook activity for three days and deleted almost all negative comments and posts they received. Although at the end KLM managed to resolve this crisis, SimpliFlying saw **a large drop in the number of fans** [KPI 8] on both KLM Global's and KLM Malaysia's Facebook page, and **a considerable damage to the KLM brand** [KPI 6].⁴⁹⁶

In 2014 KLM had experienced another damage to their reputation because of their incompetence in handling their own misbehavior on social media. As mentioned earlier in section I.3. in this chapter, because of KLM's tweet which was meant to be a joke about Mexico's loss against the Netherlands at the World Cup 2014,⁴⁹⁷ KLM had to face a lot of criticisms, gained numerous negative publicities, and many of its customers even said that they do not even want to fly with KLM anymore.⁴⁹⁸ Then the second mistake that KLM

⁴⁹⁵ The passenger, Arjean Marie Belco, a 18-year old travel-scholar from the Philippines, was denied boarding on her connecting flight from Kuala Lumpur to Rio de Janeiro despite her complete documents, because the ground staff suspected her, as her passport was new, her ticket was too cheap and purchased one day before, she did not bring much cash, and that she chose to fly via Malaysia although there was a direct flight from the Philippines to Brazil. As a result, she was stranded in Kuala Lumpur for 2 nights and a representative of the non-governmental organization who sponsored her trip had to fly to Kuala Lumpur to resolve the issue. The NGO complained to KLM via Facebook after got frustrated by unsuccessful dealings with the KLM Malaysia's ground staff and unhelpful KLM's USA customer service. For a detailed information about the incident, see Goodxorg (2013) and SimpliFlying (2013b).

⁴⁹⁶ All information in this paragraph relies on SimpliFlying (2013a).

⁴⁹⁷ KLM tweeted a picture of a sombrero, moustache and serape blanket, next to next to an airport departures sign, with a heading "Adios Amigos! #NEDMEX." The image can still be easily found on the Internet although KLM had deleted the tweet.

⁴⁹⁸ See for example the news written by New York Daily News (Clayton, 2014), The Guardian (Bleaney, 2014), and Mashable (Daileda, 2014) which contained negative reactions from people towards KLM's offensive tweet.

made as a reaction to the criticism was *deleting the tweet*, which was useless because the tweet had gone viral. “Never try to make fun of somebody else. That’s what we did and it was really wrong. We made fun of Mexico, which was really stupid. We shouldn’t have done that,” explained Meijer (2014a). Meijer also regretted the removal of the tweet and advised that on social media a company should never do that. KLM regarded its mistakes as part of experimenting, learning and discovering of what is possible and what is not on social media. KLM admits that during the learning process it can sometimes do wrong things, so KLM should accept that, learn its lessons and continue.⁴⁹⁹

American Airlines

According to American Airlines’ Director of Social Communications, Jonathan Pierce, in the era of social media, an issue can evolve very quickly and become a crisis which can really impact the brand. During the time when the issue is quickly evolving, American Airlines applies *a much broader customer communication strategy* because social media is just one part of the many communication channels which American Airlines uses, and it is very important to have a consistent story in all channels. Sharing information at a different level, a different time, a different level of detail than other channels should be avoided. American Airlines has the obligation to share the information with everyone at the same time. American Airlines’ capability in managing incidents is evolving with experiences and actually going through these incidents.⁵⁰⁰

American Airlines’ strategy to manage issues and crises is to have *a central customer communications plan*. The airlines’ official website, www.aa.com is used as the central content hub for all incidents. So all the latest media statement, facts that the airlines are showing to the customers are posted there. Then it is the responsibility of each different channel to refer to the website.⁵⁰¹

This puts the airlines’ social media team in a tougher place, because incidents happen quickly but the back and forth handling it is much quicker. American Airlines had experienced getting caught in the middle between the response for the media and for the customers, as a consequence, there was a static and vacuum statement on the airlines’

⁴⁹⁹ All information in this paragraph relies on Meijer (2014a) and KLM (2014f) unless stated otherwise.

⁵⁰⁰ All information in this paragraph was obtained from Pierce (2012e)

⁵⁰¹ Ibid.

website regarding an incident. American Airlines must have a company statement for every incident, but they also have to connect the dots with their customers. Social media have driven a lot of the company's responsiveness and American Airlines is really driving the ability to be more responsive to connect customers and media organizations. Therefore, American Airlines has decided to provide a *rapid and 24/7 social customer service* on Twitter since 2013 (Phillips, 2013).⁵⁰²

In 2012, American Airlines and its social media agency Weber Shandwick had won the Ragan's PR Daily's 2012 Digital PR and Social Media Awards for its excellent management of the Alec Baldwin incident. The incident began when American Airlines' cabin staff removed Alec Baldwin, a celebrity, from the plane because he refused to turn off his mobile phone when the plane prepared to take off. Not only he was behaving rudely on the plane, he also posted the following tweet after he got kicked out from the plane: "Flight attendant on American reamed me out 4 playing WORDS W FRIENDS while we sat at the gate, not moving. #nowonderamericanairisbankrupt." His tweet was retweeted by 2,722 people, reached five million people and had become a trending topic in just a few minutes, especially because he is a celebrity with many followers. All of a sudden American Airlines was in a middle of a crisis as it was flooded with tweets criticizing the airlines.⁵⁰³

According to Ragan's PR Daily (2012, 2013), American Airlines' way of handling the incident was excellent because it was really **responsive**, **proactive** and **successfully changed the public opinion** [KPI 7] to American Airlines' favor. Within five minutes of Alec Baldwin's tweet, American Airlines responded and launched its own social media campaign to gather the supports from its fans and followers. It wanted to show that all passengers, no matter who he or she is, they should comply with the Federal Aviation Administration (FAA) rules and should not act inappropriately toward the cabin crew. American Airlines' social media team quickly created a plan with three goals:

1. "Acknowledge Baldwin's experience and publicly offer to assist directly so as to avoid a confrontation, if possible;
2. accurately tell American Airlines' side, underscoring its commitment to passenger safety and to following FAA regulations about mobile phone use once the boarding door has closed;
3. ensure that the American Airlines social media team took best practices from the incident to enhance its social media issues management plan." (PR Daily, 2012)

⁵⁰² *Ibid.* Unless stated otherwise. For more information about American Airlines' responsiveness on social media, please see the 'Responsiveness Competency' chapter.

⁵⁰³ All information in this paragraph was obtained from Ragan's PR Daily (2012) and also PR News (2012).

American Airlines reached the goals to deliver the airlines' side of the story to its customers, news media and celebrity media. And for the first time in American Airlines' history, it put an official statement about the incident on its Facebook wall, which served as a primary media statement. American Airlines' campaign **reached 75,729 people** [KPI 3] and received praises for its **responsiveness** [KPI 1].⁵⁰⁴

According to Pierce (2012f), what American Airlines learned from this Alec Baldwin incident is, not only it was *important to manage conditions as they changed in social media*, they also needed *to maintain communication with those involved in the incident* and ensured that they *kept monitoring on social media of what was being reported* on the ground [*extensive social media monitoring*].

American Airlines' crisis management during the Hurricane Sandy was also praised and voted number 1 by Socialbakers as the airlines was **very responsive** [KPI 1] in handling voluminous customers' queries via Twitter. During that time, American Airlines received a large number of tweets, in total of 1,986 tweets within four days, which was an increase of 39% from its normal volume of tweets, yet managed to respond to 76% of it.⁵⁰⁵

American Airlines has taken some necessary steps to **manage the potential risks** associated with its social business activities. An *internal social media policy* that all employees can access in the company's internal network has been enforced.⁵⁰⁶ American Airlines also has a *community policy* for its official Facebook page and its official Google+ page which aim to guide its social media communities towards a common objective.⁵⁰⁷ Moreover, the social media team has formalized a *social media training* program, in which each member of the team undergoes a 6-week training to attain essential social media skills, such as in communicating with the customers via social media and in managing customers feedback, and to make the members aware of all the expectations from and guidelines in social media practices (Phillips, 2013).⁵⁰⁸

Managing issues related to the American Airlines' brand and customer service on social media is important for American Airlines. That is why American Airlines strives to

⁵⁰⁴ *Ibid.* Hear also the explanation of Scott (2013) from American Airlines about the airlines' strategy in handling the incident

⁵⁰⁵ All information in this paragraph was obtained from American Airlines (2013).

⁵⁰⁶ This information relies on Stephanie Scott and BM (Personal communication) from American Airlines. For further information about American Airlines' social media policies, please see the 'Social Media Policies' section in this chapter.

⁵⁰⁷ See American Airlines' official global Facebook and Google+ pages.

⁵⁰⁸ For further information about American Airlines' social media training program, see the 'Social Media-Related Learning Competency' section.

address customers' problems and complaints on social media as many and quickly as possible.⁵⁰⁹ Pierce (2012f) explained:

At American Airlines, experience has taught us since 2009 that while we may spend months planning a social marketing campaign, it only takes minutes for a customer issue to arise. We believe that when we can quickly and happily resolve issues before, during, and after travel, we are more likely to create customers who will champion our marketing campaigns and help us **spread our positive messages** [*KPI 3, emphasis added*]. (Pierce, 2012f)

Moreover, American Airlines also utilizes *a special tool to monitor numerous conversations* related to the brand on different social media platforms as it can give the airlines a lot of valuable information, then carries out necessary actions, such as trying to reach the people who drive the conversations, and turning the negative tone of the conversations to neutral or positive.⁵¹⁰ American Airlines' social media monitoring activities are *very extensive* because they continuously spend a lengthy amount of time and personnel on monitoring customers' sentiments, behaviors, and issues.⁵¹¹

Emirates Airlines

According to Emirates Airlines, it has a *solid social media crisis management plan*, although until now it has never had any crisis on social media. In general, Emirates has never experienced any crisis either.⁵¹²

Despite the fact that Emirates has never experienced any crisis yet, Emirates fully realizes that as an airline, they cannot assume that they will not get affected by any crisis. Therefore, it is paramount for Emirates to always have a crisis management plan and to be on alert, which is assumed so that they can effectively manage a social media crisis in case it really happens [KPI 7], thus, their reputation is protected [KPI 6]. Therefore, Emirates is always *keeping their skills up-to-date with regular trainings on crisis communication that integrates social media*. So, if a social media crisis does happen, Emirates is already prepared.⁵¹³

⁵⁰⁹ For further information about American Airlines' responsiveness in addressing customers' problems on social media, please see the 'Responsiveness Competency on Social Media' section.

⁵¹⁰ Katy Phillips (2013) of American Airlines.

⁵¹¹ The information is based on SS (Personal communication) from American Airlines.

⁵¹² All information in this paragraph relies on JS (Personal communication) from Emirates.

⁵¹³ *Ibid.*

To reduce the occurrence likelihood of a social media crisis, every single day Emirates carries out *constant monitoring and analyzing of the sentiments* of customers' conversations on various social media platforms by using a monitoring and analytics software. Through its 'Emirates Support' channel on Twitter, Emirates provides *social customer service* daily from 8am to 8pm local Dubai time. Using this Twitter channel, Emirates strives to swiftly help their customers, thus, it is also a means to prevent issues to escalate. Emirates aims to provide 24/7 customer service on social media in the near future when it already has more capacities.⁵¹⁴

Besides that, Emirates Airlines has a *strong internal social media policy* that applies to all employees in the company, so that they can participate in the airlines' social media activities but within the established guidelines.⁵¹⁵ Emirates also applies *a community policy* for the members of its communities on their global Facebook page, in order to prevent any conflict, for instance, due to content that contains abuse of languages, profanity and racism.⁵¹⁶

At Emirates, there is *neither a special training nor education* yet for the members of the social media team and other departments who use social media. Nevertheless, the social media team plans in the future to provide an internal social media training to other departments which are involved in social media.⁵¹⁷

Garuda Indonesia

Garuda Indonesia informed that it has not experienced any social media crisis to date. However, *Garuda Indonesia has to be preventive*, as a result, **issues management** is one of Garuda Indonesia's main objectives on social media, because Garuda Indonesia does not want any issues to escalate and to become a crisis, most likely because it could harm their excellent reputation [KPI 6] as a 5-star airline. Moreover, Garuda Indonesia has also realized that nowadays they can no longer rely on traditional media to manage issues or crisis, but they have to leverage social media as well because they give a much wider reach. That is why Garuda Indonesia *actively monitors any kind of issues related to the corporate* in blogs,

⁵¹⁴ *Ibid.*

⁵¹⁵ *Ibid.*

⁵¹⁶ See https://www.facebook.com/Emirates/app_550595795036558

⁵¹⁷ *Ibid.*

Twitter and Facebook by deploying *a special monitoring tool*. Garuda discovers that Twitter usually gives a lot of information and helps fasten the airlines' decision making process.⁵¹⁸

Garuda Indonesia shared that it has *a risk management plan and a crisis response plan that incorporate social media*. After the issues on social media have been identified, they will be combined with the issues found in conventional media for further actions. Its decision making process concerning the issues consists of identifying the issues, making a chronology of the issues, identifying if there is already any solution, and developing a plan to resolve the issues.⁵¹⁹

By actively grabbing issues related to them on social media, Garuda Indonesia is now able to respond quickly to emerging issues, thus, can prevent or minimize the issues to escalate [KPI 7]. This way, Garuda Indonesia believes that it will be seen as a responsible company in the eyes of their publics, thus, it would be good for its **reputation** [KPI 6].⁵²⁰ In order to be more responsive in managing all kinds of social media issues, Garuda Indonesia has started a *24/7 social customer service* on Twitter since early 2015.⁵²¹

Other crisis preventive actions that Garuda Indonesia carries out is by implementing *social media policies* in place for its employees, for the staff and the external agency which are in charge of managing the company's social media activities. Moreover, Garuda Indonesia has developed and implemented necessary *Standard Operating Procedures (SOP) for handling feedback through social media*, which also demonstrates its commitment in managing the voices of their customers, as stated in the Company's 2013 Annual Report (p.224).

A formal social media education or training related to social media crisis management does not exist yet in the company. However, the social media team informs themselves and learn about various issues related to the airline through a weekly report that the social media agency prepares for them.⁵²²

⁵¹⁸ All information in this paragraph relies on IR (Personal communication) from Garuda Indonesia.

⁵¹⁹ *Ibid.*

⁵²⁰ *Ibid.* For further information about Garuda Indonesia's responsiveness on social media, please see the 'Responsiveness Competency' chapter.

⁵²¹ See 'Garuda Cares' Twitter channel.

⁵²² *Ibid.*

Conclusion

Based on the literature review and empirical findings in this study, it can be concluded that it is vital to have a competency in social media crisis management as it **can prevent or lessen the negative outcomes of a crisis** [KPI 7], thus, it can **protect one of the most valuable assets of the airlines, the reputation** [KPI 6]. This competency is different from other social media-related competencies as it does not create customers or fans engagement, nor generate revenue, nor increase fans' growth either, and so forth, but it can save the airlines' community base on social media from decreasing.

However, incompetence in managing social media crises could cause a *decrease in the size of a company's social media communities* [KPI 8, as evident in KLM], and could *damage a company's reputation* [KPI 6, as evident in KLM]. Although KLM holds the importance of having the competency in managing social media crises and is even well-known as one of the best airlines on social media, KLM still experienced difficulties in managing social media crises effectively. This is probably because KLM (Prospector) excludes making a detailed strategic plan before getting feedback from their various experiments on social media. Moreover, Prospector generally does not really aim to achieve a *stability* inherent in their operations on social media, unlike the Defender (Garuda Indonesia), and also the Analyzer (American Airlines). Probably this could also explain why American Airlines was successful in managing their social media crises effectively. From American Airlines' case, it can be concluded that an effective social media crisis management consists of excellent **responsiveness** [KPI 1] in helping customers via social media, high **reach** [KPI 3] of crisis-related messages, and positive **net sentiment** [a metric for KPI 6] of customers and other members in the social media communities.

5.3 Social Media-Related Assets

Social media-related assets are defined in this study as *a company's tangible and intangible social media-related things, which could enable the company to achieve specific social media-related performance*. Social media-related assets could be the result of a permanent application of social media-related competencies. There are five social media-related assets that this study has identified – social media team, social media-related products, social media policies, and relationships with key influencers and brand advocates on social media.

5.3.1 Social Media Team

Human capital resources are part of assets that are controlled by a firm that may enable the firm to conceive and implement its strategies that improve its efficiency and effectiveness (Becker, 1964, as cited in Barney 1991, p.101). Human capital resources include “the training, experience, judgment, intelligence, relationships and insight of *individual* managers and workers in a firm” (Barney, 1991, p.101).

Adapting this part of resource-based theory into the context of social media use in businesses, it is assumed in this study that a company's social media team, which consists of human resources with social media know-how and competencies, has a vital role in enabling the company to conceive and to implement its social media strategies that can create values, thus, could contribute to the company's performance on social media.

This section begins with a discussion about what prior studies and social media literature have found about the values of having a dedicated social media team within an organization. It also discusses some new roles and responsibilities that are required within a social media team and the characteristics that make a high-performance social media team. As empirical findings, the four airlines companies' approaches to a dedicated social media team will be discussed. Please note that this section shares some similarities with the ‘Social Media-Related Structure’ section in chapter 4.

The Values of a Dedicated and High-Performing Social Media Team

A study by Owyang, Jones and Tran (2012, p.6) from Altimeter Group found that the global corporations they studied have a massive average of 178 discrete corporate-owned social media accounts, and most of them do not even have accurate inventory of their existing social media assets. Companies which have many social media accounts which are under the control of the traditionally silo groups face a great challenge in having a coordinated approach to social media deployments across the company, and as a result, they might not be able to provide their customers with a coordinated customer experience across variety of social media channels, which may greatly **risk the brand reputation** [KPI 6] (Owyang et al., 2012, p.8).

When more departments, functions, or business units in an organization use social media in their day-to-day workflows, the overflow of social media accounts and perplexity will only be worse (Owyang et al., 2012, p.6), and coordination of social media activities across all these departments becomes more difficult (Boudreaux, 2011a, Loc.585). Different teams will have different goals and motivations in using social media; different knowledge and skills in social media; different amount of resources dedicated for social media activities; also different urgency why they use social media (Boudreaux, 2011a, Loc.585). Some departments which like to stay ahead of the competition might probably leap forward in their social media use, while some others prefer to wait and see how things develop (Boudreaux, 2011a, Loc.585). Different teams might purchase different social media applications or tools, and hire and develop people with different skill sets and knowledge (Boudreaux, 2011a, Loc.585). Thus, for the good of the overall company, Bordeaux (2011a, Loc.585) suggests that at some point **someone has to coordinate the company's social media investments and capabilities. Without proper coordination, the companies' widespread adoption of social media could result in a fragmented customer experience, duplication of resources, and increased costs** [minus to KPI 4] (Owyang et al., 2011).

“The question of how to organize for social media is the question of how to get the right people onto that core team” (Li & Solis, 2013, Loc.870). MIT Sloan Management Review and Deloitte Consulting found in their longitudinal studies that organizations which are mature in using social media for business purposes assign **an individual(s) with direct responsibilities for social media**.⁵²³ A study conducted by McKinsey and Company to

⁵²³ See Kane, Palmer, Phillips and Buckley (2014); Kiron, Palmer, Phillips and Berkman (2013); Kiron, Palmer, Phillips and Kruschwitz (2012).

almost 200 German companies found that almost 70% of the companies assign their *service staff* to manage social media activities, but these staff do it just as a side activity alongside their other tasks (Mattern et al., 2012, p.16). Whilst some companies in the study which fully dedicate their service staff to manage social media activities believe that their **dedicated social media team has a great potential to drive customer satisfaction** (Mattern et al., 2012, p.16).

Not only it is important to have a social media team, a company should also have a **sufficient number of and qualified social media staff** because it can be damaging if a company has invested in social media but lacks of sufficient talent to manage its social media efforts (Zinner & Godshalk, 2011, p.252). The size of a social media team may vary across companies, and that may depend on several factors, such as the key business drivers, the size of the organization, and the age and maturity of the organization's social media initiatives (Li & Solis, 2013, Loc.884).

In airlines industry, SimpliFlying consultancy found through its studies of airlines around the world in 2012 and 2014 that the **airlines' most prominent challenge is insufficient allocation of human resources to social media**, not only *in terms of the number of staff*, but also *how the staff is distributed across various departments and the man-hours* invested in managing social media activities (SimpliFlying, 2012, 2014).⁵²⁴ Over 50% of the airlines indicated that they need more resources (both manpower and financial budgets) for social media (SimpliFlying, 2012, p.12), and preferably as a dedicated social media team (SimpliFlying, 2014, p.8). In terms of the number of staff working on social media, it varies across airlines. In 2012, most airlines (38%) had 1 to 3 persons, followed by more than 10 staff (nearly 25%), but only 13,8% of the airlines employed dedicated social media staff. In 2014, the majority of the airlines (74%) had fewer than 5 full-time staff dedicated to social media, but more than half within this group thought that the ideal number would be at least 10 full-time staff or more, and 45% of the respondents thought that there should be at least 5 full-time staff (SimpliFlying, 2014, p.7). Regarding the man-hours invested in social media, nearly 65% of the airlines who faced this challenge already spent more than 90 hours for social media each month in 2012, but apparently these hours were not enough (SimpliFlying, 2012, p.14).

⁵²⁴ The Airline Social Media Outlook study was conducted by SimpliFlying consultancy to 29 airlines around the world in 2012, and to 148 executives representing 87 airlines in 2014. See SimpliFlying (2012, 2014). About how the airlines' social media staff are distributed across various departments is discussed in the 'Organizational Structure for Social Media' chapter.

Building a High-Performance Social Media Team

To make the most from social media, a company must create **new roles and responsibilities**, as well as **modifying existing roles** within its organization in response to the opportunities and challenges that social media present (Zinner & Godshalk, 2011, p.250). The social media employees should be equipped with **new and different skill sets** as social media introduce new technologies and new ways of interacting with a company's internal and external stakeholders (Zinner & Godshalk, 2011, p.251).

