

# The Impact of Social Networking Sites on the Purchasing Behaviours of Online Travel Community Members

Alexander Twumasi<sup>1</sup>, Kwame Adu-Gyamfi<sup>2</sup>

1. Accra Polytechnic, P. O. Box GP 561, Accra- Ghana. [xxtwumasi@yahoo.com](mailto:xxtwumasi@yahoo.com)
2. Accra Polytechnic, P. O. Box GP 561, Accra-Ghana. [Kadugyamfi2002@yahoo.com](mailto:Kadugyamfi2002@yahoo.com)

## Abstract

The social networking websites have become quite popular in recent times. Millions of people have grasped the concept and embedded their lives in the interactions on these websites. Academics and businesses have begun to study how information that spreads through these loose associations and the way in which some people become particularly important disseminators of information with their regular postings perhaps would be replacing the traditional marketing communication channels. The purpose of this study is to investigate how the interactions on these websites impact on the decision making process of participants. Through content analysis of fifty (50) individual cases reported on TripAdvisor travel review websites at Greece forums of Tripadvisor.com. The study finds that the online travel community has members that come to the site to search and share travel information and these postings has influenced on community members in their decision making process on planning, purchasing and use of travel products and services. The implications of the findings are discussed and future social networking websites research for the hospitality industry is suggested.

**Keywords:** social networking sites, purchasing behaviour, travelers.

## 1. Introduction

Social networking sites have become popular in recent times and they are receiving a lot of attention on the internet. Along with the World Wide Web (www), the Internet has provided a new paradigm in every corner of our society and resulted in a changed in our lives through interaction over the Internet. This has provided people with a new medium for social activities and has open up entirely new features of social reality (Wang and Fesenmaier, 2002). The Social networking sites are virtual meeting places where people could log on from their computers, meet friends and chat. Wellman (1996) in his study were of the view that when computer networks, such as the Internet, link people as well as machines, they become social networks. This is because the internet is a set of machines connected by a set of cables and social network is a set of people (or organizations or other social entities) connected by a set of socially-meaningful relationships. Therefore, when a computer network connects people, it is a social network. These virtual communities are gradually becoming incredibly influential in tourism as consumers increasingly trust better their peers, rather than marketing messages. A Virtual Travel Community (VTC) as indicated by Stepchenkova, Mills, & Jiang (2007) makes it easier for people to obtain information, maintain connections, develop relationships, and eventually make travel-related decisions. Vogt and Fesenmaier (1998) stated that participation and attitude are the primary dimensions of consumer behaviour in the virtual communities. Since many travellers like to share their travel experiences and recommendations with others, these sites have become one of their favourite areas to post their travel diary. Additionally, online travellers are enthusiastic to meet other travellers who have similar attitudes, interests, and way of life (Wang, Yu, & Fesenmaier, 2002).

Hagel and Armstrong (1997) also studied the virtual community and indicated that virtual communities are made of relationships between people with similar interests, and passion in a wide range of areas. However these relationships are formed by individuals who desire to share a particular experience. Built on the exchange of information facilitate economic exchanges which formed to provide people the opportunity to explore new identities in imaginary worlds. They support the fact that online virtual community is similar to a social community in that it allows for social interaction among its members using the Internet. And that the virtual community are unrestrained by time and space and can do just everything people do in real life in the virtual world (Rothaermela and Sugiyamab, 2000). The use of the Internet has greatly expanded and today it is much more likely that one's friends and the people one would like to befriend are present in cyberspace. People are accustomed to thinking of the on-line world as a social space. The social networking sites which are the core of this study are a product of this emerging culture.

Social networking sites are changing consumers' behaviour. Social Computing is changing online purchasing behaviour of travelling and tourism consumers. One area that is expanding in the use of these social networks is the online tourism enterprise. Both web-based and traditional travel companies have started establishing their own online virtual community sites to attract potential customers to their homepages (Kozinets, 1999). People can link to virtual communities within company homepages to interact with one another with similar interests in travel and tourism information and products. Establishing such an environment to make online travel community members interact with one another through the online virtual community has a great potential for the companies. All these developments in the electronic world of commerce are not bad news for the tourism industry. As the number of social networking sites increase so will the number of potential opportunities associated with them. Marketers looking for new channels for the distribution of travel and tourism products can therefore take advantage of the medium for market communication.

