Impact of Social Networking Sites on Hospitality and Tourism Industries

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Abstract- This research paper investigates the impact of social networking sites on the hospitality and tourism industries. A social networking site is a type of social media that provides a platform for people to connect with each other. Social networking is so versatile that it can be used for both leisure and business purposes. In the hospitality and tourism industry, social networking sites are one of the essential tools that play an important and beneficial role. Content on social networking sites could affect the marketing in both positive and negative ways. The topic that will be discussed in this research paper are consumer behavior, connection with consumers, effectiveness in terms of time and cost, creating brand awareness and building the image of the company, promoting company, targeting consumers, and finally, the disadvantages.

Keywords: social networking sites, social media, hospitality industry, tourism industry.

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IMPACTOFSOCIALNETWORKINGSITESONHOSPITALITYANDTOURISMINDUSTRIES

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Abstract- This research paper investigates the impact of social networking sites on the hospitality and tourism industries. A social networking site is a type of social media that provides a platform for people to connect with each other. Social networking is so versatile that it can be used for both leisure and business purposes. In the hospitality and tourism industry, social networking sites are one of the essential tools that play an important and beneficial role. Content on social networking sites could affect the marketing in both positive and negative ways. The topic that will be discussed in this research paper are consumer behavior, connection with consumers, effectiveness in terms of time and cost, creating brand awareness and building the image of the company, promoting company, targeting consumers, and finally, the disadvantages.

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I. Introduction

The rise in popularity of social networking sites has led social networking to become a global phenomenon. After many countries gained Internet access, the increase in the use of Internet started influencing the economy and social life at the beginning of 20th century (Milano, Baggio & Piattelli, 2011). Later on, in the era of Web 2.0, as social networking advanced, an increasing number of users on the Internet began to participate in social networking websites and this has resulted in the system of social networking to change (Milano, Baggio & Piattelli, 2011; Seth, 2012).According to Clark and Robert (2010), social networking sites are now mainly used for "job networking, targeted marketing, and entertainment". (p. 507).

Social networking is a type of social media; social networking sites allow Internet users to connect with people and create information. Social networking sites are originally used for entertainment purposes however an increase in the use of Internet and information communication technologies has shifted the way people communicate with each other, mainly in the hospitality and tourism industries (Assenov & Khurana, 2012; Clark & Roberts, 2010). For instance, social networking sites like Facebook allow registered users to interact globally and freely with people who share the same interest by uploading photos, sharing posts, chatting, commenting on the posts and also getting replies, such features allow companies to get quick feedback from consumers whereas consumers are able to receive responses immediately. These software and technology features which are available on social networking sites are also part of the Web 2.0 system (Seth, 2012). "Web 2.0 has also given popularity to user generated content (UGC) where information is gathered from different online sources all of which collaborate to form the final source" (Seth, 2012, p. 9).UGC has replaced traditional marketing in terms of media advertising. The advertisements are often sponsored posts promoted by people on social networking sites and these online advertisements appear to be more trustworthy than advertisements from mass media like televisions, radio, newspaper and magazines (Li & Darban, 2012). Manap and Adzharudin pointed out that consumers were more likely to be convinced to buy a product that is recommended by people who had experienced it (experience good) rather than a search good, the researchers also stated that it is possible to frequently utilize this strategy in the tourism industry. (2013)

The change in consumer behavior is majorly affected by the social networking sites which provide platforms for consumers to connect with the company and other consumers (Bilgihan, Peng & Kandampully, 2014).The explosive growth of the population of Internet user son social networking sites has had a huge impact on hospitality and tourism industry whereby consumers are changing the rule of marketing. In order for a company to be successful in business, it is necessary for marketers to make decisions based on consumer needs, changes in society and also the development of technology. By doing, it not only satisfies consumers but also strengthens the relationship with customers to ensure they make a comeback. In addition, social networking sites also help to record the information of consumers so that it is easy to be obtained whenever needed (Assenov & Khurana, 2012). In addition, social networking sites also provide social communication services which could create brand awareness and build a good image for the brand (Bilgihan, Peng & Kandampully, 2014).