“The number and diversity of roles that an organization needs will vary based on the type of social media activity it is pursuing,” according to Zinner and Godshalk (2011, p.253). It is very likely that the roles will evolve as a company adds its investments on social media and decides on the most effective roles and skills required to support those investments (Zinner & Godshalk, 2011, p.253).

Regardless of the titles of the new roles, there are several common roles created or most affected in organizations using social media. Usually there is *a social media champion* who is at or near the top, understands the organization, and has a real power to influence the people across the organization (Zinner & Godshalk, 2011, p.255-256). *A social media strategist* creates the organization's vision and operating strategies for social media, leads a corporate social media team, and explores opportunities to expand the organization's social media capabilities (Owyang et al., 2011b, p.12-15; Zinner & Godshalk, 2011, p.256). To capitalize on social media, a corporate social media team should be supported by roles which monitor or listen to conversations related to the company on various social media channels, manage the company's social media content, develop and execute social media campaigns, deploy social media for customer service purposes, liaise with relevant business units, measure the company's performance on social media, establish and reinforce social media governance or policies and so forth.⁵²⁵

To develop and sustain a high-performance social media team, companies are strongly suggested to establish **ongoing social media trainings or education** for their social media workers that cover topics such as social media program management, and social media tools and measurement (Owyang et al., 2011b, p.10). Lacks of social media trainings will cause inadequate social media skills and uninformed representatives on social media

⁵²⁵ See Owyang et al. (2011b, p.12-15), Zinner & Godshalk (2011, p.256-268).

channels to engage with the customers on behalf of the brands (Solis, Li, Groopman, Szymanski, & Tran, 2013, p.8).⁵²⁶

To successfully creating a high-performance social media team or new social media roles, some key elements, for instance, effective communication, stakeholders' involvement, and change management, are also required (Zinner & Godshalk, 2011, p.250). There should be adequate internal communications which explain why the new social media roles are important for the organization and how they will work (Zinner & Godshalk, 2011, p.252). Full support or buy-in from key executives is vital in granting additional budget and resources to scale social media efforts (Li & Solis, Loc.341). Lastly, organizations should pay appropriate attention to the change management factors by making sure that the new organizational structures do not have overlap, conflicting or unclear roles and responsibilities (Zinner & Godshalk, 2011, p.252).

Partnering with Agencies

As it will take a lot of efforts and capital to develop and maintain a high-performance social media team, a company might consider to partner with an experienced agency, such as an advertising agency or a social media consultancy, rather than trying to build and sustain the social media capabilities in-house (Zinner & Godshalk, 2011, p.269). Nowadays, many organizations hire and can benefit from an agency which specializes in social media monitoring, analytics, campaign strategy, and content (Zinner & Godshalk, 2011, p.269; Li & Solis, 2013, Loc.870). It makes sense when organizations *outsource* to an external agency in the early stage of their social media adoption, when they are still in planning mode and have limited internal skills and capabilities (Li & Solis, 2013, Loc.870).

According to Miles and Snow (2003, p.xxi), the extent to which a company could quickly take advantage of its multiple partners' competencies influences its success. Miles and Snow found that instead of relying solely on the competencies and assets of the internal project teams or divisions, the success of companies depend in many ways on their competency to harness the knowledge and competencies of their partner firms. Outsourcing may also give the airlines some other benefits such as lowering their cost for social media when the price that must be paid to the agency to perform, for instance, social media monitoring and analytics, is less than what it would cost the airlines to conduct that activity

⁵²⁶ Further discussion about social media trainings and education can be found in the 'Social Media-Related Learning Competency' section.

themselves internally.⁵²⁷ Lastly, it also allows the airlines to focus their energies and resources on undertaking other core activities which have the most potential to create values.⁵²⁸

But whether a company partners with such agencies or not, it will quickly realize that social media will force many changes throughout the organization, thus, over time it is crucial for the organization to equip its workforce with the right social media-related skills, training, and tools, in order to remain competitive in the market (Zinner & Godshalk, 2011, p.269; Li & Solis, 2013, Loc.870). A good agency partner should be able to help an organization to develop strategic social media capabilities in-house (Li & Solis, 2013, Loc.870).

5.3.1.1 *Empirical Findings: The Airlines' Social Media Team*

KLM Royal Dutch Airlines

When KLM started its small-scale experiment with social media in the end of 2009, KLM only had **two staff members** who were appointed to manage the company's social media activities. Until the Icelandic ash cloud disaster happened in April 2010 which have completely changed KLM's view towards social media. During the crisis, KLM was forced to use Twitter and Facebook heavily to communicate with its passengers.⁵²⁹

About six months after the disaster, KLM decided to roll on its social media initiatives and to create an efficient and easily accessible '**one-stop-shop**' for the publics in October 2010. The one-stop-shop here refers to the **Social Media Hub** which was established by KLM's Corporate Communications and E-Commerce departments. The Social Media Hub, which is located at the KLM Headquarters in Amsterdam, has been the 'beating heart' of KLM's whole social media activities since then. At that time, KLM's Social Media Hub had **more than 50 dedicated social media employees**. Apart from that, KLM also has plenty of social media service agents who work at other locations. Those who are not located in the headquarters are responsible for managing their local social media

⁵²⁷ Specialists are often capable to conduct an activity at a lower cost than a company due to their ability to realize scale economies or other kind of efficiencies that are not available to the company (Jones & Hill, 2010, p.305.

⁵²⁸ *Ibid.* p.306.

⁵²⁹ For further information about KLM's experiences during the Ash Cloud crisis, see Drimmelen (2012a).

accounts, including doing sales on social media, as they know the local flavour better than the team at the headquarters, except delivering social customer service (Meijer, 2014b).⁵³⁰

KLM's Social Media Hub keeps on expanding. In mid-2014, KLM had around **130** full time social customer service agents within the social media team (KLM, 2014b). According to Nigam from SimpliFlying (2014b) consultancy, KLM was pursuing its vision by hiring and investing fully in many full time staff to manage its social media activities. Nigam (2014b) shared that other airlines which work with SimpliFlying are eager to know how many resources KLM is actually putting in its social media team, so that they can secure their budgets internally. By the end of 2014, KLM has **150 employees** dealing with social media (Meijer, 2014b).

KLM's decision to invest in a large number of dedicated social media staff is likely to be influenced by the configuration of their product, service, and market domain on social media (*broad and dynamic*), growth strategy on social media (*continuously developing new products, service, and markets*), *extensive social media monitoring mechanisms*, and social media-related technological solutions (*multiple social media platforms and supporting tools*). All of these configurations require *a complex coordination mechanism* which involves a large number of dedicated human resources for social media. As Miles and Snow (2003, p.59) argue, Prospectors should implement *a people-intensive approach* in order to maximize their flexibility (Miles & Snow, 2013, p.59). Thus, it can be inferred that KLM has invested in the right social media-related asset (a large Social Media Hub).

KLM shares in their blog that the reason why KLM invests in plenty of dedicated human resources to manage their social media programs is because **KLM wants that their customers can reach out to the KLM brand directly, and not to the different departments within the company** (Haar, 2013). This could greatly impact on KLM's **responsiveness on social media** [KPI 1]. Van der Zee (2014) from KLM also admits that KLM is able to deliver a rapid response time and a high response rate [KPI 1] on social media is partly because of KLM's large social media team.

KLM has also partnered with different agencies to help them develop some of their creative social media campaigns and products, for example, the *DDB & Tribal Amsterdam* agency for the #happytohelp campaign, 'Wishing You a Magical Christmas, 'The Airplane Apartment', 'Cover Greetings', and 'Lost & Found' service (DDB Worldwide Communication Group Inc, 2014), and the creative digital agency *Code d'Azur* (2013) for

⁵³⁰ All information in this paragraph relies on Drimmelen (2012b), unless stated otherwise.

the KLM ‘Must See Map,’ and *Monpellier Venture* and *Little Chicken Game Company* for the Aviation Empire game (KLM, 2013d).

For KLM, not only the dedicated and large number of the social media staff are very important, but their *qualities are also vital*. To be a successful *one-stop-shop* on social media [*a broad service domain*] – which means that KLM should not send passengers to different channels to resolve issues – the staff of the Social Media Hub should **have extremely broad knowledge of the company and its products** (Haar, 2013). That is why the staff at KLM’s Social Media Hub were **recruited from a variety of backgrounds** (Haar, 2013), and they also get **a 5-week social media training** (Groeneveld, 2014). At the Hub, the dedicated social media team forms synergy by sharing their varied expertise including in communications, e-commerce, customer care, ticketing, marketing, operations and cabin crew (Drimmelen, 2012b). This also matches this study’s assumption that *Prospectors should employ social media staff who have a variety of skills and knowledge due to their broad domain on social media, and in order to maximize the flexibility of their social media-related processes*.

Besides that, to successfully deliver an excellent social media service, KLM believes that *empathetic staff* are needed, therefore KLM has been recruiting more of its cabin crew – people who really know its passengers, have experienced the situations on board, and have been close to them – into the Social Media Hub (Haar, 2013). Furthermore, KLM argues that it is very important for people working in social media to *have very good writing and communication skills* (Haar, 2013). Besides that, KLM claims that it has *enthusiastic social media staff* who really want to do extra efforts for the customers. As Groeneveld (2014) from KLM noted:

They understand that as soon as customers contact KLM on social media, it means they have an issue or problem which needs to be solved immediately. So they will try to put themselves into the customers’ shoes and to fully understand what the customer experience is. The team really has a motivation to help the customers in the best possible way. (Groeneveld, 2014)

New Roles and Responsibilities

The staff at KLM’s Social Media Hub are solely dedicated to social media functions. Examples of roles that KLM’s Social Media Hub has are:⁵³¹

⁵³¹ See Drimmelen (2012b) and KLM’s LinkedIn profile. Note that this is not an exhaustive list of existing roles at KLM’s Social Media Hub.

1. Social Media Hub Managers
2. Social Media and Campaign Managers
3. Online Reputation Manager and Social Media Advisor
4. Brand Manager - B2C & Social media
5. Content Manager
6. Editorial Board
7. Manager Social Business
8. Specialized Social Media Service Agents
9. Tech and Metrics staff
10. Social Customer Care Officers

KLM's specialized service agents work closely with press officers, social media and campaign managers, an online reputation manager, an editorial board, and a tech and metrics staff (Drimmelen, 2012b). As mentioned earlier, KLM also has plenty of social media service agents who work at other locations (Drimmelen, 2012b). In India, for instance, KLM has a social media team who is responsible for the content of the local/Indian Facebook page and Twitter account and is allowed to conduct sales through these platforms (Meijer, 2014b). But when it comes to providing customer service through social media, it is done centrally by the Social Media Hub at the headquarters as it requires extensive knowledge about KLM's products and services (Meijer, 2014b).

With respect to servicing the customers through social media, a position as a *social customer care officer* is the highest within the customer care hierarchy at KLM, according to Groeneveld, one of KLM's Social Media Hub Managers. It is because this position has more diverse tasks than a traditional call center agent who usually only handles complaints or issues. A social customer care officer has to **engage with the customers on social media** [which could influence KPI 2] and to forward the customers' feedback and compliments to the organization. Furthermore, they also need commercial skills as they have to understand KLM's online payment system or tool and how to sell tickets via social media.⁵³²

Achievements of KLM's Social Media Hub

KLM's large social media team and all the above qualities that the social media staff have, seem to have created a competitive advantage for KLM. According to Socialbakers, a social media analytics provider, **KLM is the most responsive airlines in the world** [KPI 1], as they managed to respond to 98% of the questions they received on Facebook and Twitter (Haar & Groeneveld, 2013; Socialbakers, 2014abcd). As mentioned earlier, this

⁵³² All information in this paragraph relies on Groeneveld (2014).

would not be possible to achieve without their numerous dedicated social media staff (Zee, 2014). Socialbakers added that KLM has consistently become **the top 5 Socially Devoted Brands in the world** [KPI 6] and its social media care is considered **as a role model** by many (Haar & Groeneveld, 2013). Similarly, Nigam (2014c) from SimpliFlying consultancy has also observed that **“KLM has the best social media customer service team in the world, and that’s what sets them apart.”** To reach these achievements, Haar and Groeneveld (2014), both are KLM’s Social Media Hub Managers, shared that another strategy that KLM implements is to do it very well when responding to customers, and to be able to do that, KLM invests substantially in *knowledgeable people* to answer the questions on social media, both negative and positive ones.

Emirates Airlines⁵³³

It took a while for the top management of Emirates Airlines to create a corporate social media team and to enter the social media landscape. But the most important is, the initiative to do that came from the top management. Thus, they fully support the company’s use of social media as it could contribute to the accomplishment of the company’s business objectives.

When preparing for the official launch of Emirates’ social media channels in April 2012, the social media team had only one person who since then has been the Head of Social Media at Emirates. This person developed a solid social media strategy and a Social Media Maturity Road Map for Emirates and lobbied the key decision makers so that they embraced the social media strategy (Saydam, 2012). But not long after that, the second team member was recruited. They launched the airlines’ social media channels successfully. Then the team became a team of three in 2013. At the time of the interview in 2014, the social media team consists of **four dedicated staff**.

In contrast to KLM’s social media team, Emirates Airlines has a much smaller social media team. Fortunately, although coordinating the airlines’ social media activities across departments is indeed very challenging, it is still quite manageable, shared Saydam, the head of Emirates’ social media team. **But because of these limited human resources in the social media team, the social media team cannot operate 24/7 on social media yet.** This

⁵³³ All information about Emirates in this section relies on JS (Personal communication) from Emirates unless stated otherwise.

has impacted on Emirates' **responsiveness** on social media [KPI 1], as outlined earlier in the 'responsiveness competency' section.

The members of the social media team at Emirates were not recruited from within the company. The management of Emirates preferred to recruit external people who already have knowledge and skills in social media management to be in the social media team. This is why Emirates does not have a social media training program for the staff of the social media team. The members of the social media team are expected to be able to '*learn by doing*' their social media tasks.

Besides this corporate social media team, Emirates also has **cross-functional resources for social media**, which is the customer service team, that carries out the customer service roles on social media alongside their departmental duties. The customer service team also uses the company's official social media channels to engage with their customers. The customer service team consists of **14 people** and sits within the Call Center department. It is likely that **the participation of the customer service team in handling social customer service has enhanced Emirates' responsiveness on Twitter** [KPI 1] (see the 'responsiveness competency' section). Nevertheless, they are still not able to provide a 24/7 service on social media yet, which indicates that they still lack human resources to enable that.

The social media team does not directly manage the customer service team. Nevertheless, **the social media team is responsible to mandate all the airlines' social media channels and how the customer service team operates on social media**. Basically, the social media team determines how the customer service team speaks to the customers on social media, such as the kind of language they use, and their tone of voice. Therefore, the social media team also **gives a social media training to the customer service team**. The customer service team has to report to the social media team as well about their strategies and performance on social media.

All the staff of the social media team are **dedicated to performing social media tasks only**. Despite the small team size, **the team has many roles and responsibilities**. Most of Emirates' social media campaigns are conceived internally by the social media team and are based on the airlines' communication and marketing plans (Saydam, 2012). But the social media team also **partners with an external social media agency** to help them execute their social media initiatives effectively (Saydam, 2012).

Besides that, the social media team undertakes constant social media monitoring and analytics of many things. They keep an eye on the competitors' activities and performance

on social media and compare it with Emirates' performance on social media. They listen to conversations about Emirates on social media and how the sentiments are. They also observe trends in the markets and in the industry through social media. The team recruits brand enthusiasts and engages with them within the airlines' social media communities. They control how the airlines' social media content and campaigns are performing.

The social media team also cooperates with other teams across the entire company and supplies them with social media insights. The social media team will train some departments to be more active and savvy on social media, so they can contribute more on the company's social media activities. So it is quite unlikely that the social media team will expand as the company plans to take advantage of its existing resources to handle social media.

As Emirates' product, service and market domains on social media are not as broad as KLM yet (see chapter 4 section I), and they still coordinate a fewer number of social media platforms than KLM (see chapter 4 section II), it is still possible for Emirates to operate on social media with a much smaller social media team. However, they would need more dedicated human resources if they expand their domain on social media (e.g. 24/7 service, new markets), or aim to improve their responsiveness on social media, or adopt new social media platforms.

American Airlines

American Airlines' Director of Social Media Communication, Jonathan Pierce, shared that at the early stage of American Airlines' social media adoption, **an external public relations firm**, Weber and Shandwick, was brought in to scale up the airlines' social media efforts. The PR agency played a key role in helping the airlines to quickly setup and execute the social media strategies, which had resulted in the airlines' expansion in reach and presence in social media.⁵³⁴

American Airlines decided in August 2011 to bring back their social media activities 'in house' and created its own social media team. The reason behind it was because the airlines believed that the best social media strategies for the airlines can only be executed in-

⁵³⁴ All information in this paragraph relies on Pierce (2012d) and also SS (Personal communication) from American Airlines.

house. Moreover, the airlines needed to bring the social media in house in order to be effective and to be able to resolve customer issues at the first point of contact.⁵³⁵

At that time, the social media team had only two staff coming from the Corporate Communication department who handled social customer care during business hours (Phillips, 2013; Pierce, 2012d). But the social media team has grown extremely rapidly each year, that the number of the team members is not a number Pierce (2012d) likes to share, simply because the team is evolving very quickly. In 2012, the social media team grew to 6, to 9, then to 15 (Pierce, 2012d; SS, Personal communication). In end of 2013, the social media team consisted of 22 members (Phillips, 2013). In mid-2014 the team social media team had 21 members: 16 staff dedicated for **Social Customer Service**, 4 staff for **Social Customer Engagement**, and one staff for **Social Analytics** to handle social media metrics and reporting (Phillips, 2014). By May 2015, American Airlines' social media team consists of **22** staff, but American Airlines will be expanding their customer service team again as the volume of messages they receive on social media continues to grow very quickly (BM, Personal communication). Moreover, they also need more headcount in order to meet the demand of 24/7 service [*broader service domain*], which is likely to be between **30 to 32** personnel in total (BM, Personal communication).

The reason why the social media team is able to grow rapidly each year is because the team's director has successfully lobbied the top management that **it is very important to have dedicated staff to handle new and various social media tasks or roles** (Pierce, 2012d) and **to integrate social media deeper across business units within the company** (Pierce, 2014a). In fact, selling social media internally is a critical role (Pierce, 2012d). Moreover, it is also because the team has managed to prove, although it is not obligatory, that their social media efforts have made significant impacts to many parts of the business (Phillips, 2013; Pierce 2014a).

Examples of positions which exist within American Airlines' social media team are as follow:⁵³⁶

1. Director of Social Media (the leader of the team)
2. Social Media Customer Service Specialists
3. Social Media Customer Experience
4. Social Media Analysts

⁵³⁵ All information in this paragraph relies on Phillips (2013) and SS (Personal communication) from American Airlines

⁵³⁶ All information in this section relies on Phillips (2013), Pierce (2013b), SS (Personal communication), American Airlines' LinkedIn profile. Note that this is not a complete list of all positions within American Airlines' social media team.

5. Social Media Insights
6. Social Media Community Management
7. Creative Services and Video Production

The social media team realized since the beginning that creating these roles in their social media team was important, especially to an old fashion company like American Airlines (Phillips, 2013). These roles are needed in order to head customer care on social media, and in order to be able to do what they need to do in social media (Phillips, 2013). However, it really took times to put a structure in place, according to Phillips (2014), Senior Analyst at American Airlines' social media team.

As the airlines' service on social media needs to be expanded and social media are more integrated into the business, **the social media team must coordinate the airlines' social media efforts across the organization.** According to Pierce (2014c), the social media team partners with six core business units of the company: Operation, Marketing, Reputation Management, Customer Service, Human Resources and IT. In addition to that, the social media team is connected to multiple different parts of the organization as well to get specialists' supports and advices which they need because the team should be able to handle 80-90% of all customers' feedback and issues on social media at a point of contact without passing them on to other departments (Pierce, 2014c). An image in the next page showcases the social media team's multiple partnerships and relationships to many parts of the organization.

Despite the rapid growth of American Airlines' social media team, the size of the team is still much smaller in comparison with KLM's. It is likely because their service and market domain on social media is *much narrower* and *less dynamic* than KLM, and they do not even have any social product (see chapter 4 section I). American Airlines is not as 'aggressive' as KLM either in expanding their service and market domain on social media (*different growth pattern*). Lastly, they also maintain *fewer social media platforms* than KLM (chapter 4 section II).

Figure 8: American Airlines' Social Media Team's Collaboration with Internal Stakeholders



Source: Jonathan Pierce (2014c) of American Airlines

American Airlines' social media team has a mission statement: "Build relationships in the spirit of the new American. Define the social customer experience with authentic conversation, real time resolution, energy and inspiration." It is called the new American because the airlines is still undergoing a huge brand transformation which began in January 2013. A year before the mission statement was created, the social media team had thought of where they can fit in with the new American, as well as what and how they were going to do it to achieve the fit.⁵³⁷

Occasionally, American Airlines partners with an external agency to develop a marketing campaign that is tied with social media. For instance, for the American Airlines AAdvantage® Passport Challenge, American Airlines' social media team, marketing and AAdvantage department partnered with Friendefi Inc. in 2014 to develop a promotional game by using Friendefi's social gamification platform (Friendefi, 2014).

Pierce (2014c) is certain that **one of the key reasons to American Airlines' success on social media is a group of great people at the social media team.** And to get these great people, the strategy was to hire the right people. At the beginning, the social customer service representatives' role did not exist at American Airlines and they had to figure out what worked through trials and errors. They learned that the **social media customer service representatives have to be "a different breed"** from the traditional customer service staff who are accustomed to providing customer service over the phone but not to usually doing

⁵³⁷ All information in this paragraph relies on Phillips (2013).

that in writing. So the social media team had to train them to use social media for customer service purposes. Another key reason to American Airlines' success on social media is because the social media team embraces **the culture of empowerment through a social media training program** that is designed, created and facilitated by the social customer service team themselves. In addition to that, the people hired in the social media team are those who enjoy doing a one step further and enjoy having a relationship with customers on social media.⁵³⁸

American Airlines' social customer service team has been considered **as one of the best social customer service teams** in the aviation sector because it has consistently outperformed their competitors on social media (Daniel, 2014). For example, American Airlines managed to reply to 30,474 tweets at an average reply time of 12 minutes [KPI 1] in November 2013, whilst their competitors which received much less tweets than American Airlines had a much longer average reply time (Daniel, 2014). According to Socialbakers (2014abc), a social media analytics provider, American Airlines was **one of the most responsive airlines on Twitter** [KPI 1] during the first, second, and third quarter of 2014 (see section I.2. in this chapter). This shows that American Airlines' social media team has become an important asset as this team enables American Airlines to enjoy a competitive advantage through its responsive social customer service.