Thus, as the importance of online communities grows, one of the most profound challenges for marketers is to understand the dynamics of the relationships among community members and to develop appropriate mechanisms as part of their business strategies. However, no research has been done on the influence of these websites on the buying behaviour of travel consumer- one of the major sectors in the online business. This research becomes even more important since the impact of social factors in e-commerce is under investigated not only in the generic literature but also in the context of travel and tourism in particular. The impact of the online social networking sites on the buyer behaviour of travellers has not been explored. Researchers, marketers and the public all are concerned. In spite of the importance of online forums, to date, the issue of online travellers' buyer behaviour has received limited attention from both researchers and practitioners (Zaugg, 2006). In particular, only a few studies have focused on purchasing behaviour of online travellers. This paper examines whether the phenomenon of the online social networking sites influence the purchase decision making process of online travel community members when purchasing their travel products (the hotels, the airlines, the tour operators, and the attractions).

## 2. Research Method

This study attempted to establish the impact of online travel communities' sites in the travellers' decision making process. The nature of the study demanded that qualitative research approach be used. The study used secondary data collected from one of the reputable online travel company's website called 'Tripadvisor.com'. TripAdvisor was setup in early 2000 by the same company operating Expedia. Tripadvisor.com was chosen in this research because of its large scale of coverage on travel destinations and accommodation reviews (Law, 2006). In each year, more than 15 million of potential travel consumers use review sites prior to making their decisions on hotel and destination selection (Tripadvisor, 2009). TripAdvisor is amongst the most successful social networking/virtual community in tourism that facilitates the reviewing of tourism products and services around the world and brings together individuals in discussion forums. The system provides users with independent travel reviews and comments written from TripAdvisor members and expert advisors and provides a powerful platform for interaction between peers (Wang & Fesenmaier, 2004). The website indexes products and services from cities in most cities worldwide, together with reviews posted by travellers. The Greece forums were specifically used for the study because it is one of the most patronised forums on the tripadvisor.com. As at 30th July, 2012, the total number of topics and postings at the site amounted to 24,488 and 113,081 respectively.

In this research, the dataset for travellers reviews posted by the members was collected from tripadvisor.com in the period from May 28, 2012 to July 20, 2012. In total, 432 individual cases were collected at the end of the eight (8)-week period. Fifty (50) cases were purposively selected and analyzed for the study. The obstructive measures used in the data collection are frequently used by sociologists and psychologists in their studies of group behaviour and interactions. The practice is uncommon in marketing, but the approach according to Douglas and Wind (1978) provides a closer representation of the actual decision process than using respondents' perceptions of that process. Instead of observing community members behaviour directly either by responses to scales or by interviewing them, the study took the raw data of the communication that people produced, and then seeks answers to research questions by analysing them.

This study adopted content analysis for the collected data. On the basis of the complaints and advice reported from customers on website using the grounded theory approach and keyword analysis, the reviews were classified four different categories, including: travel desires, information search, assessment /comparative travel alternatives and the final decision (Lee and Marshall, 1998)

### 3. Results and discussions

In this section, the findings of the research is summarised in relation to the objective and the research question.

#### 3.1 Characteristics of the Sample

In order to understand travellers' decision making process, the characteristics of the individuals within the network is important to provide the background information of the networked members. Prior to analysis of the content of the data collected, the characteristics of the participants involved in the selected cases of interactions were explored. Um and Crompton (1997) in their study indicated that, in travellers' decision making process, the variables that are widely used to explain and predict their destination choice are the socio-demographic and psychological characteristics. The socio-demographic characteristics mentioned here are the age, education; income and marital status. For instance individual with low disposable incomes are less likely to pursue travel arrangement involved expensive airfares, hotels, restaurants, than those who are more worthy. These are often used for determining the travel decision-makers resources and complaints (Mayo and Jarvis, 1981). But, Mathieson and Wall (1992) caution that merely knowing the socio-demographics of people will not be possible to predict what they will do and hence behavioural characteristics are crucial importance in contributing to the decision making process.

Therefore, understanding the characteristics of the Greece forums community members' provided an insight of the characteristics of the sampled whose interaction were used for the study. The study used the pre-determined variables designed by the Tripadvisor.com. These variables included the location, self description of the members, their travel style, when they are travelling and who they are travelling with, their age and gender. Other pre-determined variables were their membership to the community and last visit to the tripadvisor.com website.

