

# Online social networks as an enabler of innovation in organizations

Daniel Palacios-Marqués

*Department of Business Administration,  
Universitat Politècnica de Valencia, Valencia, Spain*

José M. Merigó

*Manchester Business School, University of Manchester, Manchester, UK, and*

Pedro Soto-Acosta

*Department of Management and Finance,  
University of Murcia, Murcia, Spain*

## Abstract

**Purpose** – The purpose of this paper is to study the effect of online social networks on firm performance and how this technology can help to create value. The authors approach the problem from the Resource-Based View in order to analyze if online social networks can be considered source of competitive advantage and how it can enhance or complement essential marketing competences.

**Design/methodology/approach** – The data were obtained from a survey based on the Spanish hospitality firms. This sector was chosen because Web 2.0 is becoming an important marketing channel in the tourism industry, and especially in hospitality firms. In addition, Spain is the one of the largest tourist destination in the world and has a strong presence of social media and Web 2.0 use by the population and hospitality enterprises. Between February and June 2012, the questionnaire was sent to all top managers of four-star and five-star Spanish hospitality firms. The authors received 197 questionnaires, but four of them were eliminated due to errors or because they were received too late.

**Findings** – Results show that there is a statistically significant positive relationship between online social networks and innovation capacity and that the relationship between online social networks and firm performance is fully mediated by innovation capacity. In turn, the authors find a statistically significant positive relationship between innovation capacity and performance in the hotel industry.

**Originality/value** – The authors discuss the importance of online social networks in the development of innovation competences through business intelligence and knowledge management that result in higher performance. The authors also consider the ways in which online social networks enhance knowledge management.

**Keywords** Information systems, Innovation, Intangible assets

**Paper type** Research paper

## Introduction

Online social networks are increasing their presence on society and have become a source of information that can strongly influence potential clients. To know the impact on the consumer behavior of these social networks sites and how to deal with them could be essential for businesses like tourism, where customers are usually geographically distant from the service producer and cannot have a complete objective description of the service quality. In the tourism industry customers want to know the opinion of previous travelers and this opinion can decide the purchase or rejection of the service (Kaplan and Haenlein, 2010; Lee *et al.*, 2011; Sigala *et al.*, 2012; Mustak *et al.*, 2013).

Stepchenkova *et al.* (2007) hold that blogs and social networking sites make it easier for tourists to obtain information and eventually make travel-related decisions.