Regarding to the management and development of social media in American Airlines, Pierce (2013b) shares that social media continue to mature at American Airlines, as it seeps into different groups within the company and social media insights are integrated into thinking and decisions. As Pierce (2013b) noted, "social media has become a permanent fixture in American's culture, and that continues to open doors for us to build new and deeper relationships internally. We see opportunities to scale social across the customer experience, both back-end and at the point of service."

Garuda Indonesia Airlines

Unlike the three airlines in this study, **Garuda Indonesia does not have a centralized or a dedicated corporate social media team.** According to Garuda Indonesia, at the beginning some staff at the Public Relations department experimented with social

⁵³⁸ All information in this paragraph relies on Pierce (2014c).

media on behalf of the airlines. Then, together with the Marketing, and Customer Service department, they share responsibilities in managing social media activities of the airlines. But they also perform their respective departmental roles (*cross-functional*) alongside social media tasks. So they are not dedicated to social media.⁵³⁹

Apart from the three departments mentioned above, the Frequent Flyers and E-Commerce departments are also involved in some social media campaigns that are related to their programs (IR, Personal communication). Since early 2015, the promotional division of the e-commerce department is structured under the marketing department and is handling the airlines' marketing-related activities on social media, in collaboration with an agency (BAN, Personal communication).

Garuda Indonesia's top management could quickly understand the values that social media can generate for them. Therefore, it was not difficult for the PR, Marketing and Customer Service departments to get the support from the top management to formalize their social media efforts. Besides leveraging their own internal team for the management of the corporate's social media initiatives, Garuda Indonesia has been partnering with external social media agencies as well, just like KLM and Emirates.⁵⁴⁰

Their first agency, *LiquidThread*, together with the staff from the **PR, Marketing and Customer Service** departments, developed social media strategies, tactics, campaigns, and content for the airlines' social media channels. Besides that, the agency was also in charge in providing customer service on social media, responsible in conducting regular social media monitoring and analytics of all kinds of corporate-related issues and of the airlines' current social media or marketing campaigns, and reporting the results back to Garuda Indonesia. But since end of 2013, the airlines' Call Center has been equipped with a social media monitoring tool as well, so that the social media monitoring activities can also be done internally (IR, Personal communication).⁵⁴¹

A new agency has been appointed in 2014, *Icon International* (2015), to build Garuda Indonesia's brand on social media. It is assumed that the agency is coordinated by the marketing department due to their involvement in building the airlines' brand on social media. According to the agency, Garuda Indonesia had only less than 1000 followers on each of their social media platforms, thus, the agency developed an aggressive social media

⁵³⁹ All information in this paragraph relies on IR (Personal communication) from Garuda Indonesia.

⁵⁴⁰ *Ibid.*

⁵⁴¹ All information in this paragraph relies on LiquidThread (Personal communication), which was Garuda Indonesia's appointed social media agency until end of 2014, unless stated otherwise.

campaign to increase the number of their social media communities exponentially [KPI 8]. After a three-month campaign, Garuda Indonesia's **Facebook fans have increased by 3350%** and **Instagram followers by 209%**. In addition to that, **the community engagement [KPI 2] is constantly increasing** as a result of the ongoing campaigns and community engagement tactics that the agency developed based on the findings of research and audience feedback.⁵⁴²

Another agency, *Infomedia*, is outsourced by the Call Center division to respond to the inquiries and questions from the customers, fans and followers of Garuda Indonesia on the airlines' social media platforms on a 24/7 basis (BAN, Personal communication). This makes Garuda Indonesia the only airlines in this study which outsources its social customer service to an agency.

The airlines' internal staff feed the agency with all kinds of information and data that the agency requires to do the works for the airlines, for example, a solution to a problem faced by a customer. When customers complain via the airlines' social media accounts, the social media agency will contact the relevant departments to pass on the customers' complaints, or to remind them to act on the complaints. Apart from that, the airlines' Human Resources department also occasionally supplies the agency with job vacancies, in order to be advertised on the airlines' social media platforms.⁵⁴³

Garuda Indonesia does not provide any social media training yet to their staff who manage the corporate's social media activities. Garuda Indonesia, however, acknowledges that managing a corporate's social media activities requires some new skills, such as good understanding of information technology, excellent knowledge about the company's products and services, service-oriented, excellent responsiveness, exceptional communication and networking skills, passionate, and detailed-oriented.⁵⁴⁴

Garuda Indonesia's decisions not to have a dedicated social media team and to partner with agencies, are perhaps influenced by its *relatively limited and stable service, product, and market domain on social media*, and *less extensive social media monitoring* (see chapter 4, section I). Moreover, as social media pose new potentials, challenges, and risks for Garuda Indonesia, it is not unexpected that Garuda Indonesia outsources part of their social media efforts to experts (the agency), as a Defender's fundamental emphasis is on doing things right (Miles & Snow, 2003, p.46).

⁵⁴² All information in this paragraph relies on Icon International (2015).

⁵⁴³ All information in this paragraph relies on IR, *Op.cit.*, and LiquidThread, *Ibid.*

⁵⁴⁴ All information in this paragraph relies on IR, *Op.cit.*

Garuda Indonesia might be able to survive with this solution, providing that they only need to maintain a single or few social media platforms and tools. But the fact is, Garuda Indonesia has been experiencing **challenges in coordinating their numerous social media accounts** (see chapter 4 section II) **due to their limited human resources**. Besides the official global Facebook and Twitter accounts, Garuda Indonesia's branch offices in several provinces in Indonesia and their branch offices in other countries also have their own social media accounts. Thus, it has been difficult for the headquarters to coordinate all these different accounts and the coordination efforts from the headquarters are still minimum as well. At the moment, the branch offices are given freedom to manage their own social media accounts, and to cooperate with external agencies as well.⁵⁴⁵ Finally Garuda Indonesia has decided to deactivate some of their country-specific Facebook pages and integrate them with their global page (Garuda Indonesia, 2015b).

In 2013, Garuda Indonesia and their agency were **not able to provide 24/7 social customer service yet due to limited human resources** as well. It took them about 1,5 years after that (in January 2015) to finally be able to provide 24/7 social customer service on Twitter and Facebook. According to Socialbakers (2014acd), Garuda Indonesia has become one of the most responsive airlines [KPI 1] on Twitter. The new agency which is outsourced to provide the 24/7 social customer service under the coordination of the Call Center is likely to have contributed to this, as their task is only providing customer service on social media on behalf of the airlines.

Conclusion

All airlines in this study invest in human resources, both in their own staff and in an external agency, to strategically manage their various social media activities. A dedicated social media team, as in the case of KLM, Emirates, and American Airlines, has a vital role in enabling the airlines to conceive and to implement their value creating strategies on social media, and to achieve a better coordination of their social media efforts across variety of social media channels. This is eventually good for the airlines' **reputation** on social media [KPI 6].

In relation to the airlines' social media-related performance, it can be concluded that in order for the airlines to be very **responsive** in delivering their service on social media [KPI 1], the existence of a dedicated social media team with an adequate number of staff is

⁵⁴⁵ All information in this paragraph relies on LiquidThread, *Op.cit.*

required. The most responsive airlines in this study, KLM (Prospector), has the most staff in their Social Media Hub. Apart from delivering responsive social customer service, a dedicated social media team could also help the airlines **engage** [KPI 2] better with their social media communities.

But learning from the case of Garuda Indonesia (Defender), it can be inferred that another solution, a good collaboration between social media agencies and the airlines' internal staff, could also lead to responsive social customer service [KPI 1], exponential growth of social media communities [KPI 8], and increasing engagement with the communities [KPI 2]. However, it might be bad for Garuda Indonesia's reputation [KPI 6] if their customers know that they are not communicating with the airlines directly on social media.

It can be concluded that the size and the growth of the airlines' social media team, and the investment they put in their social media staff differ in each airline. It is likely that the breadth of the airlines' domain on social media, the extensiveness of their social media monitoring and analytics mechanisms, the configuration of their technological solutions for social media, and the complexity of their coordination mechanism, have influenced the airlines' decisions in how *people-intensive* their social media team should be, how broad or varied the skills and knowledge of the social media team should have, and how intensive the social media training the team should get.

Based on the most contrasting cases, KLM (Prospector) and Garuda Indonesia (Defender), it can be inferred that the rationale why KLM has the biggest social media team with extremely broad knowledge and skills and provides an intensive training is because they have the broadest product, service, and market domain on social media, maintain the most social media platforms, carry out extensive social media monitoring and analytics – all make their coordination efforts very complex. Whereas Garuda Indonesia's situation is the complete opposite of KLM's, which justifies the non-existence of a dedicated social media team in the airlines. Whilst the configuration of American Airlines' and Emirates' social media teams is in the middle between KLM's and Garuda Indonesia's, which is likely because their service and market domains on social media are not as broad as KLM's but not as narrow as Garuda Indonesia's.

Outsourcing⁵⁴⁶

All airlines in this study outsource some of their social media activities to a social media agency for different purposes, either in the early phase of their social media adoption to help in starting-up their social media efforts, or to execute social customer service, or to help manage the innovation processes (e.g. social products-services development, social media content-campaigns creation). It is understandable why the airlines decided to outsource especially during the start-up of their social media adoption, because at that time they still lacked experience, knowledge, and/or tools in launching and managing social media activities.⁵⁴⁷

However, there are also risks associated with outsourcing, such as the possibility to lose important information and holdup or becoming too dependent on the specialist provider of an outsourced activity⁵⁴⁸, thus, this will not develop the social media-related competencies any further. Therefore, airlines should assess such risks before they decide to outsource a particular social media activity and take appropriate steps to mitigate it.

For instance, Garuda Indonesia, which is still outsourcing its social customer service, the most important value-creating activity for airlines on social media, must make sure that there are very good communication flows, collaboration, and coordination mechanisms with their social media agency, so that important customer complaints and feedback that the agency obtains are clearly communicated to them. Nevertheless, Garuda Indonesia's continuous dependency on their social media agency in delivering service on social media might not be beneficial for them in the long run. If there is a conflict between the company and the agency that causes a termination of the outsourcing contract, Garuda Indonesia might end up not having its own adequate competencies in delivering responsive service to its customers on social media, and must start all the processes all over again to find the right agency partner with the required competencies, which already happened once. This is not good for the Defender's stability in its social media operation.

⁵⁴⁶ Strategic outsourcing is "the decision to allow one or more of a company's value chain activities or functions to be performed by independent specialist companies that focus all their skills and knowledge on just one kind of activity. The activity to be outsourced may encompass an entire function, such as manufacturing function, or it may be just one kind of activity that a function performs" (Jones & Hill, 2010, p.303).

⁵⁴⁷ Outsourcing certain noncore activities to specialists enables a company to differentiate its final products better, but only if the quality of the activity performed by the specialists greater than if the company performs the same activity (Jones & Hill, 2010, p.306).

⁵⁴⁸ *Ibid.* p.306-307.

5.3.2 Social Media-Related Products (Social Products)

Social media-related products or “social products”, are tools for social media that are specially made usually to solve customers’ problems (Lieb, 2012, Loc.862). Usually, social products are in forms of **intangible products**, such as *social media applications, social media platforms, social media systems, social media software, and social media games*. In a digital environment, Lieb (2012, Loc.862) argues that social media-related tools are considered as social media content too, and such content can be called *utility content* or tools that provide utility. For instance, loan calculators offered by financial services sites, retailers’ tools to help customers find suitable jeans, virtual makeover tools and so forth (Lieb, 2012, Loc.862).

According to Hall (1992, p.136), one of resource-based theory scholars, some intangible resources of a firm may be classified as **strategic assets** because they have the potential to create a competitive advantage for the company which owns it. Examples of intangible assets that have strategic importance are *intellectual property rights, trade marks, patents, contracts, trade secrets, networks, reputation, and databases* (Hall, 1992, p.136-138).

Adapting this part of resource-based theory into the context of firms use of social media, it is assumed in this study that certain social media-related products could make important contribution to specific social media-related performance of airlines companies. To date, there is no empirical study yet about the potential of social products to generate specific social media-related performance. Thus, this sections begins directly with the empirical findings of this study about the four airlines’ views towards social products as a potential social media-related asset, if they own social products, and if their social products have contributed to specific social media-related performance of the airlines.

5.3.2.1 Empirical Findings: The Airlines’ Social Products

KLM Royal Dutch Airlines

Of the four airlines in this study, KLM is the airline which has created the most social media-related products (see the table below). It is likely that KLM’s social media strategy to grow on social media by continuously developing new social products has successfully resulted in a broad portfolio of social products. There are several reasons behind this strategic decision. KLM’s social media team shares that they do not want to solely respond to their

fans and followers' comments and posting contents about their products and services on social media (Socialbakers, 2012i). Therefore, KLM has created numerous innovative campaigns and products in order to show their true dedication to social customer service (Socialbakers, 2012i). Moreover, since the beginning KLM has realized that besides providing excellent customer service through social media, they also have **to generate revenue** [KPI 4] from their social media efforts as these need to be financed too (Drimmelen, 2012d). As KLM notes:

The strength of social commerce lies in combining excellent social media service with shareable commerce concepts. To put it even more bluntly: Great customer service equals sales. More than ever before, social media empowers brand to offer customers **hyper-personalized offers** [*emphasis added*] designed to share with their friends. (KLM, 2014c)

Table 20: Social Media-Related Products (Social Products) of KLM, Emirates, American Airlines and Garuda Indonesia

KLM	Emirates	American Airlines	Garuda Indonesia
Meet and Seat Trip Planner Dream Catcher Aviation Empire (game) Jets (game) KLM Blog Travelpredictions Must See Map Stewardress Yourself App KLM Passport Book a Trip Response Time Flight Status Social Payments	No social product	No social product	Garuda SocialMiles

So, **to generate revenue from social media**, KLM continuously produces hyper-personalized offers for customers in forms of innovative social media campaigns and social products. According to Lionell Lassalle (2013b) from KLM, social products show that KLM acts, and not ads, whilst social media campaigns are spotlight on KLM's remarkable efforts and bursts of energy to prove what KLM is about. KLM's social products are tools that are long-term solutions to their passengers' problems (Lassalle, 2013b).

Moreover, since 2013 KLM has been striving to implement **a true social business** model with multiple layers of engagement that mixes social campaigns, social products, continuous engagement and solid social service (Lassalle, 2013b). KLM also needs **a fully integrated social media business model**, where they check internally how they involve social media in every new department, new tool and new products that they release (Lassalle,

2013b). KLM believes that it is necessary to integrate social media commerce deeper and deeper into its offerings in order **to derive more revenue from social media** [KPI 4] (KLM, 2014c). Gert Wim ter Haar from KLM shares that KLM is putting a lot of focus on that because they need to make sure that the costs that they create for social media service also pay back (Simson, 2015). Thus, KLM creates many personal offers via Facebook and Twitter based on the personal interests of their customers, fans, and followers (KLM, 2014c).

KLM argues that their social products can generate both **direct returns (sales)** and **indirect returns** in brand such as add to *brand values, strengthen the airlines' relationship with customers, and create a lot of brand awareness* [equal to KPI 3]. These indirect returns are very important too and worth a lot of money. Some social products are deal makers in the long term, for example the 'Meet & Seat', and can generate direct return in money, for instance, the 'Trip Planner', as it is easy to prove the bookings/conversions KLM gets from social media.⁵⁴⁹ KLM's other continuous social products are Aviation Empire (game), Jets (game), KLM Dream Catcher and Social Payment. Some of KLM's social products will be discussed below.

The Meet and Seat is a social media-based seating system which is integrated as an option in KLM's booking management process, and at the moment is offered in certain flight routes. Launched in 2012 as a result of a co-creation between KLM and its customers, the idea behind this was to give KLM's passengers the possibility to sit next to an interesting passenger during their flight, or even to contact fellow passengers before the flight to make travel arrangements. Passengers who wish to do this must select which Facebook, Google+ or LinkedIn profile details they want to share with other passengers within KLM's booking management system. Then they will be able to see a seat map and other participating passengers' profile details. They can choose to sit next to a person with similar interests, for instance.⁵⁵⁰

According to KLM's Senior Vice President E-Commerce, Martijn van der Zee (2012a), KLM hopes that the Meet and Seat option can be **an extra reason for people for choosing KLM**, especially when price, schedule, and other common factors make no difference.

The launch of the Meet and Seat had created immediate and overwhelming responses, as well as a lot of international media coverage (Zee, 2012c; Spiers, 2013). Most importantly,

⁵⁴⁹ All information in this paragraph relies on Lassalle (2013b) from KLM unless the last sentence.

⁵⁵⁰ All information in this paragraph relies on KLM (2012ab) unless stated otherwise.

the responses from passengers so far have been good, and KLM was surprised by the strong up-take among business travelers (Zee, 2012a). As Zee noted:

Our customers react passionately on these efforts and they encourage us to continue our social activities to make the difference. Thanks to social media, we know almost instantly if our new products are appreciated and in which direction we should improve our tools and services. (Zee, 2012a)

The concept of Meet and Seat is made for a large target group, and has been implemented on three-pilot routes to North and South America, because the people there use social media a lot. KLM got very enthusiastic reactions especially from the U.S. markets. On all three pilot routes, KLM has seen a balanced participation of business, leisure, male and female passengers.⁵⁵¹

The Meet and Seat initiative has **boosted the brand awareness of KLM** [equal to KPI 3] in Brazil because the passengers on Brazilian flights and the Brazilians in general are very social media savvy, and they like brands who embrace social media. Meet and Seat has even become **a brand image builder** in Brazil, although it was never intended to be. Moreover, Zee informed that KLM also gained further benefits during the Meet and Seat campaign: KLM was able to create a **'heat map out of the world'** based on where the viral effect of their social media content was going and not going. This map **has helped KLM in making decisions about which new destinations they should offer.**⁵⁵²

Meet and Seat is also another prove that KLM is leading and innovative on social media and is always looking for new innovations. Meet and Seat fits to KLM's promise of 'a journey of inspiration'. Furthermore, Meet and Seat is KLM's first success in integrating social media into their core or regular business processes, which is a vision that KLM has.⁵⁵³

To secure the Meet and Seat as KLM's strategic social media asset, KLM has acquired the **intellectual property rights**, including the **copyrights** in the material contained in Meet and Seat and in any KLM trademarks and brands included in that material (KLM, 2012b). These intellectual property rights and the copyrights for the Meet and Seat will make their current and potential competitors unable to imitate it (*inimitability*).

KLM Aviation Empire is a 3D strategy game in which the players run their own airline company and should make profits by investing in a well-maintained up-to-date aircraft, creating a profitable around-the-world network with numerous international

⁵⁵¹ All information in this paragraph relies on Zee (2012a).

⁵⁵² All information in this paragraph relies on Zee (2014).

⁵⁵³ All information in this paragraph relies on Zee (2012a).

destinations all over the globe, and building airports with all kinds of facilities which can make passengers happy. Players will earn game credits to buy the latest aircraft and landing rights, and continuously develop their airports. They can also further expand and personalize their fleet with in-app purchases. Besides earning game credits, the players' performance will be rewarded with badges as well.⁵⁵⁴

Developed in 2013 for Android and iOS users, players should log into their social media account (either Facebook, Google+, Twitter, Renren or Sina Weibo) in order to play against their friends, to share their achievements with them, to compare their score with friends and other players, and to play across compatible devices. The game can be downloaded in the Apple App Store and the Google Play Store, and has a dedicated Facebook page in which players can meet other players, ask questions and leave suggestions.⁵⁵⁵

Aviation Empire is not an exclusively virtual game as in the real world players can also build their airline by checking in with GPS at nearly 70 airports worldwide in order to get landing rights for those destinations in the game. Martijn van der Zee, KLM's Senior Vice President of e-Commerce explained that "GPS check-in establishes the relationship between Aviation Empire and the global KLM network. We will continue to develop the game over the next few months and strengthen the connection between the digital and 'real' world" (KLM, 2013c).⁵⁵⁶

For KLM, the game is much more than amusement, because it enables KLM to **build up and strengthen customer relations** [further impacts of KPI 2] (KLM, 2014e, p. 24). KLM's goal to get 100,000 players by the end of 2013 could be achieved in just a few weeks after the game was launched (KLM, 2014e, p.24). According to Meijer (2013b) from KLM, although most of the players are not flying on KLM, which means that there might not be a direct correlation between this game and actual ticket sales, **KLM is building its brand among numerous prospective young customers**. "Compare the sort of exposure we are getting to the cost of running advertising campaigns in all the countries where all the players are based," explained Meijer (2013b). Meijer (2013b) is confident that this kind of activity, actively seeking the **engagement** of prospective customers [KPI 2], could result in **sales** [KPI 4]. In May 2015 KLM has launched another game which integrates social media, called

⁵⁵⁴ All information in this paragraph relies on KLM Aviation Empire: <http://game.klm.com/aviationempire/>

⁵⁵⁵ *Ibid.*

⁵⁵⁶ All information in this paragraph relies on KLM (2013c).

KLM Jets. In this game, players are challenged to lead a paper plane safely through a cardboard world full of obstacles.⁵⁵⁷

KLM Trip Planner.⁵⁵⁸ Developed in 2012, the Trip Planner is designed to allow Facebook users to plan a trip, invite friends or family to join the trip, and then book KLM flights, all within this application which is embedded in KLM's global Facebook Fanpage. Not only this product makes booking a trip with friends and family fun and easy, it can also help the users find a suitable destination for their group trip. This product not only provides a personalized customer service, but it also directly measures and increases **KLM revenue originating from social media** [KPI 4] (Lassalle, 2013b).