From fifty selected forum discussions cases, a total of two hundred and fifty (250) people were identified to be involved in the discussions. After examining the research data, it was realised that about 90 percent of participants did not complete all the variables spaces provided by Tripadvisor.com and this made it difficult for the researcher to analyse and present the data using the mentioned variables. However, there were some variables that appeared on almost all the profiles of the selected members and these were age, location and number of years of membership as well as individual's number of contribution to the discussion forum. Hence these were used to analyse the members' background characteristics as shown in Table 4.1.

The studied identified that 60 percent of the 250 members were females and the rest of the 40 percent were males. The sample showed an overrepresentation of females reflecting the trend in online social community gender participation. The findings also revealed that not only were more female participating but also more of the topics were generated by females. Online communities are made of groups of people who share common interest irrespective of their location. There are no geographical boundaries. Tripadvisor.com forums have member all over the world coming to the site to search and share travel information; seek travel advice and purchase travel products and services. The members' places of origin were noted from the data collected and 80 percent were from UK and 12 percent from USA. The rest were from Asia and other regional areas. This indicated that high proportions of Greece forums members were from America and Britain. This supports several statistically data mentioned by Buhalis (2003) that 78 percent of worldwide internet user are in USA and UK is the highest growth internet users in Europe.

Regarding the number of years that members have joined the community, 40 percent of the members have joined the Greece forums for at least a year. This was followed by five years or more corresponding to 20 percent. The rest were sparingly distributed between 1 year and 5 years. This depicts that a large numbers of travellers just joined the community, used it to search for their travel information and never return to contribute. On the contrary, there were equally number of the travellers who are dedicated members and sustaining the forums with their contributions. With respect to members' contribution, the findings indicated that the longer the travellers' membership, the more their contribution to the community activities and hence the better their loyalty to the community. Therefore the characteristics of the Greece forums site members can be described as the female dominated with the majority of the member coming from the United States of America and United Kingdom and are those are the loyal members of the community and contribute to the discussions forum.

Table 1: The characteristics of Greece forum sampled members (n=250)

Variables Used	n	%
Gender		
Male	100	40
Female	150	60
Total	250	100
Location		
UK	200	80
USA	40	12
Others	10	8
Total	250	100
Years of membership		
1	100	40
2	30	12
3	50	20
4	20	8
5	50	20
Total	250	100
Contributions		
1-5	123	49
6-10	36	15
11-15	56	22
16-20	35	14
Total	250	100

### 3.2 The impact of the social networking site reviews on the decision making of travellers

The key issue to consumer buyer behaviour is how to understand in detail the purchasing decision making processes. Ritchie and Goeldner (1994) mentioned that to understand how traveller goes about making a decision to take a trip, it is necessary to delve into the individual's decision process at length to learn where the idea originated, what information was gathered, who was consulted, what led the individual to make a choice for one opportunity and reject the others. By definition, travel involves a spatial movement from an original location to one or more destinations. The movement are always associated with a number of products and services of which travellers need to make decisions. These product and services may include a place to sleep (lodging), means of transportation (flight, coach, and ferry), where to eat and dine, entertainment and recreation, travel agent and tour package. Travelling decisions can be made either prior to departure and in transit or at a destination.

Most web-based company's especially online travel companies have started adding online community features in their homepages as a means of building virtual communities. Though the purpose of these online communities is to distribute information and products, it has provided an environment for the travellers to connect with other people to interaction and exchanges travel related information. The online travel community has provided contemporary traveller the medium where they can interact with other travellers before making their final decision to embark on a journey. These community sites has brought about a new dimension in the online travel business where members can recognised their travel needs, get information on host of travel information on product and services, can compare them and then can make final decision to purchase the product all by courtesy of enjoyable, reliable and up-to-date information from fellow travellers rather than content posted by travel companies.

Yet, travel decision making involves a complex and multifaceted decision process. They normally follow a funnel like procedure of narrowing down choices that involves a series of well defined stages (Moutinho, 1987). The process starts with a recognition of needs, which generates an information search. Through an information search, consumers are able to make purchasing decisions after evaluating alternatives. The study adopted the process model developed by Schmoll (1977) which states that motivation is responsible for triggering the whole decision making process followed by the classical stages of information search, assessment of alternatives and final decisions.

The tripadvisor.com, one of the largest online travel communities' website which has comprehensive travel search engine and directory that help travellers' in their search for travel information, has provided a medium where travellers can join and create profile, and make links to other members and also can post their questions and contributes to discussions on the networked.

