Chapter 13

Micro-Blogging as Generator of Market Insights and Competitive Intelligence

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ABSTRACT

Despite the growing popularity of social media in academic papers, micro-blogging research is still in its infancy and there are few research studies on micro-blogging as a tool for achieving business objectives. In particular, the aim of this chapter is to examine the role of micro-blogging in improving the market knowledge of firms. Therefore, this manuscript wants to make a contribution to the strategic marketing field, providing an overview of how micro-blogging can draw insights from the market. It has been shown that micro-blogging allows firms to understand the real thoughts of customers, to control marketing strategies and to acquire updated knowledge about competitors. In fact, the intrinsic features of micro-posts (micro, mobile, instantaneous, spontaneous) make this social media different from other marketing channels and very useful for gathering customer data and accumulating market knowledge.

INTRODUCTION

Social media has been recognized as an important way to reach the market for business purposes (Lee, 2014; Kaplan & Haenlein, 2010; Niessing, 2014; Rappaport, 2011; Kim & Ko, 2012) and, for this reason, more and more firms are developing new social media strategies in order to capture customers’ attention and to interact with them. Nevertheless, in spite of the increasing popularity of social media in the academic literature, research about micro-blogging as a marketing tool is very limited. The present chapter aims to fill this gap by analyzing micro-blogs in a business context as a source of competitive intelligence and by showing how micro-blog conversations can help firms to understand the evolution of market trends, as well as to monitor competitors’ strategies.

It is proposed that micro-blogging can be used as a marketing tool to develop market knowledge and, more precisely, to monitor customer opinions about company and competitor products. This is of

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strategic relevance, as for decades firms have recognized the value of knowledge management and have considered it as an important tool for business practice (Nonaka & Toyama, 2003; Alavi & Leidner, 2001). It has been demonstrated that firms able to continuously create new knowledge and successfully manage knowledge assets can obtain a competitive advantage over their rivals (Nonaka et al., 1998).

The market is defined as the place in which the forces of demand and supply meet and where buyers and sellers interact in order to exchange goods, services and money. From a business perspective, the main actors to monitor within the market are: customers, competitors, distributors, prescribers and the macro-marketing environment (Lambin, 2007). In a global context, firms need to collect information about the expectations and the requests of all these market participants and utilize this information to plan their market strategies; only by continuously noting market changes and anticipating the evolution of environmental trends, can firms remain competitive. They need to assess the market by developing in depth knowledge of competitors and customers in order to anticipate their rivals’ strategies and to connect with current and potential customers (Brondoni, 2008).

Therefore, the aim of this theoretical chapter, mainly based on a review of the managerial literature, is to understand how micro-blogging can be considered as a source of competitive intelligence able to provide relevant information about the external environment enabling firms to gain competitive advantage over competitors.

Having reported the shortage of academic papers on micro-blogging in the strategic management field, the value of this manuscript derives from its uniqueness in providing a full overview of the few marketing research studies undertaken in recent years on this topic, and in contributing to existing knowledge with a critical analysis of micro-blogging as a generator of market insights in a business context.

The chapter is organized as follows: after the introduction, section 2 examines the theoretical background on micro-blogging as a marketing tool; section 3 suggests the new role of micro-blogging as a competitive intelligence source, with an examination of social media listening and analytics in a micro-blog context; section 4 provides future research directions; and finally, section 5 draws conclusions with managerial best practice.

BACKGROUND

Micro-Blogging Literature Review

Social media can be defined as a group of internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content (Kaplan & Haenlein, 2010, p. 61). It is a relatively new media format with hundreds of different social media platforms: blogs, social networking sites, virtual social worlds, collaborative projects, content communities, virtual game worlds, etc.

Micro-blogs are small-sized blogs, created by users called *micro-bloggers* who publish *micro-post* messages of maximum 140-200 characters, which may sometimes include links, images or video clips for followers (Patrut et al., 2013).

Twitter is the most popular micro-blogging service where people share 140 character posts that are often accompanied by photos; inside users organize themselves in a follower-followee network without any reciprocal constraint (Chua & Banerjee, 2013). Once an account is created, the user can choose to send a message, a *tweet*, or follow others. By selecting a list of users to follow, a stream will appear on
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