KLM Dream Catcher.⁵⁵⁹ KLM Dream Catcher is a personalized digital travel guide for Facebook users, which provides the best or most popular recommendations about accommodation, entertainment, food, bars, and shopping. The recommendations come from other travelers or local people who posted it in the top 12 most used social media platforms. Of course KLM recommends its flight options as well. The users can save their favorite recommendations and get a personalized map that shows where they are located. According to Lassalle (2013b) from KLM, this travel guide is more fresh than any guide book and provides an added value to customers. It was created, coordinated and launched by KLM Sweden in 2013 and was released in 60 markets (Lassalle, 2013b).

KLM is the first airline in the world which has developed '**Social Payment**', a payment platform that enables its customers to pay their booking via Twitter and Facebook. The system has been launched in early 2014 and works like this: Customers who use Facebook or Twitter to book or rebook a flight, make a seat reservation or to arrange extra baggage, can pay through these channels. KLM will send them a private message on their Facebook or Twitter account with a link to select their preferred method of payment and to complete the transaction. When the booking has been paid, the social media service agent at KLM will receive a notification and the customer will receive a confirmation of the payment.⁵⁶⁰ As KLM (2014d) notes:

Customers are already able to arrange extra services through social media, but until now payment has taken place over the telephone. Customers have regularly indicated that they would like to pay online through our social media channels. With this new method, contact with the customer takes place exclusively through the social media

⁵⁵⁷ For further information see KLM Jets at <https://game.klm.com/jets/>

⁵⁵⁸ For further information, see KLM (2012c).

⁵⁵⁹ For more information, see KLM (2013d) or KLM Dream Catcher.

⁵⁶⁰ All information in this paragraph relies on KLM (2014d)

channel they have used. This enables KLM to provide an even better, more convenient service. (KLM, 2014d)

According to Gert Wim ter Haar from KLM, because of this ‘Social Payment’ functionality, **KLM earns about €100,000 every week from social media** [KPI 4] and hopes to double the amount in 2015 (Simson, 2015).

Some of KLM’s social products were released as ‘**limited editions**’ as they were available in the markets only for a certain period of time, for example KLM Passport App⁵⁶¹, KLM Travelpredictions, KLM Must See Map, and Stewardess Yourself App. In the resource-based view, “the more firm-specific, **durable**, and scarce strategic assets are, the more valuable to the firm can be their deployment...” (Amit & Schoemaker, 1993, p.39). However, “sustaining a permanent competitive advantage is very difficult, particularly in the age of some uncertainty...and the impact of the Internet on customer behavior and transaction capability” (O’Shannassy, 2008, p. 176). The dynamic nature of social media probably makes it difficult for companies to achieve sustained competitive advantage, thus, it is assumed that KLM develops non-long-lasting social products to achieve **temporary competitive advantage** only. Although those social products are not durable, therefore cannot be considered as KLM’s permanent social media assets, they managed to create a hype for or desirability of the products and to give KLM some other business benefits for a certain period of time (*temporary competitive advantage*), which will be reported below. As long as KLM continuously develops valuable social products, they could probably enjoy continuous advantages as well. It is also possible to re-release the products in the markets in the future.

Moreover, KLM’s decision to produce such products is probably related to the generally *dynamic nature of a Prospector’s broad domain*, which results in a comparatively short life-expectancy of its particular products (Miles & Snow, 2003, p.58). Some of KLM’s social products which were limited produced will be briefly described below.

KLM’s ‘**Travelpredictions**’ was a digital product which could predict a future travel destination of Facebook users based on their Facebook interest graph or ‘digital foot-prints’, and of course, it offered a ticket to the predicted destination as well (KLM, 2012g). The product was created, coordinated and launched in 2012 by KLM Sweden and in collaboration with River agency (Lassalle, 2013b). Released in 23 markets, KLM shared that

⁵⁶¹ KLM **Passport App** was developed for iPhone users in 2011 and enabled its users to create unique movies from photos and videos of their travels, and to share it to friends via Facebook (KLM, 2011b).

this product could **increase its number of bookings** [KPI 4], **fans** [KPI 8], and email subscribers, which represented many conversion points for KLM (Lassalle, 2013b).

KLM ‘**Must See Map, made by friends**’ was an application which allowed its users to create a personalized city map of a KLM destination, and enabled their friends to add tips for this destination through emails or social media. Once users were satisfied with their map, they could order a high-quality printed map and have it delivered to their home free of charge. KLM offered this product in 24 countries only until its stock lasted. The tool created **+16% more sales** [KPI 4] of city trips in year 2013, both from indirect bookings and direct bookings from within the tool; around 60,000 participants generated 500,000 tips in just one week; and around 1,200,000 people were inspired from the application (Code d’Azur, 2013).

KLM’s ‘**Stewardess Yourself App**’ enabled its Facebook fans to have plenty of fun by putting their face (by choosing a photo from their Facebook profile) to one of seven different vintage sceneries pictures and portraying themselves as either a stewardess or a pilot (Serusi, 2012b). Furthermore, the users of this app could upload their steward(ess) or pilot-look-alike picture to their Facebook photo album, invite their friends to join and share the app with friends (Serusi, 2012b). Users who shared the app to at least five friends could win one of the five personalized posters portraying them as a KLM steward(ess) or pilot (Serusi, 2012b). **To generate revenue** [KPI 4], KLM also offered the users a chance to buy a personalized mug, a bag or a mouse pad, of course with their photo on it (Serusi, 2012b). As Serusi from SimpliFlying consultancy noted:

Ultimately, this initiative again affirms the fact that KLM is undoubtedly **one of the most innovative airlines in the world** [*emphasis added*] and has mastered the art of creating initiatives that not just create buzz but can ultimately be tied to their business objectives as well (Serusi, 2012b).

Lastly, KLM has also produced some social products which are in small scale and stand-alone applications with limited functionalities, like software widgets for the web (web widgets). They are installed or embedded in KLM’s Facebook pages and Twitter channels, for example, KLM’s Book a Trip⁵⁶², Response Time⁵⁶³, and Flight Status.⁵⁶⁴

⁵⁶² KLM’s **Book a Trip** widget is embedded on its global Facebook page. But this application eventually directs customers to complete the booking process in KLM’s website.

⁵⁶³ KLM’s **Response Time** widget is embedded on KLM’s global Facebook page and Twitter channel, showing how long people should wait to get a response from KLM. The response time is updated every 5 minutes by KLM. The application displays: “Question or request? We expect to reply within: ... min. Updated every 5 minutes.”

⁵⁶⁴ KLM’s **Flight Status** widget is embedded on KLM’s global Facebook page. The application enables passengers to check the current status of their flight and to see on a map which KLM flights have a 10-minute delay.

Emirates

According to JS (Personal communication) from Emirates, Emirates' focus on social media at the moment is not on social commerce or to generate sales. Therefore, Emirates has intentionally not developed any social product nor social media application. It is likely that Emirates would not be or do the same as KLM either which has developed many social products and tried to sell on social media. In addition to that, Emirates still doubts if many people use social media-related applications, so it is not worth the effort to create such product at this stage.

American Airlines

To date, American Airlines does not have a social media-related product and is even not sure yet what kind of social product they should make (BM, Personal communication). It seems that American Airlines focuses more in creating engaging social media content and developing various social media campaigns which can support the accomplishment of some of their business objectives (BM, Personal communication).

But back in 2008 when American Airlines' corporate social media team was not formed yet, American Airlines' Interactive Marketing division had launched a Facebook application called 'Travel Bag', which enabled Facebook users to share their travel experiences with friends in their network, to write and read reviews and comments on things such as restaurants and stores, and to create countdowns for upcoming events or travels to let their friends know what they are up to (American Airlines, 2008). Unfortunately, American Airlines did not continue this application.

Garuda Indonesia

In early 2015, Garuda Indonesia has launched their own user-generated social media platform called **Garuda Social Miles**.⁵⁶⁵ Through this platform, Garuda Indonesia aims to inspire travelers to explore and experience many things related to Indonesia, from its sightseeing objects, heritage, nature, accommodations, lifestyle, sports, culinary, shopping, hangout places, and cultural events. There are also some travel-related tips published on the platform such as travel photography techniques. The platform enables Garuda Indonesia to have personal information about and direct access to specific groups of people such as

⁵⁶⁵ All information in this section about Garuda Social Miles relies on the researcher's participation and observation on the platform, www.garudasocialmiles.com

enthusiastic travelers, photographers, culinary lovers, and bloggers, who could be the airlines' prospect customers and could spread positive words about Garuda Indonesia on their social media networks.

In order to sign up and login to the platform, one must choose to do it either through his or her Facebook, Twitter or Google+ account. After that, one must give the required personal information, and do a small 'travel personality' assessment, which result informs users in which category of traveler they are.

It is likely that Garuda Indonesia expects that Garuda Social Miles to be an active user-generated-content platform which can also drive customer loyalty. **To encourage users' engagement** on the platform [KPI 2], users who do certain activities will be rewarded with contribution points, which can be converted with loyalty miles after a certain period of time. The 'desired' activities include contributing to content of the platform in forms of an article/a review, a picture or a video; promoting the link of their blog; and sharing information about Garuda Social Miles with the users' friends or followers on their social media accounts, which could impact on the **reach** of or people's **awareness** about Garuda Social Miles [KPI 3]. The miles earned can be redeemed with gifts such as a flight ticket, free accommodation, and some goods. Furthermore, users can write reviews, give ratings and comments on content, and share the content of the platform with their social media networks.

Conclusion

Based on the findings of this study, it can be concluded that social products can indeed make some important contributions to a company's performance on social media, especially in KLM's case and in Garuda Indonesia's. It is evident in KLM that through its social products, KLM could **reach** numerous customers and potential customers [KPI 3] and create meaningful **engagement** [KPI 2] with them, which eventually led to **revenue generation** [KPI 4]. Moreover, KLM's social products have also contributed to the **growth of its social media communities** [KPI 8]. Besides generating values for KLM, KLM's social products are *capable to generate an added value for the customers* as well due to its functionalities which are specially developed to cater various needs of travelers, such as solving their travel-related problems, inspiring them to travel, and documenting their journeys. As in the case of Garuda Indonesia, its social product enables them to reach many

traveling enthusiasts [KPI 3] and to engage with them [KPI 2] in a relevant way, so that in the future they could turn to be its customers.

As previously discussed in chapter 4, KLM's decision to develop numerous social products supports this study's assumption of **Prospector's social media strategy** to have a *broad and dynamic product domain on social media*, and to grow its prominence on social media by *continually developing new social products*. In other words, it can be concluded that KLM has developed and maintained the right social media-related asset (its various social products), as it fits or is consistent with its social media strategy as a Prospector. KLM's social products could also strengthen KLM's reputation as a creator of change or an innovator on social media. Besides KLM's commitment to innovation, it is likely that KLM's guts to do a lot of *experiments with social media* (a part of *social media-related learning competency*) is also the reason behind KLM's numerous social products. As mentioned earlier, KLM has the willingness to take risks and is not afraid to make mistakes as it is part of its learning process (Drimmelen, 2012c; KLM, 2014f).

Whereas in the case of Emirates, although its social media strategy also resembles a Prospector type, it has not developed any social product because at the moment they have other focus on social media. Lastly, although an Analyzer is assumed to be an "*avid follower of change*" or imitator on social media, American Airlines is not able to achieve it yet in terms of imitating social products, probably because its performance in social customer service is not consistent yet (see section I.2) that they still have to focus on enhancing it. As Miles and Snow (2003, p.72) argue, only when a portion of an Analyzer's domain is already reasonably stable, then the Analyzer is free to imitate the best products that Prospectors develop.

5.3.3 Social Media Policies

This section discusses the potential contributions of social media policies to a company's social media-related performance. This section begins with a literature review related to social media policies, which includes the values that social media policies could give to companies, different types of social media policies, and different stages of social media policy evolution in organizations. Lastly, the four airlines' views towards social media policies will be reported.

The Values of Social Media Policies

Despite a rapid adoption of social media in organizations around the world, many of them are still implementing 'banishment of social media uses' that mention the company as their social media policy intended for its employees. Such policies are impossible to enforce as most employees can access social media at work and outside of work with their own devices, which employers cannot control. Moreover, trying to control every employee's behaviors toward the company on social media would be difficult and even impossible.⁵⁶⁶

Thus, implementing a strong social media policy in an organization is critical because every employee has a potential to be a spokesperson for his or her employer, whether deliberately or unintentionally, and this can **either harm or greatly enhance the company's reputation** [KPI 6]. So, the social media policy will help the employees to understand the boundaries of their social media activities that are related to their employer.⁵⁶⁷

Companies which are advanced in social media have baseline governance and reinforcement for their social business, according to the finding of a study by Owyang, Jones, Tran and Nguyen of Altimeter Group (2011, p.6).⁵⁶⁸ They found that these advanced companies often have (1) at a minimum, an internal social media policy that protects the company and its employees, (2) a social media policy that not only protects the company, but also empower its employees to participate safely and professionally on social media as a representative of the brand, and (3) an ongoing baseline process to reinforce and update

⁵⁶⁶ All information in this paragraph relies on Boudreaux (2011b, p.276-277).

⁵⁶⁷ *Ibid.* (p.274). See also Zerfaß, Fink, and Linke (2012, p.4).

⁵⁶⁸ Owyang et al. from Altimeter Group conducted an online survey of 144 social business program managers at companies with more than 1,000 employees, 63 interviews and briefings with corporate practitioners, social business software service, and solutions providers, and analysis of over 50 social media crises from 2001 to 2011 which received major media coverage. Some examples of advanced companies on social media in their study are Cisco, Ford, IBM, Coca Cola, and Intel.

the policy among the rank-and-file employees, as well as an education program on the policy for them (Owyang et al., 2011, p.6-7).

Similarly, Boudreaux (2011b, p.275-276) also points out that every organization in fact needs *multiple social media policies for different purposes and audiences*.⁵⁶⁹ But these policies should not focus solely on protecting the company from risks, such as only spelling out what the employees are allowed or not allowed to do on social media (Boudreaux, 2011b, p.277). Instead, the companies must find the right balance between empowerment, trust and accountability in social media, so that its employees are encouraged to utilize social media in the right way that can promote and differentiate the company in the marketplace (Boudreaux, 2011b, p.283). Webber, Li and Szymanski (2012) also argued that “a good social media policy is a balance point between minimizing risk to the organization and shared responsibility between the organization and others” (p.18).

But the right balance of trust and empowerment will vary from one company to another, as it depends on the company’s regulatory environment and the nature of its customer relationship (Boudreaux, 2011b, p.283). If a company can provide its employees with the right education and empowerment on how to use social media in very specific ways – ways which other companies have not done or ignored – then this company is said to have built competitive advantages (Boudreaux, 2011b, p.275). Unfortunately, there are still many organizations who admit that their employees have little knowledge of their social media policies, which put the companies in risks of social media violations or crises by employees (Solis, Li, Groopman, Szymanski & Tran, 2013, p.9).⁵⁷⁰

Another requirement that every social media policy should have is ‘unique’ to the company who owns it, according to Boudreaux (2011b):

Companies need to create social media policies with an understanding of the processes they intend to impact, the employees who will carry out those processes, the measure of success, their unique culture, and their context (regulations, business objectives, organizational history and other factors behind the policies).
(Boudreaux, 2011b, p.283)

Lastly, social media policies should be treated as *living documents*, which means, it should be updated as companies enhance its social media competencies, as social media-

⁵⁶⁹ For a comprehensive collection of companies’ social media policies, see Boudreaux (Unknown year) at www.socialmediagovernance.com/policies

⁵⁷⁰ Altimeter Group’s conducted an online survey of 130 social media strategists and executives from companies with more than 1000 employees in 2012.

related technologies and service providers evolve, and as the priorities and the goals of the companies change as well (Boudreaux, 2011b, p.283-284).

As discussed earlier, companies are suggested to have multiple social media policies in place for different purposes and audiences, which could include the following policies (Owyang et. al., 2011, p.21; Boudreaux, 2011b, p.275-277; Webber, Li & Szymanski, 2012, p.16-19):

1. **Organizational/Internal Social Media Policy**

At a minimum, a social media policy must be able to protect the company and employees. The policy should define how the company-at-large leverages social media, also if and how the employees can participate in it. It dictates acceptable employee behavior in social media to protect the company from legal risks that can occur when the employees represent the brand or the company in public. Guidelines on disclosure and confidentiality is typically included in such policy, especially for personal use of social media. Thus, this policy requires inputs from marketing, legal, human resources and business operations. Usually this policy is also linked to the company's existing policies such as *privacy policy*, *sexual harassment policy*, and *ethics policy*. But companies should differentiate broad social media guidelines for the entire employees to the more operational guidelines for those employees who are assigned to manage the company's social media activities.

2. **Disclosure/Ethics Policy**

Ethics policies cover at a strategic level acceptable or desired behavior, and unacceptable behavior on social media for both employees and customers. Such policy is sometimes referred to *Code of Conduct* as well. Companies should also have a policy that addresses issues around disclosure and confidentiality of certain information on social media for its rank-and-file (non-managerial and non-executives) employees, because even if the employees are not formally allowed to publish something on the corporate social media accounts to represent the company or the brand, they can still do it on their personal accounts.

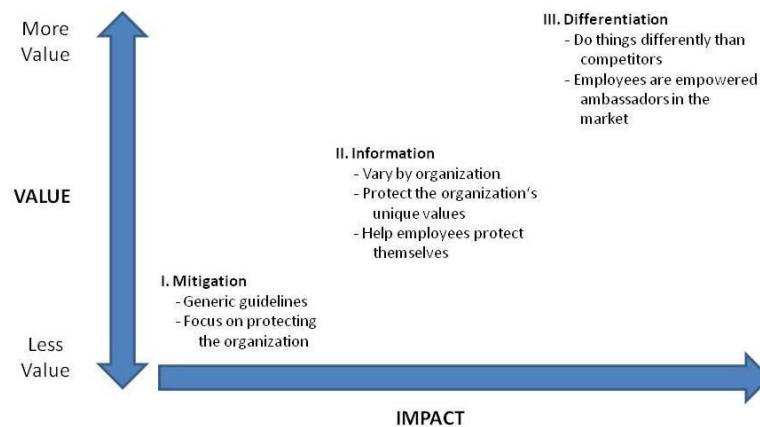
3. **Community Policy**

Companies which run a social media community in a certain social media channel should publish guidelines for the users of its community, which may include recent and potential customers, on all its social media accounts. This policy, often called the *Terms of Use*, is intended to protect the community from abuse, and to guide the community towards a common objective. The policy should also contain acceptable and unacceptable uses of the community or the boundaries for participation within that community.

4. **Privacy Policy:** This policy is intended for customers and defines how the company will use the data or information it gathers from social media platforms, as well as if and how the data will be shared.

According to Boudreaux, social media policies tend to develop through three distinct phases in organizations:

Figure 9: Three Stages of Social Media Policy Evolution



(Boudreaux, 2011b, p.280)

Boudreaux explained that a *mitigation stage* is where most organizations quickly develop their first social media policy. Usually they will take pieces of other companies' social media policies to create one for them. Thus, their social media policy is rather generic or similar to other companies'. Moreover, their initial policies usually focus on protecting themselves from the risk due to social media usage, which result in, for instance, prohibiting employees to use social media at work. But when a company begins to utilize its social media policies in manners that are unique to its goals, culture, and business processes, then it has entered the *information stage*. At this stage, the social media policies may aim to protect the company's unique values or to assist the employees in protecting themselves when using social media. Thus, the company makes it easy for its employees to find the information that they require, so that their social media use is successful. Organizations have reached the *differentiation stage* when they already know how to leverage social media fairly well and can already create more thoughtful policies which empower its employees to use social media in ways that can differentiate the organization in the market. Such policies often manage to turn employees into ambassadors of the organization in the market.⁵⁷¹

⁵⁷¹ All information in this paragraph relied on Boudreaux (2011b, p.280-283).

5.3.3.1 Empirical Findings: The Airlines' Social Media Policies

The table below provides an overview of the social media policies which the four airlines currently have:

Table 21: Social Media Policies of KLM, Emirates, Garuda Indonesia and American Airlines (as of August 2015)

	KLM	Emirates	Garuda Indonesia	American Airlines
Internal social media policy	√	√	√	√
Social media policy for social media team/agency	√	√	√	√
Community policy for Facebook	√	√	X	√
Community policy for Google+	X	X	X	√
Community policy for LinkedIn	X	X	X	X
Privacy policy (which cover social media)	√	X	X	√
Other policies	Terms & Conditions for 'Meet & Seat' service	-	Terms & Conditions and Privacy Policy for Garuda SocialMiles	-

Note: There is no space for companies to write their community policy on the home page of Instagram, Twitter, and Pinterest. Examples of their community policy can be found in appendix 3.

KLM Royal Dutch Airlines

KLM has developed *a company-wide policy that empowers a joint effort of multiple departments* in order to support the accomplishment of its social media objectives: To deliver excellent customer service, to gain positive brand reputation, and to generate revenue via social media (Socialbakers, 2012i). This shows that KLM's internal social media policy is already at the differentiation stage, which is also aimed to empower employees' **engagement** on social media [KPI 2].

Besides this internal social media policy, KLM also has a *community policy* for its global Facebook page, which is assumed to protect its online reputation [KPI 6] and to mitigate certain risks judging from the content of the policy.⁵⁷² In this policy, KLM informs its community in which manners it will interact with them on Facebook, such as responsive, open and transparent. The policy lists unacceptable behaviors in the community as well, such

⁵⁷² See KLM's community policy for its official Facebook page here: <https://www.facebook.com/KLM/info> or in appendix.

as obscenities or insult, posting videos, pictures or discussions relating to serious accidents, posting advertisements of any kind, and repetitive negative comments and criticisms. To protect KLM's employees, it is not allowed to post personal details of the employees like names, emails, and phone numbers on KLM's Facebook page. Whilst to safeguard its own privacy, KLM refuses to answer questions on confidential, strategic, or commercial topics. Lastly, to protect people's privacy, KLM advises the members of its Facebook community not to publish any personal data on the Facebook's wall. Moreover, KLM also has developed *Terms and Conditions* for its 'Meet and Seat' service on social media (KLM, 2012b).

