Web 2.0 As A Tool For Market Intelligence Acquisition
(Work-in-Progress)

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2 November 2013 @ 11.30 a.m.

Outline of the Presentation

1. Introduction
2. Review of the Literature
3. Research Hypotheses
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1. Introduction

- Definition of Web 2.0
  - Blogs, social networks, online customer reviews, wikis, podcasts, folksonomies, mashups, RSS, webinars…

1. Introduction, cont.

- Definition of Market Intelligence (MI)
  - Marketing literature:
    - A major dimension of market orientation which covers organizational-wide gathering, sharing and use of exogenous market factors that affect current and future needs of customers (Kohli & Jaworski, 1990).
  - Information science literature:
    - A subset of competitive intelligence which focuses on market aspect of intelligence such as new markets and creative segmentation opportunities, and major shifts in marketing and distribution (Rouach & Santi, 2001).
1. Introduction, cont.

- Use of Web 2.0 in marketing activities:
  - Marketing communication channel;
  - Dissemination of product information;
  - Customer relationship management;
  - Customer after-sales service.

1. Problem Statement

- Business impact of Web 2.0 applications.
- Use of Web 2.0 in marketing activities — mostly on the dissemination of marketing information to customers.
- Increasing importance of Web 2.0 as a source of market intelligence due to its nature – interactive, customizable, popular.
- Lack of literature on the use of Web 2.0 in market intelligence acquisition.
- Importance of tourism industry in Malaysia: the major contributor to GDP; ranked top in online transactions; ranked 10th in tourist arrival in 2012; Visit Malaysia Year in 2014.
1. Introduction, cont.

Research Questions

- What is the current state of market intelligence practices in the Malaysian tourism industry?
- What are the antecedents of market intelligence practices?
- What is the extent of the use of Web 2.0 applications as the tools for market intelligence acquisition?
- What is the extent of the use of market intelligence in making strategic marketing decisions?
- Is there a positive link between market intelligence practices and firm performance?

2. Review of the Literature

Theoretical Perspective

1. Information Processing Literature—information requirements of a firm depend on interplay among strategy, structure, decision making processes, and business environment (Rogers, Miller, & Judge, 1999).
2. Review of the Literature, cont.

- Empirical Studies – Business Environments
  1. Scanning the task environment for strategic decision making among tourism executives (Jogaratnam & Law, 2006). ~ Hong Kong
  2. A positive relationship between strategic uncertainty and scanning frequency in travel agent companies (Zhang, Majid, & Foo, 2013). ~ Singapore
  3. Customer demand and competitors are the main sources of environment uncertainty by tourism firms (Oreja-Rodriguez & Yanes-Estevez, 2007). ~ Spain

- Empirical Studies – Use of Social Media
  1. Culnan et al. (2010) – use social media platforms to engage with customers among Fortune 500; most popular being Twitter, followed by Facebook, blogs and client-hosted forums. ~ USA
2. Review of the Literature, cont.

Empirical Studies – Use of Social Media, cont.
1. Singh et al. (2008) – use blogs to get real information, support brand loyalty and target customer segment.
2. Sharifah Fatimah and Murphy (2011) – use social networking as a marketing communication channel.

Empirical Studies – Use of Social Media for acquiring MI
2. Review of the Literature, cont.

Empirical Studies – MI and Firm Performance
1. Global Intelligence Alliance (GIA, 2011) – firms with systematic MI programs consistently make decisions more effectively.
4. Song et al. (2009) – formal market information acquisition and use relates positively with Chinese new ventures.
5. Yap and Md Zabid (2011) – companies with formal CI unit performed better. ~ Malaysia
6. Adidam et al. (2012) – CI activities relates positively with firm’s financial performance. ~ India
3. Research Hypotheses

H₃: Perceived environmental turbulence relates positively to market intelligence practices.
H₂: Innovativeness of the firm relates positively to market intelligence practices.
H₃: Market intelligence practices relate positively to firm performance.
H₄: Market intelligence mediates the relationship between perceived environmental turbulence, innovativeness and firm performance.

4. Methods

- Research Design
  - Cross-sectional study with organisation in tourism industry as the unit of analysis.
  - Data Collection Method – Mail Questionnaire Survey.

- Population & Sampling Procedures
  - Population – All hotels and tour operators in Malaysia.
  - Sampling Frame – All the hotels with 3-star and above (500) listed on Malaysian Association of Hotels and tour operators (3,000) on Malaysia Tourism.
  - A total of 350 respondents (50 hotels and 300 tour operators) will be expected – 10% of response rate.
4. Methods, cont.

- Variables & Measurement
  1. MI Practices
     - MI Acquisition (Moorman, 1995).
     - MI Utilization (Moorman, 1995).
     - Using 7-point agree–disagree scale.
  2. Use of Web 2.0 in MI acquisition
     - 12 types of Web 2.0 applications (Andriole, 2010; Culnan et al., 2010)
     - Using 5-point low–high frequency scale.
  3. Environment turbulence
     - 3 items on competitor, customer and technological (Droge, 2008)
     - Using 5-point agree–disagree scale.

- Innovativeness
  - 3 items on technology leadership, new product lines, change product lines (Droge, 2008)
  - Using 5-point agree–disagree scale

- Firm Performance
  - 2 dimensions: Market (4-item) and Customer (4-item) (Wang et al., 2012).
  - Using 5-point agree–disagree scale
5. Concluding Remarks

- The use of Web 2.0 applications in marketing activities, specifically in acquiring market intelligence is promising.
- The potential link between market intelligence practices and market performance is expected in the findings.
- The study hopes to provide empirical evidence on the emerging Web 2.0 applications in business activities and its link with firm performance.

Q & A Session

~Thank you~