Analysis of the selected discussion cases from the Greece forums yielded interesting outcomes. Table 2 provides a more detailed descriptive summary of the reflection of the impact of forum discussion postings on travellers' decision making process.

Table 2: Impact of the social networking sites on the members stages decision making process

Item	Decision making stages	No. of times discussions impact on a stage of the decision making process
1	Travel desires	11
2	Information search	45
3	Assessment /comparative travel alternatives	20
4	Decision making	10
	Total number cases used(n=50)	

Source: Greece discussion forum of tripadvisor.com (May 28, 2012 to July 20, 2012)

The results indicated that, all the four stages of decision making process; motivation, information search, and assessment of alternatives play essential roles in the final decisions of the travel consumers in an online travel community website.

The results also revealed that the interactions on the discussion forum are potential source of traveller's motivation. In, eleven(11) of the cases, community members were motivated to join in the discussion to express their desire to travel to destinations like Greece Island, purchase a package tour to join other going to destination, visit a museum or participate in a festival all as result of commends and recommendation posted on the sites. The study also realised that a number of discussions stimulated people who are not even travelling to contribute to the discussion.

Information search in the decision making process were found to be critical to travellers decision. Almost all the posting and responses were identified to be circulating around information search. Travellers were either seeking information from or providing information to fellow member across the travel products and services. It was also evident that large proportions of the members begin their online travel information search from the site especially if they have never visited a destination or use the travel related products and services before. The findings make it evident that a travel decision require a large amount of information and potentially encompasses a number of information searches. Therefore travellers' need to actively seek information as part of the travel planning effort, considering it as an important component of the travel experience. This support many studies that have indicated that the main function of information search is to support the decision making and product choice by reducing risk and uncertainty (Um and Crompton, 1992; Jeng and Fesenmaier, 2002).

The findings also showed that assessment or comparing of travel alternatives were important to the decision making process. Sizeable number of member in the Greece forums were identified to be using the forum discussions to assess and compare alternative destination to go, where to stay, what to do at destination and when to go. Traveller before they travel asked member about the safety of the destination, the conditions and the

services provided by the hotel in the destination, the kind of restaurant to dine and lots of travel product and services.

For the final decision stage of the process, not all the travellers came expressed their intention explicitly. However, in some cases members actually indicated how the discussions have affected their decision at the end of the exchanges to go to destination, to stay at accommodation or to visit a museum, cruise, beach.

Therefore, the study has revealed that the online travel community site has created an environment for travellers to share traveller information and experiences, to compare travel products and services that others have experience without necessarily experience them. It also provides readily available sources of information for both individual travellers and travel companies to make to decision before travelling, in transit or after a trip.

The study also revealed that the interactions improved trip planning process especially for people travelling for the first time. Through the posting and the responses the travellers learnt a lot about the safety, the people, the services and the product available and those not available at destination. Not only have they learnt about the destination but also the activities, attractions and the intermediaries. Also the discussions help them evaluate alternatives destination product and services before, in transit or on arrival to avoid places they would not enjoy. It has also provided an environment for ideas, increases confidence in decisions, makes it easier to image what a place would be like, helps reduce risk or uncertainty, makes it easier to reach decisions, and helps with planning trips more efficiently.

#### **4. Conclusion**

This study has offered better understanding and useful insights of the impact of social networking sites in the travellers' decision making process based on a study about travelers who has visited or intend Greece. Apparently, online intraction plays an important role in determining how customers decision making process expect as well as their purchasing behaviour. Today's service marketers in the tourism industry should be aware of the cost of ignoring social networking websites interactions. The travel community website can get all the necessary information about travel product and service, can compare and then make decision through members' postings and responses to the postings in an online environment. Therefore social networking sites are potentially powerful medium that can influence travel decision making. it is potential tool that marketers and enterprise can use to shape behaviours and attitudes of consumers for both products and services because it seems to be reliable source of information that is used and trusted by travel consumers for their in their decision making process especially in planning, purchase and use of travel products and services.

This research has the limitations of conducting research on the basis of analyzing secondary data collected from the Internet. It is difficult to ensure the accuracy and reliability of the review. Furthermore, in this study, only cases as reported by members on Tripadvisor.com on Greece forum were analyzed. Future research can be extended to other travel websites and and look at the determinants of the travel networking website on the purchase behaviour of travellers. This will certainly benefit tourism marketers to better formulating specific policies in responding to buyer behavior of travelers online.

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