Aspects related to the privacy of KLM's customers, prospective customers, and visitors on KLM's social media channels are included in KLM's *Privacy Policy* as well. The same privacy policy applies to all processing of the customers', prospective customers', and visitors' information by or on behalf of KLM on its website, social media, and mobile applications. It is assumed that this policy is made to mitigate certain risks which could harm KLM's reputation [KPI 6].⁵⁷³

With respect to KLM's community policy, Air France-KLM's senior vice president for e-commerce, Martijn van der Zee, commented that it is not KLM's policy to treat people differently on social media channels (Zee, 2014, p.5). Zee admitted that KLM's systems indeed provides some sort of analytics about which person frequently flies with KLM or has high social media Klout scores. But Zee explained that this should not make airlines treating people differently just because they are famous or have high ranking on social media. This is because KLM's audience on social media is very suspicious if famous people become different treatment. So, a person who only has two connections on social media and a famous person should get the same waiting time when they have a complaint. Zee explained that treating people differently will only backfire on KLM, and KLM had made that mistake once.⁵⁷⁴

Emirates Airlines

Emirates Airlines argues that having a social media policy is also important for them and they cannot operate on social media without a social media policy. Emirates Airlines has a social media policy for their internal staff. Emirates has a very strong *internal social*

⁵⁷³ See KLM's Privacy Policy page on:

https://www.klm.com/travel/gb_en/customer_support/privacy_policy/privacy_policy.htm#p2

⁵⁷⁴ The whole information in this paragraph relies on van der Zee (2014) from KLM.

media policy that applies to everybody in the company. Employees are basically allowed to participate in the airlines' social media channels [Differentiation stage], as long as they do it within the guidelines that the social media team has developed. For example, they may 'like' and comment on the content that the social media team posts on social media, perhaps because this could be good for the airlines' **engagement rate** on social media [KPI 2]. Nevertheless, only the designated and trained employees may reply to customers' queries on social media.⁵⁷⁵

Emirates had even created a further project to empower its employees' engagement on social media, and even to be the ambassadors of the Emirates brand on social media. Emirates had launched a campaign on Instagram from March to April 2015, which engaged six selected cabin crew as Emirates' Brand Ambassadors. During this time, these cabin crew were given the opportunity to showcase their life, travels and experiences to Emirates' 400,000 followers on its Instagram channel.⁵⁷⁶

Emirates also has a *community policy* for their customers. In Facebook they call the policy *House Rules*. The policy contains the desired behavior, which is encouraging the opinions of the community members, but with consideration and respect. The policy also lists unacceptable behaviors, such as offensive, defamatory, off subject, abusive, or selling services, events or activities. Lastly, it outlines Emirates' purposes in creating the Facebook page, and what the community members can expect from Emirates. Thus, this policy encourages the community's engagement with the airlines [KPI 2], as well as mitigates risks which can harm Emirates' reputation [KPI 6].⁵⁷⁷

Emirates also does not cover any privacy aspect related to social media in its Privacy Policy for customers.⁵⁷⁸ It only addresses a privacy, as well as a safety aspect, in its community policy on Facebook, that the members of its community are advised not to share any personal information publicly.⁵⁷⁹

⁵⁷⁵ All information in this paragraph relies on JS (Personal communication) of Emirates Airlines.

⁵⁷⁶ All information in this paragraph relies on Emirates (2015b).

⁵⁷⁷ See Emirates' community policy on its global Facebook page:

https://www.facebook.com/Emirates/app_550595795036558?ref=page_internal

⁵⁷⁸ See Emirates' Privacy Policy: http://www.emirates.com/english/sitetools/privacy_policy.aspx

⁵⁷⁹ See Emirates' community policy on its global Facebook page. *Op.cit.*

Garuda Indonesia

With respect to Garuda Indonesia, they share that they have an *internal social media policy* in place for its employees and for the staff who are in charge in managing the company's social media activities, as well as *a policy for its social media agency* (Service Level Agreement). The policies basically contain the 'Dos' and 'Donts' on social media. At Garuda Indonesia, the employees are not allowed to have any direct contact with the customers, fans or followers and post content on social media on behalf of the company, even the staff whose scope of responsibilities include social media, such as the public relations, marketing and customer service staff [Mitigation stage].⁵⁸⁰

This demonstrates that the main purpose of Garuda Indonesia's social media policies is **to protect the airline's reputation** [KPI 6] rather than to encourage employees' active engagement in the airlines' social media communities. Perhaps, employees' engagement is seen as a threat to the company because the company's culture is rather conservative (see Garuda's social media-related learning competency). However, the internal social media policy is not yet widely socialized within the company (BAN, Personal communication).

The agency had once proposed to Garuda Indonesia to involve the employees of the airlines in responding to customers' complaints or inquiries on social media. Unfortunately, the proposal was not approved. There was however, an exceptional situation during certain campaign times, in which the marketing department's staff were allowed to participate on the airlines' social media accounts by spreading the messages related to the campaign.⁵⁸¹

At the moment Garuda Indonesia does not have any community policy and a privacy policy in place yet for its global Facebook and Google+ accounts. They have not covered social media either in their privacy policy for all their clients, customers, suppliers and prospective employees.⁵⁸² However, there are a privacy policy and 'Terms and Conditions' for their community on Garuda Social Miles, their own social media platform.⁵⁸³ As this platform saves a lot of personal information of the community members, it is assumed that the main purpose of the policy is to mitigate risks which can harm Garuda Indonesia's reputation [KPI 6] and the members' privacy, such as misuse of their personal information.

⁵⁸⁰ All information in this paragraph relies on IR from Garuda Indonesia and Liquid thread (Personal communication).

⁵⁸¹ *Ibid.*

⁵⁸² See <https://www.garuda-indonesia.com/id/en/privacy-policy.page>

⁵⁸³ See www.garudasocialmiles.com

Whereas the ‘Terms and Conditions’ encourages the members’ active engagement within the platform [KPI 2] and governs the copyright of all the content displayed by the members on the platforms.

American Airlines

American Airlines shared that it has an *internal social media policy* that all employees can access in the company’s internal network (SS, Personal communication). But in 2013, many employees who are not part of the company’s social media team were not willing to participate yet on social media on behalf of the company, as the company’s culture is rather conservative (SS, Personal communication; Phillips, 2013). Nevertheless, the airlines’ social media team has been “down the road” since 2012 in empowering the employees or other business units to contribute to the company’s social media activities (SS, Personal communication). They have conducted a lot of presentations to the company’s leaders and different business units, as well as roadshows across the company and country, to inform them about what the social media team is doing on social media and their plans in the future related to social media (Phillips, 2013). This demonstrates that American Airlines’ internal social media policy is heading towards the differentiation level.

As of 2015, the leader of American Airlines’ social media team has been working on revising their internal social media policy concerning employees’ use of and engagement on social media, nevertheless, the policy has not been finalized (BM, Personal communication). The new policy should be able to encourage and regulate employees’ engagement on social media *and* to protect the brand as well. Beth Moreland from American Airlines notes that:

We essentially want employees **to be engaged with our brand on social media** [KPI 2, *emphasis added*] – definitely much more than in the past – but we also want them **to protect our brand** [KPI 6, *emphasis added*]. So, we want them to be careful what they say on social media, as it could reflect poorly on our brand. So far, the policy that exists is a little bit vague – so in the near future we hope to clarify it. (BM, Personal communication)

American Airlines also has a *community policy* for its official global Facebook page and Google+ page. Both community policies aim to guide the community towards a common objective by encouraging people to share their passion for travel and all things on American Airlines. The policies also aim *to protect the company* [KPI 6], as it informs that the members’ postings on the airlines pages are not the representative of American Airlines’

opinions and that the airlines is not responsible for the accuracy of the members' postings. The policy also specifies unacceptable uses of the community, such as defamatory, defensive, and offensive acts. Lastly, the policies state what the community can and cannot expect from American Airlines on its Facebook and Google+ page.⁵⁸⁴

Although all airlines in this study do not list any community policy in their official Pinterest page, American Airlines has an *invisible policy* concerning its content on Pinterest, as on Pinterest every user is allowed to 'grab' other people's images and to 'pin' it onto their own boards in their profile. Thus, as advised by the airlines' legal department, American Airlines' social media team requires people to sign an agreement with the airlines, confirming that they allow American Airlines to get and pin their content onto the airlines' boards on Pinterest.⁵⁸⁵

Lastly, American Airlines includes social media in its *Privacy Policy for Customers*. In this policy, American Airlines informs its customers clearly that third parties may collect information related to the customers on the airlines' social media channels. However, American Airlines does not determine in its Privacy Policy how the airlines will use the information about the customers that it gathers on their social media accounts.⁵⁸⁶ This shows that American Airlines still needs to improve its privacy policy by including information about how it will use the information about the customers that the airlines obtain through their social media activities and on their social media platforms.

Conclusion

It can be concluded that social media policies are an important social media asset for companies which utilize social media for business purposes, not because the policies could generate favorable online reputation, but because the policies **could protect the companies' reputation** [KPI 6] from all kinds of risks associated with the usage of social media channels by their social media staff, other employees, social media agency, customers, and prospective customers. In addition to that, an internal social media policy could also be a means to empower employees' engagement on social media, which eventually could contribute to the airlines' performance on social media in terms of **engagement** [KPI 2], as

⁵⁸⁴ All information in this paragraph relies on <https://www.facebook.com/AmericanAirlines/info> and <https://plus.google.com/+AmericanAirlines/about>

⁵⁸⁵ All information in this paragraph relies on American Airlines' Director of Social Communications, Jonathan Pierce (2012e).

⁵⁸⁶ See American Airlines' Privacy Policy on <http://www.aa.com/i18n/footer/privacyPolicy.jsp> under the section "Information Collected by Third Parties on Our Service."

in the case of KLM, Emirates, and American Airlines. However, it appears that employees' engagement on social media is more important than the protection of the company's reputation in **Prospector** airlines (KLM and Emirates).

With respect to Garuda Indonesia (Defender), the fact that it is the only airline in this study which strictly prohibits its employees' participation in the company's social media channels demonstrates that Garuda Indonesia is implementing an internal social media policy which is consistent with a Defender's solution to the administrative problem, which must be able to prevent any deviation from its plans on social media (to gain favorable reputation), as deviations could ruin the stability of its social media operations (see the 'Control System' section in chapter 4). But as the employees are not allowed to engage with the members of the airlines' social media communities, Garuda Indonesia may not be able to achieve the same high level of engagement as KLM and Emirates in its communities. In addition to that, Garuda Indonesia needs to inform all of its employees about the internal social media policy and to develop a community policy for its global social media channels to protect it from social media-related risks.

American Airlines' efforts to both empower its employees' engagement on social media and to protect the reputation of the American Airlines' brand through its internal social media policy also demonstrates that American Airlines has been developing the right social media-related asset according to its strategy type as an Analyzer. As assumed in this study, Analyzer should maintain a delicate balance between both stability and flexibility in its social media operations.

Lastly, it seems that **corporate culture** influences the airlines' internal social media policy to some extent. As evident in Garuda Indonesia and American Airlines which have a rather conservative corporate culture, employees' engagement on social media can be seen as a threat to the reputation of the company, thus, it should be prohibited (as in the case of Garuda Indonesia), or allowed but with strict rules (as planned in American Airlines).

5.3.4 Relationships with Key Influencers and Brand Advocates on Social Media

This section discusses the potential contributions of having good relationships with key influencers and brand advocates on social media to a company's social media-related performance. This section begins with a literature review about the differences between key influencers and brand advocates on social media, and the values of and the processes in managing good relationships with them, from identifying them until evaluating the return of their influence. Lastly, the four airlines' views towards this matter will be reported.

Key Influencers and Brand Advocates on Social Media

Over the past few years, there have been emerging interests from business and academic research in understanding the impacts of having good relationships with key influencers and brand advocates on social media to organizations, as well as in finding strategic ways for organizations to identify, locate, build and maintain a beneficial and lasting relationship with them.⁵⁸⁷ It seems that social media influencers and brand advocates are likely to be critical to organizations' success on social media (Lovett, 2011, p.94).

Brand advocates is actually not a new concept in marketing. They are enthusiastic customers or users of a company's product or service who usually do not have an official connection to the brand but voluntarily recommend the product or service to friends, relatives and others (Lovett, 2011, p.94; Fuggetta, 2012⁵⁸⁸). But loyal customers, customers who frequently purchase a product or a service, are not necessarily brand advocates (Fuggetta, 2012). For instance, the reason why a person flies the same airlines regularly could be because the airlines have more flights to the destination that the person often visits or because the company requires the person to do so (Fuggetta, 2012).

But since the rise of social media, brand advocates' power has amplified (Fuggetta, 2012). Now it is much easier for them to recommend products or services they love and to share their experiences with the products or services with their networks of people on various

⁵⁸⁷ There is more literature about social media influencers than brand advocates. For example, Shen and Kuo (2014) investigated how to identify the influencers of event information dissemination on social media and how the event information is disseminated from the influencers; Murphy and Schram (2014) studied the benefits of sponsoring or rewarding social media influencers; Schaefer (2012) wrote *Return On Influence*, the first book that outlined why every organization needs to understand the impact of social media influencers as well as how to identify and reap benefits from them; Freberg, Graham, McGaughey and Freberg (2011) investigated the audiences' perception on social media influencers. For a comprehensive discussion about brand advocates on social media, see Fuggetta (2012).

⁵⁸⁸ This is excerpt from Google book, and no page number is available.

social media platforms. And due to social media, what brand advocates recommend or share can now **reach much more people** than before [KPI 3].

Besides brand advocates, every organization also has other kinds of ‘influencers’ such as industry experts, opinion leaders, renowned journalists, and so forth, with whom they, usually the organization’s public relations team, have to build and maintain a relationship. But because of social media, new patterns of influence are emerging. Now individuals or ordinary consumers who were “nobodies” in the past have chances to become the new “somebodies”, the new influencers on social media, as they can broadcast personal or second-hand stories or disseminate any information to their networks on social media (Booth & Matic, 2011, p.184-185).

According to Freberg, Graham, McGaughey, and Freberg (2011), social media influencers are “a new type of independent third party endorser who shape audience attitudes through blogs, tweets, and the use of other social media” (p.90). They are influential people on social media who “are able to spread brand messages and have their audiences actually absorb it” (Basille, 2009), thus, could contribute to the **reach** [KPI 3] of a brand’s messages on social media. Social media influencers are often “individuals who have been sought out because of their ability to sway a specific audience toward a given predilection” (Lovett, 2011, p.94), thus, could influence a company’s **engagement rate** [KPI 2] and **reputation** [KPI 6] on social media. “They are a brand’s storyteller and the new brand ambassadors” (Booth & Matic, 2011, p.185).

Social media influencers generally have many direct friends and followers, but “**what makes them truly valuable is the number and relevance of their extended or indirect connections**” (Hall, 2010). These “*weak links* matter in the real world, and even more online,” so marketers need to track the extended social graphs of their content in order to understand and activate the dynamics of their influence (Hall, 2010). This is really fit with the theory ‘The Strength of Weak Ties’ developed by a renowned sociologist, Mark Granovetter (1973). Granovetter (1973, p.1360) argued that the weak ties in social networks are actually powerful in terms of, e.g. the *diffusion of influence and information*.

The emerging of these new types of influencers, as well as brand advocates’ increasing power due to social media, have certainly implications for organizations who run social business. Besides that, more than ever before consumers trust peer recommendations than advertisements, according to Nielsen’s study (as cited in Klout, 2014, p.4). That is why, in the era of social media, organizations would be better off with the “engagement-based” approach than the traditional “push-based” marketing strategies to reach customers (Klout,

2014, p.4). Organizations should cultivate and leverage the new influencers as part of their social media strategies to reach consumers (Booth & Matic, 2011, p.185; Klout, 2014, p.4). Identifying the relevant social media influencers is crucial for organizations because then they will know the key people with whom they must engage (Shen & Kuo, 2014, p.527).

Other suggest that it would be better off for organizations to focus first on harnessing the passion of brand advocates, then expanding their outreach program to the social media influencers (Baer, unknown year). The reason is, although social media influencers indeed have a large number of audiences, thus, they can create a lot of ‘buzz’ about a brand on social media, but this impact is usually short-term and ineffective for driving certain behaviors (Baer). Social media influencers often have their own agenda as well, so it often takes some incentives to get their interest and make them promote a product (Baer).

Brand advocates, in contrary, have passion which is “often very contagious as it spreads through the power of word of mouth” (Lovett, 2011, p.94). Their advocacy is “driven by the depth of conviction” and they are more committed to the product or company than the influencers (Baer). Brand advocates are the actual customers of a company who are willing to recommend a product or service to their networks of people on social media without any thought of compensation or recognition (Lovett, 2011, p.94). They are eager to support and defend a brand on a long term basis as well (Baer), which would be beneficial for the brand especially in difficult times.

A study by Insights Consulting also found that consumers’ most credible sources on social media about brand information are fellow consumers, followed by the brands themselves (Lovett, 2011, p.94). Consumers trust brand advocates because they do not have anything to gain personally from recommending products (Fuggetta, 2012).

So these characteristics of brand advocates can be an extremely powerful voice for a company’s brand because “they typically have no bias and almost always reflect the authentic and genuine attitudes of individuals” (Lovett, 2011, p.94).

The table below provides an overview of the differences between influencers and brand advocates on social media:

Table 22: The Differences Between Influencers and Brand Advocates on Social Media

	SOCIAL MEDIA INFLUENCERS	BRAND ADVOCATES ON SOCIAL MEDIA
Consumer trust	18% trust influencers (Source: Forrester Research)	92% trust brand advocates (Source: Nielsen)
Typical profile	Pundit, bloggers, celebrities	Highly-satisfied customers
Defined by	Size of audience (e.g. Twitter followers, blog subscribers)	How likely they are to recommend the brand
Motivation	Grow audience	Help friends (Source: comScore)
Advocacy and loyalty	Short-term	Long-lasting
Genuine passion	Maybe	Yes
Incentives needed	Typically yes (e.g. free products, trials, etc.)	Typically no

Own development based on an infographic created by Zuberance.com, and as cited in Baer (Unknown year).

The Values of Key Influencers and Brand Advocates on Social Media

From the discussion above about influencers and brand advocates on social media, it gives an overview of what kinds of potential values that companies can get from having good relationships with them.

Brand advocates are “extremely powerful allies” for organization (Lovett, 2011, p.94), a sustainable marketing force (Baer), and **can drive sales** [KPI 4] because consumers trust them more than advertising or influencers (Fuggetta, 2012). A survey by Zuberance in 2012 found that brand advocates’ recommendation can impact their friends’ purchasing decision of a product or service: 62% consider purchasing it, and 27% buy it (Fuggetta, 2012).

Similarly, social media influencers are viewed as powerful social media users as well. Appealing to the social media influencers is one of today’s sales strategies in the market as Columbia University’s research found that 90% of audiences are influenced by an opinion leader and word-of-mouth rates are tightly linked to **sales growth** [KPI 4] (Wollan & Trochymiuk, 2011, p.130). Social media influencers have the ability to **strengthen brands’ reputations** [KPI 6] through word-of-mouth campaigns targeted to their own followers (Klout, 2014, p.2). They share their experience and care about the brand, which can result in meaningful and quality monetization (Murphy & Schram, 2014, p.35). Engaging with social media influencers allows organizations to **increase their brand awareness** [KPI 3], to **create brand advocates**, to **increase their online reputation** [KPI 6], and to **increase their PageRank**, an algorithm that Google Search uses to rank websites in its search engine results (Cisnero, 2014). Engaging with social media influencers would be beneficial to companies which aim to provide a personalized experience with their product, but do not have the resources to individually reach out to each social media user or customer (Klout, 2014, p.3).

The relationship between a brand and social media influencers would be mutually beneficial because as the influencers endorse the brand's credibility, their influence rises too as a result of their affiliation with the brand (Klout, 2014, p.3).

There are opportunities for organizations to build alliances with the influencers and brand advocates on social media, not only in order to promote the organizations or brands, but also **to help and to support the organizations in crisis times** (Hurk, 2013). They can be leveraged in a crisis situation as independent third parties **to share information** [KPI 3] with their networks on social media (Hurk, 2013). Recognizing who they are and engaging them in a brand's discussion can **shape or even protect a brand's reputation** [KPI 6] (Booth & Matic, 2011, p.185). Thus, it is important to already have connections with them before a crisis (Hurk, 2013).

However, an influencer can also be negative toward an organization or situation (Hurk, 2013). Social media influencers **can also pose threats or risks for organizations**, as they can use their persuasive power to influence their networks of people on social media to oppose particular organizations. Thus, it is important for organizations to be able to turn these opponent social media influencers to become the organizations' proponents or advocates.

Managing Key Influencers and Brand Advocates on Social Media

Organizations do not automatically own social media influencers and brand advocates despite their large fans or followers base on various social media channels. There are many things that organizations need to do in order to have these groups, especially social media influencers, on their side.

First, organizations have to precisely define or identify what kinds of social media influencers they want to target or influencers with the relevant influence (Cisnero, 2014; Straley, 2010). But what makes an influencer and how can a brand identify an influencer within their industry are not easy to answer as "an influencer might look very different depending on the brand, the industry, or the campaign" (Klout, 2014, p.5). This can be a daunting task to do because the market of social media influencers are very diverse, for instance there are newsmakers and market makers, such as traditional reporters, analysts, financial analysts, A-list bloggers and industry pundits, and there are 'magic middle' bloggers who reach a much more focused readers, and 'tastemakers' or trust agents (Solis, 2009b).

