

# Chapter 4

## Optimizing Virtual Communities in Tourism to Facilitate Development of Small and Medium-Sized Enterprises

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### ABSTRACT

*The chapter presents the essence of online/virtual travel communities and examines their current significance for SMEs. It presents types and characteristics as well as the most popular virtual travel SME communities and discusses ways of optimizing the development of SMEs by applying a strategy of virtual communities by selected hospitality SMEs. An eight step strategy to implement virtual travel communities by SMEs is elaborated. One of the main findings of the author is that virtual travel communities can be very useful for optimizing the development of SMEs by supporting all the stages in the decision-making process, focusing on pre-planning, making the decision and after the tourist and business visit stage. In order to understand how virtual travel community can optimize the development of SMEs, the author discusses tools for measuring the effectiveness of social media. Both future research directions and a conclusion are outlined.*

### INTRODUCTION

Virtual travel community has many definitions and advantages for small and medium sized enterprises (SMEs). One of those benefits is the internet which has fundamentally changed the way SME customers make their decisions. Nowadays, they are more affected to make decision by travelers from travel virtual communities, rather than their friends. In this vein, virtual travel communities support consumers in the pre-planning and planning process, during the trip and after it as well (Gulbahara & Yilidirima, 2015). Therefore, guest experience has become a dominant factor in the selection of a hotel, so review

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sites continue to be the fore-front when consumers are planning a hotel room purchase (Gulbahara & Yilidirima, 2015).

Consequently, travel online communities provide unbiased information and customers can easily without any effort find out what the others recommend about visiting a certain destination, which hotels are recommended by travelers who had already visited the place (Casaló, Flavián & Guinalíu, 2011). On the other hand, social media have become a very important part of the marketing strategy of SMEs as they provide an opportunity for engaging with customers and generating brand advocates (Oztamur & Karakadilar, 2014). In this regard, social media allow destinations to contact visitors at relatively low cost and higher levels of efficiency that can be achieved with more traditional communication tools (Kiralova & Pavlicecka, 2015). In other words, travel online communities help SMEs in building their image, reputation and creating long-term relationships with customers by engaging them in constant communication by the blog or forum they provide to their web-site. Moreover, *web-based platforms* allow for real-time recording and sharing of tourist experiences and thereby add to advances of personal virtual identities (Munar & Jacobsen, 2014).

This chapter has three main aims:

1. *To present the meaning of online/virtual travel communities (VTC) and examine their current significance for SMEs in the available literature;*
2. *To present VTC types and characteristics;*
3. *To provide ways of optimizing the development of SMEs by applying a strategy of virtual communities by a selected hospitality SME.*

Following the above described structure, the VTC discussion will proceed with future research directions. Finally, the chapter is completed with a conclusion.

## **BACKGROUND**

*Internet* affected the business by changing the business models. In this regard, SMEs have in fact started taking advantage of social media, and it has become quite a popular tool (Oztamur & Karakadilar, 2014). SMEs can benefit in many ways from applying virtual communities as part of their business. In this regard, SMEs now have the potential to access increased opportunities to innovate on an unprecedented scale (Jones, Alford & Wolfenden, 2015). SMEs define target markets, as digital marketing offers an unparalleled access to information at a granular scale, which can redefine the ways in which customer segments are created using free-to-use web-based tools (Jones, Alford, & Wolfenden, 2015). This allows the potential user to enter any person or brand's Twitter handle and analyze their followers.

The benefits of using a travel online community can be summed up, as follows:

- The traveler receives useful information about the trip planned;
- There exists easy access to information from other travelers.

In addition, companies and SMEs benefit from using online communities in the following ways:

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