As a general consensus, influencers are “users who have a greater-than-average share of voice, impact, or reach within a certain market segment” (Klout, 2014, p.5). The most important attributes that marketers must take into account when identifying social media influencers are: (1) **Relevance**, how relevant the influencers’ content to the organization’s business and audiences, (2) **reach** [KPI 3], the number of people a company could potentially reach through the influencer’s followers base that would bring value to the business, and (3) **resonance**, their ability to engage [KPI 2] with a valuable audience through relevant content (Cisnero, 2014; Klout, 2014, p.6). In addition to that, as social media and search engine optimization work very closely together, companies should check if they have a website or blog that ranks high in the search engine results page, as this indicates that their blog or site has been assessed by Google, and considered influential enough to receive a lot of traffic (Cisnero, 2014).

Fuggetta (2012) argues that to identify a powerful advocate, firms should find people who also have a combination of **reach**, a large number of followers or fans base; **frequency**, promote the brand many times online and offline; and **influence**, can get people to take actions.

The second step that organizations should do is to find these influential people (Cisnero, 2014). Unfortunately, locating them among numerous social media users can be very challenging too. Most of organizations’ brand advocates are even hidden (Fuggetta, 2012). Some software or tools, usually called social media analytics tracking and measurement tools, have been developed in order to help organizations to track social media influencers who are relevant to particular brands or organizations and influential brand advocates within different social media platforms or online communities.⁵⁸⁹ Usually, the ways these tools locate influencers and brand advocates are by calculating the number of followers or fans they have, and the impacts (e.g. number of likes, shares, views, hits) of their social media content (e.g. tweets, Facebook posts, blog entry) (Cisnero, 2014). The tools can pinpoint with precision which individuals most actively share links from the brand (Straley, 2010).

⁵⁸⁹ For example, Radian6, Hootsuite, and Socialbakers. These tools can do beyond listening to the social media conversations and measuring website traffic, clicks on campaign links, or conversions (Straley, 2010). There are also some very good tools which can do beyond just looking at the influencers’ number of followers and such, but can dig down far enough to see their social media connections and behaviors (Hurk, 2013).

Other platforms that organizations can utilize to track them are Klout, search engines and individual social networks (Cisnero, 2014). Klout is a website and a mobile app which ranks its users based on their influence on social media. Klout's users can be organizations or individuals. The Klout score ranges from 1 to 100: The higher the score, the more influential a person is on social media. The score is determined by around 450 factors.⁵⁹⁰ And if a company chooses search engines to track them, the influence metric to consider is the person's search engine ranking (Cisnero, 2014).

In a case of identifying influential bloggers, a study by Booth and Matic (2011, p.186) deployed a valuation algorithm or influencer index to measure the connections of bloggers in order to determine their influence. The valuation algorithm measures a cross-section of variables that numerically rate influencers' conversations on social media about a particular company, product or service.⁵⁹¹

After the influentials have been located, it is essential to evaluate their quality and relevance to the organization or brand (Freberg et al., 2010, p.91). In addition to that, Straley (2010) suggests companies to leverage social media analytics platforms to dig down into the content that these influential people like to share most often in order to be able to categorize them into groups. It is worthwhile to know which social media platforms they often use to connect and share with their networks, and to find out what motivates them to share content about a brand or organization, e.g. for fame or fortune (Straley, 2010). Understanding what motivates these people to share content about a company, product or service is the key to figure out what makes them 'tick', and what types of content they will respond to favorably (Straley, 2010). If these influential people are more motivated by fame rather than fortune, then companies should recognize and reward them with incentives that match with this motivation (Straley, 2010).

The third step is to make efforts to build a relationship with these influential people by **connecting and engaging with them** (Cisnero, 2014). According to Straley (2010), it is important to connect with these people in an authentic, "non-salesy" way, and to truly build a relationship with them. Companies who overly "sell" to their influencers will burn a bridge and potentially turn them into their worst detractors (Straley, 2010). These people should be engaged in dialogues around what they like about the brand and products and why, things

⁵⁹⁰ For more information, see Klout's website and Lithium Klout (2014, p.8-9).

⁵⁹¹ Booth and Matic (2011, p.186) argue that the influencer index helped them to understand how the influencers influence traditional target audiences, and can help communications professionals to establish effective outreach strategies. Organizations should integrate the influencer index data into their holistic social media strategy in order to have a comprehensive social media approach for optimizing brand equity.

they would like to see improved, and what kinds of opportunities and offers they would be most interested in receiving (Straley, 2010). Continuous engagement with the social media influencers can also turn them to become brand advocates (Cisnero, 2014). And to create powerful brand advocates, organizations should provide them with online tools that ease them to create and share their recommendations, for instance, on shopping sites and social networks (Fuggetta, 2012).

Undertaking offline activities to engage with social media influencers is also important. In the age of the connected travelers, it is common to see airlines bringing influential bloggers on fully-paid familiarization trips, or even engaging them as official brand ambassadors, according to Nigam (2013a) from SimpliFlying.

As many influencers are more motivated by incentives (Baer), companies should recognize and reward them with suitable incentives. A study by Murphy and Schram (2014, p.35) found that mutual investment between companies and influencers are important and there are benefits that organizations can reap for compensating or sponsoring the influencers, such as “unique branded social content from a trusted, influential source, syndication of content through all platforms and higher click-through rates.” The compensation for them does not always have to be in the form of cash: It could also a free product or service, experience, discount, coupon or other special initiative (Murphy & Schram, 2014, p.32).

A relationship that has been built with the influential people needs to be maintained as well, and this is usually a much harder task and time consuming as well (Cisnero, 2014; Klout, 2014, p.24). There are many ways that organizations can do, for instance, allocating time to keep track of them and what they talk about on social media, to send them a friendly tweet, to read their blog posts and write a comment, or to share their blog posts on Twitter and mention them in the tweet, and so forth (Cisnero, 2014). These are simple gestures which remind them that the company remembers them and value their social media relationship (Cisnero, 2014).

Lastly, organizations need to evaluate how their social media influencers affect their return on investment on social media to know exactly how effective their time and money has been spent on the proper target (Basille, 2009). Although this is not easy to measure, there are some metrics that organizations can use, such as **increase in community size** [KPI 8], **mentions** [KPI 3] and **engagement** [KPI 2] on social media (Klout, 2014, p.20).

5.3.4.1 Empirical Findings: The Airlines' Relationships with Key Influencers and Brand Advocates on Social Media

American Airlines

American Airlines defines social media influencers as the people who drive the conversations about American Airlines on social media, whom American Airlines needs to pay attention to, so that they are willing to help sharing the stories about American Airlines with their networks on social media (Phillips, 2013). For American Airlines, key influencers on social media could be their customers, employees, or other social media users (Pierce, 2013a).

According to Pierce (2013a), American Airlines' Social Media Director, building relationships with the airlines' brand advocates through social media is important because of the following reason:

American Airlines is developing digital relationships every day. We are proponent of brand advocacy and empowering our advocates **to share their experiences on social networks** [*emphasis added*]. Having our customers tell our story, is a central part of our social strategy. From employees to customers, we are constantly searching for new ways we can engage on social (Pierce, 2013a).

This implies that American Airlines believes that their brand advocates could also shape the airlines' **reputation** [KPI 6] on social media when they share their experiences flying with the airlines with their networks on social media.

So American Airlines has been attempting to identify and track their influencers and brand advocates on social media, and to engage with them (SS, Personal communication). The way American Airlines finds out who their influencers and advocates is by conducting intensive monitoring activities using a special social media monitoring tool (Phillips, 2013). American Airlines is also 'following' them on Twitter and Instagram. As of May 2015, American Airlines is following 57.895 Twitter users and 1.875 people on Instagram, and ca. 63.000 Twitter users and 1.882 Instagram users as of July 2015.⁵⁹²

According to Scott from American Airlines, the airlines understands the power of their fans on social media and the values of engaging with them. Thus, they have to pay attention to their fans, to identify who their social media advocates are, and to bring them into real world events. American Airlines recognizes that people communicate with them a

⁵⁹² See American Airlines' Twitter channel @AmericanAir (<https://twitter.com/AmericanAir/following>) and Instagram account @americanair.

lot on social media. On Twitter alone, they have identified about 100 people who talk to them frequently, who really love the American Airlines brand and tell their friends about it.⁵⁹³

After American Airlines has found the right social media influencers and advocates, they learn to engage with them in many ways. They create conversations with them and communicate with them in one voice that can cater to culturally diverse audiences. Moreover, American Airlines creates various events outside social media and invites the social media influencers and brand advocates to come.⁵⁹⁴ Pierce (2013a) believes that offline activities are important:

American has grown customer advocacy by taking the digital conversations offline. Hosting meet-ups with advocates allows us to “take the next step” with them, turning digital relationships into a human relationships and **developing lifelong customers** [*emphasis added*]. (Pierce, 2013a)

American Airlines has been experimenting with a new kind of engagement with them. For instance, American Airlines had invited them to engage directly with the airlines’ leaders to discuss certain issues which the airlines had identified from their customers’ feedback. The topics of the discussions included how the airlines is modernizing travel, how they recruit, hire and train their flight attendants, and so forth. The discussion took form in a live chat via Twitter. From three Tweet chats initiatives, American Airlines managed to get **over 692,000 impressions** [KPI 3].⁵⁹⁵

In March 2013, American was the official airlines sponsor of South by Southwest (SXSW), an annual high-profile film, interactive and music festival as well as conferences (American Airlines. 2013). The social media objectives of the sponsorship initiative were **to connect and engage** [KPI 2] with their customers and influencers at the festival (Pierce, 2013a). “American’s sponsorship was infused with social media throughout all experiential and digital aspects to the activation, and we were pleased with the brand impact our activations had at the event,” said Pierce (2013a) of American Airlines. Compared to other sponsors, American Airlines was the number one **most tweeted** sponsor on day 1, and number one **most mentioned** sponsor on Twitter across the festival [KPI 3] (American Airlines, 2013b).

⁵⁹³ All information in this paragraph relies on Scott (2012) from American Airlines.

⁵⁹⁴ All information in this paragraph relies on SS from American Airlines (Personal communication), except stated otherwise.

⁵⁹⁵ All information in this paragraph relies on American Airlines (2013b).

To empower the airlines' most loyal followers or fans on social media, Scott (2012) from American Airlines shared that they invited them to a flight on which it showed them certain aircraft amenities, as well as invited them to the SXSW festival, where executives talked about new technologies.⁵⁹⁶

To celebrate American Airlines' new route to Peru, and of course to engage with the social media influencers, the airlines had sent an influential travel vlogger (video blogger) to Lima in 2013. As the airlines had expected, the vlogger, who experienced and discovered many things in the city, created several YouTube videos about her experience, which would be good for American Airlines' **online reputation** [KPI 6].⁵⁹⁷

American Airlines had partnered with Klout in 2013 in order to recognize and to activate their social media influencers to talk about and fly with American Airlines. The airlines gave people with a Klout score above 55 a pass to their worldwide Admirals Club lounge, which is usually exclusive for its ultra-frequent fliers and business travelers. Until October 2013, American Airlines rewarded in total of 3,772 social influencers with a score of 55+ with the Admirals Club pass. American Airlines achieved **10.905 social media mentions** [KPI 3] between May 7th and 31st and **over 53 Million social media impressions** [KPI 3] about their Klout campaign.⁵⁹⁸

Nigam (2013a), SimpliFlying's CEO, praised American Airlines' social media initiative in recognizing and rewarding their social media influencers. Their program was unique because it really connected to the actual customer journey, enhanced the actual travel experience, and gave many people an opportunity to experience such a service for the first time. That should drive some good advocacies when these influencers arrived at the lounge to enjoy the service. The airline was smart as well when they encouraged the influencers many times to share their experience at the lounge with their followers on Instagram and Twitter, using the #AdmiralsClub tag. The likelihood that such experience is shared on social media is very high.⁵⁹⁹

To conclude, American Airlines has been really active in finding and engaging with their key influencers and advocates. American Airlines even still plans to do more engagements with them in the future (SS, Personal communication).

⁵⁹⁶ All information in this paragraph relies on Scott (2012) from American Airlines.

⁵⁹⁷ *Ibid.*

⁵⁹⁸ *Ibid.* See also Hoang (2013) from Klout.

⁵⁹⁹ All information in this paragraph relies on Nigam (2013a)

Garuda Indonesia⁶⁰⁰

At the time of the interview, Garuda Indonesia's social media agency shared that Garuda Indonesia does not have a strong social media community yet. Nevertheless, they really aim to locate, build and maintain good relationships with social media influencers who are willing to share with their networks on social media about their positive experiences flying and interacting with Garuda Indonesia. Garuda believes that having such influencers can increase their values as an airline. Moreover, it is assumed that when the influencers share with their networks on social media about their affinity for Garuda Indonesia, not only it would enable Garuda Indonesia to reach numerous social media users [KPI 3], it would enhance Garuda Indonesia's reputation [KPI 6] as well.

In order to achieve that, Garuda Indonesia extends the scope of their social media listening activities to include tracking of social media influencers who often talk about Garuda Indonesia with their fans or followers in their social media accounts, and getting their data. The results of the tracking activities, which should contain information about the relevant social media influencers of the airlines, are reported monthly by the airlines' social media agency Garuda Indonesia. Moreover, Garuda Indonesia is also 'following' around 1,900 Twitter users as of May 2015, and 1,940 users as of July 2015.⁶⁰¹

So far Garuda Indonesia has located some social media influencers who sometimes post about Garuda Indonesia in their social media accounts. Some of them are even real public figures in Indonesia such as Addie MS, the conductor of Twilight Orchestra, and Bondan Winarno, the food critic, who could be beneficial for Garuda Indonesia.

Emirates Airlines

According to Emirates, Emirates has some efforts to track and to connect with the airlines' influencers and advocates on social media (JS, Personal communication). But the social media team is not responsible for searching and managing the influencers and advocates (JS, Personal communication). This is the area of responsibility of their Public Relations department (JS, Personal communication). Unfortunately, it was not possible to do an interview with the PR department of Emirates. However, one can see that on Emirates

⁶⁰⁰ All information about Garuda Indonesia relies on LiquidThread (Personal communication).

⁶⁰¹ See <https://twitter.com/IndonesiaGaruda/following>

Support Twitter channel (@EmiratesSupport), there are nearly 6,000 Twitter users whom Emirates ‘follows’ as of May 2015, and 7,200 users as of July 2015.⁶⁰²

Moreover, Emirates had also launched a campaign on Instagram from March to April 2015 featuring six of their cabin crew as Emirates’ Brand Ambassadors on that social media platform. During this time, these cabin crew were given the opportunity to showcase their life, travels and experiences by using the official Emirates’ Instagram channel to Emirates 400,000 followers on this platform. The cabin crew who come from different backgrounds and positions within the cabin crew team, were selected through a competition amongst nearly 20,000 Emirates cabin crew. They were chosen based on their visual story telling style on Instagram, passion for travel, and enthusiasm for capturing different cultures and new experiences. Boutros, Emirates’ Divisional Senior Vice President of Corporate Communications, Marketing & Brand, commented on the benefits of this Instagram Brand Ambassadors campaign for Emirates:⁶⁰³

This is a very exciting first initiative using our Instagram platform, especially as it is a social media channel that is so popular amongst the crew community. It aligns with our Hello Tomorrow brand proposition, because at Emirates, it’s not just about getting from one place to another, it’s about connecting people and being a part of a social experience. This campaign gives us an opportunity to bring that sentiment to life. (Emirates, 2015b)

It is likely that this Instagram Brand Ambassadors campaign is mainly intended to boost the airlines’ **engagement rate** on social media [KPI 2], as this is what the airlines focuses to achieve at the moment (JS, Personal communication). The result of this campaign seems to be successful, judging by the high number of ‘likes’ and ‘comments’ which Emirates gained for every picture they posted about their brand ambassadors’ experiences. For example, a photo of Amy Bartholomew’s first experience in the Emirates First Class Private Suit gained **18,200 likes** and **591 comments** as of April 2015.⁶⁰⁴ Amy is one of the six selected cabin crews as Emirates’ Instagram Ambassador.⁶⁰⁵

⁶⁰² See <https://twitter.com/EmiratesSupport/following>

⁶⁰³ All information in this paragraph relies on Emirates (2015b)

⁶⁰⁴ See the picture here: <https://instagram.com/p/1iolCkKOSE/>

⁶⁰⁵ See Amy Bartholomew’s profile on Instagram: <https://instagram.com/amybartholomew/>

KLM

Out of numerous information available on the Internet about KLM's social media activities, unfortunately there is no information available if KLM has made special initiatives in order to build a relationship with their key influencers and brand advocates on social media. KLM has stated that what really important for KLM on social media are providing excellent social customer service, gaining and maintaining outstanding reputation, and deriving revenue from their social media efforts.⁶⁰⁶ But KLM takes into account an *increase in brand ambassadors* as a return on investment on social media (Drimmelen, 2012d). In addition to that, one can see on KLM's global Twitter channel (@KLM) that KLM 'follows' **53,611** Twitter users as of May 2015, and **57,600** users as of July 2015.⁶⁰⁷ This could be an indicator that KLM holds the importance of getting connected with influencers on Twitter. However, on Instagram, KLM is only 'following' 65 users as of July 2015.⁶⁰⁸

Conclusion

Based on the literature review and the airlines' views about the impacts of having good relationships with key influencers and brand advocates on social media, it can be concluded that good relationships with them could contribute to the **reach** of a company's social media content [KPI 3], to a company's **engagement rate** [KPI 2] and **reputation** [KPI 6] on social media. Although the airlines do not indicate that the relationships with them could also influence the size and growth of their social media communities [KPI 8] and the revenue from social media [KPI 4], however, the literature review does. Thus, it is important to maintain good relationships with key influencers and brand advocates on social media in order to be able to have them as a social media asset in the long run.

In comparison with the other three airlines in this study, it can be concluded that American Airlines (Analyzer) has made more efforts in identifying, establishing and maintaining relationships with key influencers and brand advocates on social media, followed by Emirates Airlines (Prospector) and Garuda Indonesia (Defender). As American Airlines lacks the competency in developing innovative social media-related products and services which could cause a massive viral effect (which KLM has), they need their key influencers and brand advocates to share with their large networks on social media, for

⁶⁰⁶ See Drimmelen (2012d) from KLM.

⁶⁰⁷ See <https://twitter.com/KLM/following>

⁶⁰⁸ See <https://instagram.com/klm/>

example about their positive experiences with the airlines or about the airlines' social media campaigns. Moreover, American Airlines could have 'crowdsourced' innovative ideas from these people as well, and used it for the development of its social products and services.

As it needs a lot of efforts to identify these influential people (through intensive social media monitoring and analytics), it can be concluded that those who invest adequate resources or have the competency in collecting and analyzing information about such people (*learning competency*) are likely to succeed in identifying them, as evident in American Airlines. Lastly, the insights about these people (gained through social media monitoring and analytics) could help the airlines determine the most appropriate or relevant ways to engage with them as well.

CHAPTER 6 CONCLUSION

The conclusion to the general research question of this study - *what factors contribute to the airlines' social media-related performance?* – is that their performance on social media is indeed influenced by multiple factors. It is influenced by both (1) the configuration of social media strategy, structure, and processes, *and* (2) social media-related resources (competencies and assets) of the airlines. A first major contribution of this study is the development of a holistic framework to define and identify these multiple factors, that may be applicable in any organizational environment.

Referring to Miles and Snow's strategy typology, how is the configuration of social media strategy, structure and processes in each airline? How is the quality of the 'fit' between each airlines' social media strategy, structure, and processes?

This study found that the airlines in this study differ in their social media strategy, structure, and processes. The first proposition of this study is proven. Three different configurations of social media strategy, structure, and processes that define three *social media strategy types* have been identified, which correspond with Miles and Snow's types of organizational adaptation – *Prospector*, *Defender*, and *Analyzer*. KLM and Emirates Airlines resemble the *Prospector* type, Garuda Indonesia pursues the *Defender* type, whereas American Airlines is similar to the *Analyzer* type. Each of these types or airlines has a particular configuration of **social media strategy** (*social media-related product-service-market domain; growth strategy on social media; social media monitoring mechanisms*), **organization structure** that accommodates social media efforts, and **social media-related processes** (*technological solutions, planning, coordination, control system, and performance measurement*) for responding to the dynamic social media environment.

However, it appears that achieving a good 'fit' or consistency between the airlines' social media strategy, structure, and processes is enormously complex, as it encompasses multiple social media-related strategic dimensions and solutions or decisions. The dynamics and uncertainties of the social media environment make the adaptation processes to it or a successful integration of social media strategy, structure, and processes *very complex and unstable*. This study found that to some extent, there is a 'fit' or consistency between the airlines' social media strategy, structure, and processes. However, the quality of the 'fit' differs between airlines.

KLM appears to have the greatest quality of the 'fit' between their social media strategy, structure, and processes because in nearly all social media-related strategic dimension99s, their solutions match this study's assumption about how the social media-related solutions in Prospector type should be. KLM has *the broadest social media-related product, service, and market domain* that is in a continuous state of development. Implementing a 'one-stop-shop' social customer service strategy, KLM provides *a wide range of services in 14 world languages on a 24/7 basis on multiple global and local social media channels*. To expand their prominence on social media, KLM *continuously develop new social customer service offerings and new social products, and explore new markets on social media*. KLM's prospecting strategy on social media is also supported by *constant monitoring and analyzing a wide range of aspects on social media*, in order to obtain as many competitive insights as possible, which they use to exploit new opportunities, to constantly experiment, and to innovate on social media. As a result, KLM is well known as the *creator of change and innovator* on social media. KLM has consistently created numerous innovative social products (e.g. games, applications), campaigns, services and content, which often have become benchmarks for other airlines. To support their broad domain and various activities in multiple social media platforms, *several supporting technologies* are deployed, *new technological processes* were created, and a *people-intensive approach* is implemented by employing a big and continuously expanding social media team. KLM *altered their organization structure* in order to facilitate rapid responses to the constant changes caused by social media by transferring around 150 employees from diverse departmental backgrounds to a newly developed and *centralized Social Media Hub*. The employees of the Hub are dedicated to manage the company's social media activities only and are led by some *Social Media Hub Managers*, which demonstrate *a complex form of coordination*, which is required to perform numerous social media projects. To foster effectiveness, the Social Media Hub has the *autonomy* to run and self-control the corporate social media activities without being constrained by their top management or other higher echelons (*decentralized control system*). Nevertheless, they keep their management informed about the company's social media-related activities and performance although it is not obligatory, in order to get continuous support from them. KLM makes sure that all the insights gained from social media are transferred not only to the members of the Social Media Hub, but also to relevant departments within the company (*short, horizontal feedback loops*) to improve their products and services, as well as to innovate. KLM measures their performance on social media by applying a multidimensional approach, in which both direct

and indirect returns of their investments on social media (multiple KPIs) are measured. Although Prospectors are usually only able to evaluate the effectiveness of their operations due to the continuous change they create, KLM is able to measure their efficiency on social media and in proving that this could contribute to the efficiency of some of their internal business processes.

Emirates Airlines is also pursuing the Prospector type of strategy on social media. They *strive to be an innovator* on social media and *aim to continuously develop their services and to expand their markets* there. But unlike KLM, Emirates is not interested in developing any social product yet. In order to locate new areas of opportunity, Emirates carries out *constant monitoring and analyzing of many aspects* on social media, and shares the insights gained from it with other departments upon request (*horizontal feedback loop*). *Various social media-related tools* are deployed to support their activities on social media. However, *they are not able to have a broad service and market domain* yet on social media. Emirates responds to certain customer service inquiries only in English and Arabic and during limited operational hours. Despite their late entry to social media, Emirates was relatively quick in establishing their presence on *some global social media channels*. However, they are present on much fewer country-specific or local channels than KLM. Emirates admits that their *centralized but small social media team* constraints their prospecting activities on social media, despite the autonomy they have to run and control the corporate social media activities (*decentralized social media-related control system*). Although their social media team has an extension, which is some staff at the Call Center, these staff are solely handling social customer service. They realize that certain departments or employees need to be empowered and trained so that they can contribute to the corporate social media activities as well. Similar to KLM, Emirates is able to evaluate their performance on social media both in terms of *effectiveness* and *efficiency*, however, only a limited number of KPIs are measured.

Garuda Indonesia's social media strategy, structure and processes resemble the Defender type, which strives to achieve stability in their operations on social media. *A limited range of services* is provided on Twitter and Facebook only, but they managed to extend their service hours to 24/7 after nearly five years on social media. *Only one social product*, their own social media platform, has been developed. Garuda is present in *several global social media platforms*, although they were relatively *slow in adopting them*, and they are *not present in any local social media channel*. Only Indonesian and English-speaking social media users are targeted by Garuda, and aggressive social media campaigns are

conducted to *penetrate into a particular market*. *Monitoring certain aspects* on social media is important for Garuda, especially issues that could harm their reputation. What their competitors do and how they perform on social media is not the subject of the monitoring. However, their active surveillance on social media is not yet supported with any core technology and technological processes which can integrate important information they gain from social media with their other databases. Unlike other airlines, Garuda *did not form a centralized social media team* with dedicated social media staff in it, probably to avoid any changes in the organization structure which could disrupt their stability, and/or because of cost-efficiency reason. Instead, some staff from the PR, Marketing, Call Center, and E-Commerce share responsibilities in managing the company's social media activities whilst performing other tasks of their respective division. In addition to that, an agency with limited human resources was hired to deliver multiple social media-related services for Garuda. This structure and form of coordination, together with their multiple, partly inactive, Twitter and Facebook accounts, have resulted in some coordination issues between all the involved parties and inefficiency. Moreover, in this study, Garuda has made the least efforts in measuring the impacts of their social media activities. They do not have the capability to properly measure if their goals on social media are accomplished. Nevertheless, efforts have been taken gradually to improve the fit between their social media strategy, structure, and processes. For instance, implementing a standardization in handling feedback through social media, deactivating some of their multiple Facebook pages, terminating the partnership with the first agency and hiring two new agencies – one agency is focused on delivering social customer service only and is coordinated by the Call Center, whereas the other is managing Garuda's brand on social media and is under the Marketing's coordination.

The Analyzer type of strategy is pursued by American Airlines on social media. They strive to have a *balance* between locating and exploiting new opportunities while maintaining their current services and markets on social media. However, this balance is not accomplished yet. In certain units and markets, American Airlines describes their social media activities or projects as *focused, directed to a limited segment, and fairly stable*, whereas other projects in other units and markets are considered *innovative*. They want to *adopt new ideas and innovations* that have been introduced on social media, only *after a careful analysis* of their success potential. They admit that they *do not have a reputation for being innovative and creative* in using social media. So to get ideas for new social media activities, they carry out *very extensive social media monitoring and analytics* of many things, including of their competitors. American Airlines has been quick and flexible in

adopting and experimenting with *multiple global social media channels and various social media-related tools*, but they are not present in any local social media channel nor having any social media channel that is dedicated to serve certain countries only. Technological processes to integrate social data with other databases in order to achieve a more efficient operation have not been established either. Moreover, although they have been present on social media much longer than the other, no new social product has been developed. Their range of services on social media has not much developed in the past years, although they aim to provide full services on social media like KLM. Thus, their product-service-market domain on social media is only narrow and stable, instead of a mixture between stable and developing. American Airlines has a *centralized and dedicated social media team* with a good amount of autonomy to control their own performance (*decentralized control system*). In addition to that, they regularly report to some executives and other business units on their own initiatives (*vertical and horizontal information systems*) about their performance on social media and the insights they gain from social media. American Airlines realizes that the team still needs to be expanded and more business units need to be engaged, to cope up with the rapidly growing volume of messages they receive on social media and to develop new services, products, and markets on social media. And although American Airlines undertakes a proper measurement of their social media-related performance, they are not able to evaluate their *efficiency* and *effectiveness* on social media in a balanced way yet.

If there is a good ‘fit’ between the airlines’ social media strategy, structure, and processes, does this ‘fit’ contribute to the airlines’ social media-related performance? This study generally supports Miles and Snow’s theory as the quality of the *fit* between the airlines’ configuration of social media strategy, structure and processes contributes to their performance on social media. In this study, KLM is the airlines which can achieve the most consistencies across their social media-related strategic dimensions, and this appears to have contributed to KLM’s superior performance on social media. KLM is consistently the most responsive airlines even in comparison with all airlines on social media, one of the top 5 brands on social media by average engagement rate since 2011, superior in generating revenue from social media, and has the largest and growing social media communities. The good quality of the fit between KLM’s social media strategy, structure, and processes is likely to have benefited the business further as well, as evident in KLM’s new line of service, the “Lost and Found”, which was developed based on the insights gained from their constant social media monitoring and analytics activities.

Some inconsistencies which occur in other airlines, as concluded earlier, seem to hinder them to achieve superior performance in several aspects. For example, although Emirates is pursuing the same Prospector strategy as KLM on social media, the size of Emirates' communities on social media is about half of KLM's communities. Emirates is present in much fewer local social media platforms, offers limited services on social media and has no social product at all to attract more social media users to be in their communities.

However, this study also found that a good fit between social media strategy, structure, and processes alone is not sufficient for the airlines to achieve a superior social media-related performance. To some extent, a specific configuration of social media strategy, structure, and processes needs specific social media-related competencies and assets as well to be successful.⁶⁰⁹ For instance, a broad product, service, and market domain on social media needs to be supported with a centralized, dedicated and big social media team as well. Coordinating communities in multiple social media channels requires a competency in managing different content that can drive their engagement with the airlines. Thus, the second proposition of this study is *not fully* proven, and should include this extension.

Which social media-related resources (competencies and assets) could contribute to the airlines' social media-related performance? And how do these social media-related resources contribute to it? In order to successfully adapt to the dynamics and uncertainties of social media environment, this study confirms that specific social media-related competencies and assets are needed by companies. The third proposition is proven. This study has identified that (1) social media-related competencies in learning, responding to social media communities, managing content, creating innovations, and managing crises, as well as (2) four social media-related assets (social media team, social products, social media policies, and relationships with key influencers and brand advocates on social media) can contribute to the airlines' performance on social media.

This study also found that there are *mutual relationships* between the competencies and assets. **Learning competency** is a *basic competency* as the *knowledge, insights, and skills* gained from conducting learning activities can influence all other social media-related competencies and assets of the airlines, thus, can influence the airlines' performance on social media in multiple ways. In addition, this competency can even contribute to some

⁶⁰⁹ See chapter 4 section IV for examples to these complex relationships.

value-creating activities of the airlines, e.g. product/service development and improvement, and market exploration. Social media-related learning competency consists of five primary activities: *Experimentation, information collection, analysis of information, education and training, and information transfer*. In addition to that, *a supportive learning environment, e.g. conducive corporate culture, and leaders, key executives, and management who reinforce these learning activities*, can positively influence the airlines' social media-related performance as well.

Responsiveness competency on social media is another must-have competency for the airlines as it contributes to many aspects of their performance on social media, both directly and indirectly. Responsiveness competency not only contributes to the airlines' responsiveness on social media; this competency also influences the airlines' **competency in social media crisis management**, which is required to effectively manage social media crisis (including risks and issues on social media) and *online reputation*. Airlines' excellent responsiveness in helping customers via social media in crisis times contributes to the airlines' effectiveness in managing social media crisis. Furthermore, the airlines' competency in providing responsive service on social media is a *prerequisite for undertaking commercial endeavors* on social media, and can also influence their *engagement* with and the *growth* of their social media communities. The airlines' responsiveness on social media is usually appraised by calculating their average response time and response rate, and the total amount of questions they are able to answer in a certain period.

As relevant, engaging and worth-sharing content on social media can create meaningful engagement between the airlines and their communities, can reach numerous social media users, could grow the airlines' social media communities, and can even generate revenue on social media, airlines need a **competency in social media content management**. Managing social media content includes multiple activities, such as brainstorming for ideas, designing the structure, creating workflows, leveraging certain tools, evaluating the performance of the content, and optimizing the content.

Innovative competency on social media enables the airlines to create innovative social media content (including campaigns), social products and services, through which the airlines can drive engagement with their customers and social media communities, reach numerous customers and other social media users, build a favorable online reputation, and generate revenue. Principally, all airlines in this study are aiming to be innovative on social media to some extent. However, in practice, this competency is really dominant in KLM, and only KLM has the reputation as innovative airlines on social media. Several strategies

are implemented by the airlines in organizing their innovation process, ranging from relying on their own social media team, collaborating with agencies, ‘crowdsourcing’ ideas from their social media communities, and monitoring social media.

Regarding social media-related assets, this study confirms that the existence of a **dedicated corporate social media team**, except at Garuda Indonesia, enables the airlines to manage all their social media-related activities effectively and efficiently, and to speed up the integration of social media into the business, thus, can contribute to their performance on social media. A dedicated social media team with an adequate number of staff is required in order for the airlines to be very responsive in delivering their service on social media. A dedicated social media team could also help the airlines engage better with their social media communities. All airlines in this study also partner with social media agencies for various purposes, for instance, for developing social products (KLM), and executing social customer service (Garuda). Learning from the case of Garuda Indonesia which does not have a dedicated social media team, it can be inferred that a good collaboration between social media agencies and the airlines’ cross-functional social media team could be an alternative for companies which are reluctant to invest in a dedicated social media team.

This study found that social media-related products, or social products, can also make some important contributions to a company’s performance on social media, especially in the case of KLM which has developed the most social products. Mostly intangible, social products are specially made for social media to solve customers’ problems or simply to amuse the customers. Through its various **social products**, e.g. games and numerous applications, KLM can reach not only numerous customers but also prospective customers (thus, boost its brand awareness), engage with them in relevant ways, gain a reputation as an innovator on social media, and generate revenue.

As *influential people* on social media can reach and influence the behavior of many other social media users, having good **relationships with key influencers and brand advocates** on social media is seen by the airlines as beneficial as their advocacy of the airlines can influence others to fly or not fly with the airlines, help spread the airlines’ messages to even many more people beyond the airlines’ social media communities, and impact on the airlines’ reputation on social media. The airlines’ learning competency (through social media monitoring and analytics) has a major role in identifying these influential people. Moreover, airlines also put efforts in building and maintaining relationship with their influencers and advocates.

Lastly, this study confirms that having various **social media policies** is also important for the airlines as it can protect their reputation from all kinds of risks associated with the uses of social media by their social media staff, employees, social media agencies, customers, and prospective customers, that are related to or on behalf of the airlines. In addition to that, “liberal” internal social media policies can also empower employees to engage with the airlines’ social media communities and to contribute to the airlines’ activities on social media.

How are the relationships between social media strategy types and social media-related resources of the airlines? Do social media-related resources differ across social media strategy types? Similar to the findings of earlier studies concerning the interdependencies between a firm’s strategy type and resources, this study also found that there are correlations between the airlines’ social media strategy types and their social media-related resources. The fourth proposition is proven. First, how the airlines conduct their learning activities on social media (**social media-related learning competency**) differs across social media strategy types. Prospectors (KLM, Emirates) and Analyzer (American Airlines) appear to put more efforts or allocate more resources in conducting social media-related learning activities than the Defender (Garuda Indonesia). However, at the Prospectors (especially KLM), numerous insights gained from their extensive learning processes are mainly used to innovate on social media and to explore new markets; whereas at the Analyzer, the insights are mainly used for other value-creating activities, e.g. to manage issues effectively and to build relationships with key influencers and brand advocates on social media. Therefore, Prospector’s **innovative competency** on social media seems to be more influential than the Analyzer’s and Defender’s, as it has enabled the creation of innovative social media campaigns and continuous developments of social products, services and markets. As a result, Prospector (only KLM) has the most **social products** and services and the broadest markets on social media in comparison with the Analyzer and Defender. Moreover, only one Prospector (KLM) has *consistently* managed to be the most responsive airlines in comparison with the Analyzer and Defender (**responsiveness competency**). In addition to that, the airlines’ **internal social media policies** seem to differ as well across strategy types. The Defender has a much stricter internal social media policy than the Analyzer and Prospectors. Prospectors empower their employees to participate in the airlines’ social media activities, whereas in the Defender, this is not allowed, most likely in order to minimize risks that can damage their reputation, as Defenders strive to achieve

stability. The Analyzer attempts to have a delicate balance between engaging the employees and protecting the brand through their internal policy.

There are also differences in how the airlines allocate human resources for their corporate **social media team**. One Prospector (KLM) has the biggest social media team among all examined companies, which is most likely influenced by Prospector's *people-intensive approach* to maximize their flexibility in coordinating numerous social media platforms, technologies and broad domain on social media. The Analyzer's **competency in managing social media crises** appears to be superior to one Prospector (KLM), perhaps because it is assumed in this study that a Prospector generally does not focus on achieving stability in their operations on social media and omits making a detailed operating plan for social media before they finish analyzing various social data and experimenting on social media. Lastly, in terms of the airlines' **relationships with key influencers and brand advocates on social media**, the Analyzer appears to have put more efforts than the Prospectors and Defender in identifying, building and maintaining good relationships with them. As Analyzer lacks the competency in developing innovative social media-related products and services which could cause a massive viral effect, Analyzer needs their key influencers and brand advocates to share with their big networks on social media, for example about their positive experiences with the airlines or about the airlines' social media campaigns. Moreover, Analyzer could 'crowdsource' innovative ideas from these people as well, and used it for the development of its social products and services.

Although Miles and Snow's theory argues that *each organization type could succeed* as long as there is a good quality of fit between its strategy, structure, and processes, the findings of this study show a different tendency. It seems that the Prospector is likely to be the most ideal configuration to achieve an excellent performance on social media, provided that their social media-related resources are backed-up with a good fit between their social media strategy, structure and processes, as evident in KLM. Probably because the nature of the Prospector itself, *dynamic* and *flexible*, really suits the dynamic social media landscape very well. This is similar to the findings of earlier studies that the effectiveness of strategy types may depend on the nature of environment in which the company operates and on the performance measures used (Hambrick, 1983, p.21; Desarbo et al., 2005, p.63; Conant et al., 1990, p.378). Especially in terms of achieving **consistent superior responsiveness on social media**, as accomplished by KLM, maintaining very rapid responses to voluminous messages received on social media requires a high-performing social media team (*asset*) which

consists of numerous and dedicated social media staff (*Prospector's people-intensive approach*) who are recruited internally from many different and relevant departments (*structure*), so that the team is *multi-skilled*. Miles and Snow have also observed that only Prospectors dare to change their *organization structure* merely to enable them to explore new business opportunities better. Moreover, achieving superior responsiveness on social media also requires investments in multiple technological solutions and *flexibility* to alter the technological processes in order to integrate all existing customers' databases with the customers' insights gained from social media. It also needs a lot of investments and efforts in social media monitoring, analytics, education and training (*learning competency, extensive surveillance mechanisms*), as well as an internal *social media policy* which empowers the social media team to provide responsive service on social media. The social media team also needs to be permitted to exercise a considerable amount of self-control of their own performance (*decentralized control system*) so that they can immediately improve their service on social media. Because of a good alignment between all those solutions, most of customers' problems can be solved within KLM's social media team itself in less than an hour.

CHAPTER 7 LIMITATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

The methodological concept of this study was qualitative. It conducted an in-depth analysis of companies representing a certain strategy type. Because of that, there was no quantitative statistical testing of hypotheses which could lead to the verification or falsification of these research hypotheses. However, the case study approach is meaningful in a new field, where new hypotheses (or propositions) concerning research questions have to be generated and refined. In addition, sometimes a scientific field, like social media management, is that new, that the objects to be analyzed have yet to be precisely described, before any hypotheses about causal relations between these objects could be developed and tested. So, in chapters 4 and 5 of this study, social media-related strategies, structures and processes as well as social media-related resources, and key social media-related performance indicators or measures (in chapter 2) were developed to serve as a foundation for future, quantitative studies, by which potential causal relations between these phenomena may be analyzed.

In addition, the phenomena defined by this study may also be used in studies analyzing other industries than the airlines industry. Such studies could also investigate, if, e.g. the superiority (represented by a higher level in key performance measures) of a Prospector – given a consistency of its social media strategy, structure and processes and given a consistency of its social media-related resource base with this strategy – to an Analyzer or Defender, which was witnessed in this study, is also witnessed in other industries. A reason might be the very dynamic nature of the social media management and its close relation to the core business especially in the airlines industry, which needs more responsive and innovative services or solutions in order to satisfy more demanding and networked customers, and to avoid damage of the brand and the core business.

It is also possible that the three configurations of social media strategy, structure, and processes that this study suggests may not be perfectly applicable in other industries, or even in the same airlines industry, but in low-cost carriers. Other industries might require mixed strategies, structures, and processes that are different from the pure Prospector, Defender and Analyzer configuration. Miles and Snow themselves have noticed that in some particularly complex industries, mixed strategies, structures and processes, as well as new combinations and allocation of resources are required. Further studies should be carried out in other industry settings or in low-cost airlines to explore this.

This study did not evaluate if the identified social media-related resources could generate a sustained competitive advantage on social media, that means, if they fulfill the relevant criteria developed by the resource-based theory. Future studies may evaluate which social media-related resources are *rare* and *imperfectly imitable* (not possible to duplicate and substitute), as these are the characteristics which could support a company's goal to gain a sustained superior performance on social media.

As social media establish a very dynamic environment, it is possible that in the future *new* social media-related strategies, structures, processes, competencies and assets are needed, or the existing ones should be modified. It is also a future research task to analyze this. Future studies may also investigate how organizations should identify, acquire or develop, use, and maintain their social media-related resources (*resources management framework*). It also needs to be further explored how organizations can continually develop a stronger alignment across their social media strategy, structure, and processes, and even change the whole configurations, in order to achieve a better performance on social media.

The eight key social media-related performance indicators that this study has developed need to be improved as well, especially in terms of the metrics used (to measure it or its operationalization) which this study did not focus on. It is possible that new performance indicators and metrics are needed or the suggested ones should be modified in the future, due to the changes in social media environment. Other industries might also need specific KPIs and metrics that differ from what airlines industry regards to be important.

Given the multiple success factors evaluated in this case study, it was not possible to observe the effects of strategic adjustments between social media strategy, structure, processes (to improve the quality of the fit) and social media-related resources on the companies' performance on social media through time. More insights on the interrelationships among all variables in this study could be obtained by conducting a *longitudinal study*. Future research may investigate further how the adjustments to social media-related competencies, assets, strategy, structure and processes, in adapting to the dynamics of social media environment, contributes to a consistent and superior performance on social media. On a broader level, it would be valuable to evaluate the impacts of a company's social media-related performance on the business performance.

Influences from Corporate Resources

As to a company's resources in general, it would be beneficial to analyze the consistency of the social media-related resources with the corporate resource-based in general and also for each strategy type. For example, in general, the social media-related innovative competency should be supported by a corporate, organization-wide innovation orientation, which includes giving the innovative teams and activities in social media field full support, enough financial resources, etc. by top management. A company's responsiveness on social media should be supported by the corporate's competency in providing responsive service as well. In other words, this consistency will probably influence the performance impact of a given social media-related resource. In addition to that, it is not clear yet, if the social media-related resource has to be supported by exactly the same resource on the corporate level. For a Defender, which does not own a corporate innovative competence, this may be replaced by a corporate leadership competence in the shape of decentralization and trust by top management, allowing the social media staff to experiment and be innovative on a trial-and-error base. This study also found that to some extent, corporate culture (strategic asset) seems to influence a company's flexibility in conducting continuous experiments on social media (e.g. creating new kinds of social media-related products, services, campaigns), and its internal social media policy (either empowering or prohibiting employees' engagement on social media). Summing up, the embeddedness of the social media-related resource within the overall corporate resource base is complex but also very interesting field of research. However, analyzing this relationship was beyond the scope of this study.

Competency to Utilize the Knowledge and Competencies of Partners

This study found that to some extent, all airlines partner with one or more social media agencies to outsource certain social media-related activities. This corresponds with Miles and Snow's observation that in today's world, the competencies and assets possessed by a company are usually more than the company's own or specific competencies and assets, instead, they are shared with, and multiplied by, the competencies and assets of their partners. Because a particular company's social media-related competencies and assets are at least partially dependent on the quality of their partners' (social media agencies) competencies and assets, companies need to develop *meta-competencies* and allocate investments in relationship management and other cross-firm competencies, as argued by Miles and Snow. According to them, the meta-competencies required are *meta-competency*

of coordination, delegation, knowledge creation and sharing, and collaboration. Adapting their arguments into the social media management context, these competencies may enable an organization to achieve, for instance, Prospector-like superior responsiveness and Defender-like efficiency on its social media management, which Garuda Indonesia (Defender) and American Airlines (Analyzer) seem to endeavor. Thus, it would be beneficial for future studies to evaluate such *meta-competencies* of companies and its contribution to the companies' performance on social media.

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APPENDIX 1 SUMMARY OF MILES AND SNOW'S STRATEGY TYPOLOGY

The tables below provide a summary of the distinctive characteristics of the Miles and Snow's four strategic types along the strategic dimensions involved in each of the three major problems faced by the organizations during their complex and dynamic adaptation process.

Adaptive Cycle Component	Strategic Dimensions	DEFENDER	PROSPECTOR	ANALYZER	REACTOR
Entrepreneurial problem		How to "seal off" a portion of the total market to create a stable set of products and customers	How to locate and exploit new product and market opportunities	How to locate and exploit new product and market opportunities while simultaneously maintaining a firm base of traditional products and customers	
	Domain establishment	Narrow and stable domain (limited mix of products/services & customers). Aggressive protection of domain (e.g. competitive pricing or quality)	Broad and continuously developing/expanding domain	Hybrid domain that is both stable and changing Segmented and carefully adjusted	Uneven and transient
	Surveillance Mechanism	Tend to ignore developments outside domain Intensive (narrow, focused) organizational monitoring	Monitor wide range of environmental conditions, trends, events; decentralized scanning Result: Creator of change	Competitive oriented and extensive to achieve successful imitation Result: Avid follower of change	Sporadic and issues dominated
	Growth	Cautious and incremental primarily through market penetration Minimal product/service development & market expansion, but closely related to current product/service/market	Mainly from locating new markets & product/service development Also market penetration Growth may occur in spurts	Steady growth through market penetration A substantial amount of growth through product/service and market development	Hasty change Opportunistic thrusts and coping postures
Costs and benefits		It is difficult for competitors to dislodge the organization from its small niche in the industry, but a major shift in the market could threaten survival	Product and market innovation protects the organization from a changing environment, but the organization runs the risk of low profitability and overextension of its resources	Low investment in research and development, combined with imitation of demonstrably successful products, minimize risk, but domain must be optimally balanced at all times between stability and flexibility	

Own development based on Miles and Snow (2003)

Adaptive Cycle Component	Strategic Dimensions	DEFENDER	PROSPECTOR	ANALYZER	REACTOR
Engineering problem		How to produce and distribute goods or services as efficiently as possible	How to avoid long-term commitments to a single technological process	How to be efficient in stable portions of the domain and flexible in changing portions	
	Technological goals	Cost-efficiencies, stability (minimize variability and uncertainty)	Flexibility (contingent upon both current & future product), "What products <i>should</i> we make?"	Technological synergism. Stability and flexibility	Project development and completion
	Technological breadth	Single core technology	Multiple technologies for different products, some for creating prototype products	Dual technological core (stable & flexible component)	Shifting technological applications/fluidity
	Technological buffers	Vertical integration Continuous improvements in technology to maintain efficiency	Low degree of routinization and mechanization; Technology embedded in people (people-intensive, employ individuals with variety of skills/diversity)	Some extent through standardization & routinization Moderate degree of technical efficiency	Ability to experiment and 'rig' solutions
Costs and benefits		Technological efficiency is central to organizational performance, but heavy investment in this area require technological problems to remain familiar and predictable for lengthy periods of time	Technological flexibility permits a rapid response to a changing domain, but the organization cannot develop maximum efficiency in its production and distribution system because of multiple technologies	Dual technological core is able to serve a hybrid stable-changing domain, but the technology can never be completely effective or efficient	

Adaptive Cycle Component	Strategic Dimensions	DEFENDER	PROSPECTOR	ANALYZER	REACTOR
Administrative problem		How to maintain strict control of the organization in order to ensure efficiency	How to facilitate and coordinate numerous and diverse operations	How to differentiate the organization's structure and processes to accommodate both stable and dynamic areas of operation	
	Dominant Coalition and Managerial succession	Finance & production Tenure is lengthy Promotions from certain functional areas within organization	Marketing, R&D Larger, more diverse, more transitory; may include an inner circle. Tenure not always lengthy; key managers may be hired from outside as well as promoted from within.	Marketing, applied research, production Large and somewhat transitory. Tenure may not be particularly lengthy	Trouble-shooters
	Planning	Intensive (narrow spectrum), oriented to problem solving, must be completed prior to action Plan → Act → Evaluate Cost-oriented By dominant administrative coalition Inside/out	Broad rather than intensive, oriented toward problem & opportunity finding, contingent upon feedback from experiments Prepare tentative organizational responses to opportunities Evaluate → Act → Plan	Intensive (between marketing & production concerning stable portion of domain) Comprehensive (among applied research & marketing's product managers concerning new products & markets) Avoid experiments of a new problem area	Crisis oriented and disjointed
	Structure	Functional, group specialists with similar skills into separate units Extensive division of labor, employ individuals with only limited & specialized skills, high degree of formalization	Product and/or market centered (project teams) Low division of labor and low degree of structural formalization Willing to alter structure	Matrix structure combining both functional divisions (highly formalized) and product groups (small, minimum standard procedures)	Tight formal authority/loose operating design
	Control	Centralized Long-looped vertical information systems	Decentralized Short-looped horizontal information systems	Moderately centralized system, vertical and horizontal feedback loops	Avoid problems/handle problems, remain solvent
	Coordination and Conflict Resolution	Simple coordination mechanisms (e.g. standardization, scheduling), conflicts resolved through hierarchical channels	Complex coordination mechanisms (e.g. project coordinators), conflict resolved through integrators	Both simple (in functional structures) & and complex (in product/project groups) coordination mechanisms Some conflict resolution through product managers, some through normal hierarchical channels	
	Performance Appraisal and Maintenance	Efficiency (doing things right), measured against previous periods Reward system favors production and finance	Effectiveness measures, measured against important competitors Reward system favors marketing and R&D	Effectiveness (adaptive units), efficiency (stable subunits) Most rewards to marketing & applied research	
	Costs and benefits		Ideally suited to maintain stability and efficiency but is not well suited to locating and responding to new product or market opportunities	Ideally suited to maintain flexibility and effectiveness but may underutilize and misuse resources	Ideally suited to balance stability and flexibility, but if this balance is lost, it may be difficult to restore equilibrium

APPENDIX 2 EXCERPTS OF THE PROFILES OF THE AIRLINES

KLM Royal Dutch Airlines

KLM Royal Dutch Airlines was founded on 7 October, 1919 to serve the Netherlands and its colonies. KLM is today the oldest airline still operating under its original name. KLM has been part of the [AIR FRANCE KLM](#) group since the merger in 2004. KLM is the core of the KLM Group, which further includes the wholly-owned subsidiaries KLM Cityhopper, transavia.com and Martinair. As of summer 2015 KLM offers 135 worldwide destinations, whereof 67 longhaul and 68 mediumhaul destinations. Alongside Air France and KLM eleven other airlines are united in the SkyTeam alliance.⁶¹⁰

Emirates Airlines

With a fleet of more than 230 aircraft, we currently fly to over 140 destinations in more than 80 countries around the world, and our network is expanding constantly. Over 1,500 Emirates flights depart Dubai each week on their way to destinations on six continents. In recent years, Emirates has made numerous significant announcements regarding the future of its already state-of-the-art fleet.⁶¹¹

Garuda Indonesia Airlines (GIA)

Garuda Indonesia is the flag-carrier of Indonesia, the largest archipelago national. Garuda Indonesia flies to over 40 domestic and 36 international destinations and was named as World's Best Regional Airline by Skytrax. Flew for the first time in 1949, today Garuda Indonesia carries more than 25 million passengers annually. Garuda Indonesia is awarded a 5-star airline by Skytrax in December 2014. Garuda Indonesia is the first Indonesian airline to join SkyTeam. With the alliance, Garuda Indonesia is looking forward to being connected to more than 1,000 destinations worldwide.⁶¹²

American Airlines

American Airlines Group (NASDAQ: AAL) is the holding company for American Airlines and US Airways. Together with regional partners, operating as American Eagle and US Airways Express, the airlines operate an average of nearly 6,700 flights per day to nearly 350 destinations in more than 50 countries. American is a founding member of the **oneworld** alliance, whose members and members-elect serve nearly 1,000 destinations with 14,250 daily flights to 150 countries.⁶¹³

⁶¹⁰ Directly copied from www.klm.com

⁶¹¹ Directly copied from www.emirates.com

⁶¹² Directly copied from www.garuda-indonesia.com

⁶¹³ Directly copied from www.aa.com

APPENDIX 3 THE AIRLINES' SOCIAL MEDIA POLICIES

I. Community Policy on KLM's Global Facebook Page

Just a few guidelines to keep this page a fun place for everyone to visit:

- We'll be happy to respond to your comments, but may refer you to different sources or channels if they are better suited to answer your questions.
- In order to protect your privacy, we may have to delete postings containing personal data. We strongly advise you NOT to publish any personal data on our wall. These include contact details, flight details, booking codes, reference numbers and Flying Blue numbers. If you need to send us these details, please ask us to contact you via a private message. We will then ask for your details.
- We don't accept obscenities or insults.
- Serious accidents always have a lasting impact on many people. Therefore we won't accept videos, pictures or discussions about these matters.
- Negative comments and criticism will help us to improve our products & services, but we don't want the wall to be dominated by repetitive messages or repeated discussions. Without removing the topic, we reserve the right to remove some of these postings to leave space for others.
- In our replies, we will be as open and transparent as possible. However, we are unable to answer questions on confidential, strategic or commercial topics. We thank you for understanding.
- Advertisements of any kind, be it (non-)commercial or personal, are not welcome. They will be removed.
- Posting of personal details like names, e-mail addresses and telephone numbers of KLM or Air France employees is not allowed.

We will manage this page according to these guidelines to keep it an open space for everyone to join. We look forward to hearing from you!

II. Community Policy on Emirates' Facebook Page

We want to share your experiences.

We want to hear your opinions. We want to take on board your views to help us make your experiences even better. We ask but one thing – please show consideration and respect.

A safe and inspiring environment.

When visiting this page, we want you to enjoy a safe and inspiring environment. That's why, any post that is offensive, defamatory, off subject, abusive, or selling services, events or activities will automatically be marked as spam, and removed in accordance with [Facebook's Terms of Service](#). We would also like to remind you not to share any personal information publicly on the Page, including your email address, as this could make you a target for scammers and/or spam. For your own safety, we will remove any comments that provide such information.

Have a customer service question?

Simply visit our customer services section. We've put together all the links you need to get your questions answered as quickly as possible.

Enjoy...

We've created this page to inspire you, listen to your feedback and ultimately improve our services. Enjoy the experience. Whenever you get in touch, we'll respond to you within 24 hours.

We look forward to hearing from you.

III. Community Policy on American Airlines' Facebook Page

This American Airlines Facebook page is a fun, flyer-friendly community where people can share their passion for travel and all things American Airlines. While we're excited to hear from you, it's important to note that postings to the American Airlines Facebook page are not representative of the opinions of American Airlines or AMR, nor do we confirm their accuracy.

As part of our commitment to you, we'll do our best to ensure the postings on our page are in line with American's high-quality standards. However, since we unfortunately can't monitor every posting or conversation, American expects that users will not post content that falls into the following categories and reserves the right to remove postings that are:

- abusive, defamatory, or obscene
- fraudulent, deceptive or misleading
- attacking any American Airlines employee by using full name
- in violation of any intellectual property right of another
- in violation of any law or regulation
- otherwise offensive
- suggestive of new product innovations or advertising ideas
- spam or commercial solicitation
- inclusive of personal data

While we don't reply to complaints directly on Facebook, we want to hear from you.

Send your praise, concerns and suggestions to <http://www.aa.com/customerrelations> to ensure an appropriate response from American Airlines.

IV. Excerpts from American Airlines' Privacy Policy**Information Collected by Third Parties on Our Services**

Some of the content, advertising, and functionality on our Services may be provided by third parties that are not affiliated with us. As noted above, these and other third parties may collect or receive technical information about your use of our Services, including through the use of cookies, web beacons, and other technologies, and this information may be collected over time and combined with information collected on different websites and online services.

For example, some of our Services include social network or other third-party plug-ins (such as Facebook's "Like" button) that enable you to login to certain of our Services, to comment on content available on our Services, and to share things you find on our Services with your social network. The providers of these plug-ins may be able to collect information about you even if you do not click on or otherwise interact with the plug-in or widget and regardless of whether you have an account or

other relationship with these social networks and third parties. If you use social network tools or visit social networking sites, you should read their privacy disclosures to learn what information they collect, use, and share.

V. Excerpts from the Terms of Conditions on Garuda Indonesia's Garuda Social Miles

PENGHARGAAN UNTUK KONTRIBUTOR

Bagi Pengguna yang telah bergabung dan mendistribusikan Konten untuk situs www.garudasocialmiles.com, maka akan menerima penghargaan berupa Poin Kontribusi.

DEFINISI POIN KONTRIBUSI

Poin Kontribusi merupakan bentuk penghargaan dari PT Garuda Indonesia (Persero) Tbk bagi para Kontributor, yang nantinya akan dikonversikan menjadi miles setelah jangka waktu tertentu.

PEROLEHAN POIN KONTRIBUSI

Poin Kontribusi dapat diperoleh dengan melakukan aktivitas-aktivitas tertentu yang telah ditetapkan oleh PT Garuda Indonesia (Persero) Tbk dalam situs www.garudasocialmiles.com. Semakin banyak dan sering aktivitas-aktivitas tersebut dilakukan, semakin banyak Poin Kontribusi yang diperoleh. Aktivitas-aktivitas yang dimaksud adalah berupa, sebagai berikut:

- Kontribusi konten
 - Melalui direct post, yang dilakukan oleh Pengguna melalui situs www.garudasocialmiles.com secara langsung.
 - Melalui direct post, yang dilakukan oleh Pengguna melalui situs www.garudasocialmiles.com secara langsung.
- Memberikan link blog milik Pengguna pribadi.
- Membagikan (sharing) mengenai www.garudasocialmiles.com melalui akun media sosial milik Pengguna pribadi.

JUMLAH POIN KONTRIBUSI

Jumlah Poin Kontribusi yang dapat diperoleh oleh Pengguna adalah berdasarkan materi yang di-submit dan sudah diverifikasi oleh Admin www.garudasocialmiles.com, adapun keputusan pemberian miles berada sepenuhnya di pihak PT Garuda Indonesia (Persero) Tbk.

Jumlah Poin Kontribusi yang diperoleh dalam setiap aktifitas dapat mengalami fluktuasi yang antara lain dipengaruhi oleh jenis kartu GarudaMiles yang Pengguna miliki dan kredibilitas dalam berinteraksi dalam berkontribusi di www.garudasocialmiles.com.

Secara periodik Admin www.garudasocialmiles.com akan memberikan informasi perolehan miles kepada Pengguna pada halaman www.garudasocialmiles.com Pengguna.

PENUKARAN MILES

Poin Kontribusi yang telah dikonversikan menjadi miles dapat ditukarkan dengan berbagai penawaran menarik (sesuai dengan promo-promo yang tersedia) yang dipersembahkan oleh PT Garuda Indonesia (Persero) Tbk, seperti penerbangan dan penginapan gratis, voucher serta hadiah-hadiah lainnya. Informasi selengkapnya dapat dilihat pada GarudaMiles.

KETENTUAN LAYANAN

- Miles yang dikumpulkan oleh Kontributor memiliki jangka waktu Penggunaan dan fasilitas layanan yang sama dengan aturan yang berlaku di www.garudasocialmiles.com.
- Fasilitas yang diperoleh oleh Pengguna selaku anggota Garuda Miles tidak dapat diperjualbelikan dan dipindahtangankan kepada pihak lain.

- Penukaran miles menjadi award ticket berlaku sesuai dengan ketentuan yang ada di www.garudasocialmiles.com.
- Ketika Pengguna masuk ke situs www.garudasocialmiles.com dan menjadi Kontributor www.garudasocialmiles.com, maka secara otomatis Pengguna telah menjadi Kontributor Garuda Miles setelah melakukan pengisian formulir pendaftaran dan akan mendapatkan kartu Garuda Miles sementara.
- Persetujuan mengenai pendaftaran Garuda Miles pada website www.garudasocialmiles.com sepenuhnya menjadi kewenangan dari pihak PT Garuda Indonesia (Persero) Tbk.
- Keanggotaan Garuda Miles terbuka untuk warga negara Indonesia dan/atau warga negara asing berumur minimal 2 (dua) tahun, yang berdomisili di Indonesia atau di luar Indonesia, dimana program Garuda Miles diberlakukan oleh PT Garuda Indonesia (Persero) Tbk.
- Dalam hal terjadi ketidaksesuaian antara peraturan dan ketentuan yang berbahasa Indonesia dengan bahasa Inggris pada www.garudasocialmiles.com, maka yang berlaku adalah peraturan dan ketentuan yang berbahasa Indonesia.
- Segala ketentuan dan pelaksanaan pada www.garudasocialmiles.com tunduk pada hukum dan peraturan perundang-undangan yang berlaku di Negara Republik Indonesia.
- Semua ketentuan yang berkaitan dengan Garuda Miles akan merujuk pada aturan yang berlaku di www.garudasocialmiles.com.

KETENTUAN KONTEN

- Foto harus berbentuk digital, dan diunggah ke www.garudasocialmiles.com dengan kapasitas file kurang dari 2 MB dan dengan format JPEG yang memiliki resolusi sebesar 1600 x 1200.
- Setiap Kontributor hanya boleh mengirimkan maksimum 10 foto per upload.
- Kontributor harus memberikan judul dan lokasi di setiap foto yang diunggah.
- Foto yang Pengguna unggah tidak menggunakan watermark.
- Foto bukan hasil karya orang lain, ciplakan, atau hasil plagiat. Kontributor dengan ini bertanggung jawab atas hak atas kekayaan intelektual (HAKI) dari setiap foto yang diunggahnya, dan membebaskan PT GARUDA INDONESIA (PERSERO) TBK dari setiap kerugian yang muncul terkait dengan HAKI dari foto yang diunggahnya.
- Foto yang diunggah di www.garudasocialmiles.com harus diambil dalam rentang waktu 3 (tiga) tahun terakhir.

VI. Excerpts from the Privacy Policy on Garuda Indonesia's Garuda Social Miles

INFORMASI YANG GARUDA INDONESIA KUMPULKAN DARI PENGGUNA

Secara Ringkas

Pengguna telah setuju bahwa Garuda Indonesia menerima dan menyimpan seluruh Informasi yang Pengguna masukkan ke dalam www.garudasocialmiles.com atau yang Pengguna berikan kepada Garuda Indonesia melalui cara-cara lain secara sukarela. Informasi yang dimaksud tersebut, termasuk namun tidak terbatas pada data pribadi, yaitu data yang berupa identitas, kode, simbol, huruf, atau angka penpengguna personal seseorang yang bersifat pribadi yang terdiri atas nama pertama dan nama belakang Pengguna, nomor telepon, alamat email, nama pengguna dan kata sandi yang Pengguna masukkan saat mendaftar di situs Garuda Indonesia, selanjutnya disebut "Informasi".

Informasi-Informasi lain juga akan dibutuhkan pada saat Anda mengajukan pertanyaan kepada Garuda Indonesia atau melakukan aktivitas lain di www.garudasocialmiles.com.

Secara otomatis

Pengguna telah setuju bahwa Garuda Indonesia atau pihak www.garudasocialmiles.com akan mengumpulkan Informasi secara otomatis dari perangkat elektronik yang Pengguna gunakan saat mengunjungi www.garudasocialmiles.com, termasuk namun tidak terbatas pada, pengumpulan data sesi (cookies), alamat IP, Garuda Indonesia browser, dan alamat situs penghubung. Garuda Indonesia juga akan mengumpulkan informasi mengenai aktivitas internet Pengguna, termasuk namun tidak terbatas pada situs yang dikunjungi dan konten yang paling sering Pengguna cari. Salah satu tujuan Garuda Indonesia mengumpulkan Informasi secara otomatis ini adalah untuk membantu Garuda Indonesia untuk lebih memahami minat dan ketertarikan Pengguna, agar dapat mempersonalisasikan penggunaan Pengguna di www.garudasocialmiles.com.

Cookies dan Teknologi Garuda Indonesia

Garuda Indonesia dan situs afiliasinya menggunakan cookies untuk tujuan-tujuan umum sebagai berikut:

- Untuk membantu Garuda Indonesia mengenali Pengguna dan menyimpan segala preferensi yang telah Pengguna pilih ketika mengunjungi www.garudasocialmiles.com. Sebagai contoh, jika Pengguna mendaftar ke www.garudasocialmiles.com, Garuda Indonesia dapat menggunakan cookies sebagai pengingat informasi pendaftaran Pengguna, sehingga Pengguna tidak perlu lagi melakukan log in setiap kali Pengguna mengunjungi www.garudasocialmiles.com
- Untuk merekam kata sandi Pengguna pada cookie bila Pengguna menpenggunai kotak “Biarkan saya signed in di computer ini”, kecuali jika “saya sign out”. Mohon untuk diperhatikan agar nama pengguna, kata sandi dan data-data lainnya yang berhubungan dengan akun Pengguna dimasukkan ke dalam cookies secara enkripsi untuk kepentingan keamanan;
- Untuk membantu Garuda Indonesia menyesuaikan konten, merekam pengalaman penggunaan situs di www.garudasocialmiles.com dan situs lain di internet, seperti ketika Pengguna mengakses suatu halaman situs, secara otomatis Garuda Indonesia, penyedia jasa Garuda Indonesia, atau rekan Garuda Indonesia akan mengatur cookie untuk mengenali browser Pengguna ketika Pengguna melakukan kegiatan di internet dan untuk menyuguhkan kepada Pengguna informasi yang sesuai dengan minat dan ketertarikan Pengguna.