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II. Influences on Consumer Behaviors

Photo and video sharing have become a norm in the 21st century (R'athonyi, 2013).People are connected with their friends and family through social media, specifically social networking sites. An individual is able to see what is happening around the world by sitting comfortably and with just a swipe on the screen or a click on the mouse. The tourism industry can take the golden opportunity that is social networking sites to attract consumer through photos and videos of breathtaking sceneries. According to Cem (n.d.) more than 20% of US Internet users, who are followers of a specific brand on social networks, follow a travel brand. The followers or visitors of the tourism websites are able to look at the review of their consumers when loyal consumers upload their photos of the hotels, restaurants and destinations on their own personal websites (such as Facebook) which directly link to the tourism's website. Besides that, online reviews – also known as word of mouth (WOM) are also a major factor to attract tourists (Manap & Adzharudin, 2013). As mentioned above, in the introduction, people trust WOM more than traditional marketing. Fotis, Buhalis and Rossides (2012) reported that 82% of US customers who go online looked up online reviews from travel site for travel related decision-making. There are many consumers who see social networking sites as the most trusted source of information due to information provided by people they know or at least have a passing acquaintance with, and are especially going to trust the people that are amongst their relatives and friends. Besides, attracting or detracting an individual, online reviews also provide information to an individual so they can picture their destination (Manap & Adzharudin, 2013).Naturally, travelers often base their expectations on other travelers' experiences to get as much beneficial information as they can to avoid risk and also to boost up travelers' confidence while decide on their travelplans (Fotis, Buhalis & Rossides, 2012). According to R'athonyi (2013) Trip Advisor is currently the largest travel review website, with 74 million of active users who check the website to get advice on planning their holidays. In addition, social networking sites can be accessed through smartphones, Bredican and Vigar-Ellis (2014) stated that the effectiveness of mobile apps influences more post-purchasing behaviors that is found in consumers.

III. Connect with the Consumers

Another tool that is provided by social networking sites is the communication tool. Hvass and Munar (2012) mentioned that the development of information communication technology (ICT) has improved consumer communication. Smart phones have also allowed consumers easier access to social networking sites by using mobile applications (Dimitris & Vasiliki, n.d.).With an easier access to social networking sites through mobile apps, it has brought numerous benefits for the industry like building relationships, creating brand awareness and maintaining loyalty with consumers (Bredican & Vigar-Ellis, 2014). Communicating with the consumers helps to make a positive impression of the company and also to build trust and strengthen the relationship with new and loyal customers. Just having a conversation with consumers by using advertising words is not going to help, instead, the conversation has to be trustable so that consumers will be persuaded with those words and so be interested in the product and services of a brand(Dina & Sabou, 2012).The Internet is a virtual place where many consumers search for information for decision-making regarding tourism and hospitality through communication (Popescu, Iancu, Vasile & Popescu, 2013).Consumers are able to interact with other consumers to share their experiences and also express them selves which may attract new consumers and retain the loyal customers or drive away the other consumers. Besides that, gathering the comments written by consumers also helps to improve the company. Apart from this, consumer gets direct access service to the company without travelling for a face to face meeting(Seth, 2012).Seth also stated that social networking sites that appear to be "easily accessible, straightforward, and appealing" find it easier to get consumers to be involved. (2012)

IV. Cost and Time Effective

Many hotels are aware that social networking sites are important for them to gain popularity in order to create brand awareness (Assenov & Khurana, 2012).Hospitality and tourism industries that take part in social networking sites often have to stay active online in order to not miss out any posts. Therefore "hotels are working on investing more in social media in terms of personnel and time as currently for them it is not a very high investment" (Assenov & Khurana, 2012, p. 331).All these investments of time and money on social networking sites are considered inexpensive but allow for effective and efficient use as a marketing tool. Furthermore, social networking sites are convenient as they allow ease of access to customer replies. Besides that, using better communication technologies brings more efficiencies, teamwork and flexibility to suppliers of a company (Lange-Faria & Elliot, 2012).The use of networking sites via mobile apps can also improve social networking strategy due to a faster access compared to mobile websites and it can be accessed off-line which is convenient (Bredican & Vigar-Ellis, 2014).Moreover, search engines have become another essential tool because there is too much information on the Internet (Xiang & Gretzel, 2010). Accessing the

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Internet does not take a very long time and searching on the Internet is fast and efficient, so people tend to rely on the Internet as the main source of information (Dina & Sabou, 2012).

V. Create Brand Awareness and Build Image

An increasing number of hotels have participated in social networking sites, which has helped to build the image and to promote their hotels as the popularity rises. Convincing the consumers that their money is well spent on the hotel's deals will help to make a comeback to business as well as create brand awareness (Mahmoodet al, 2012). As mentioned, social networking sites can affect the industry in positive and negative ways. It does not matter if it is a small business or a franchise(Mahmoodet al, 2012).Once a company gets involved in social networking sites, the information is out there and there is no way to go back on it so every action has to be taken responsibly. Every reply to reviewers is important to maintain the brand image. More business in the hospitality industries are using social networking sites for their own benefits (Mahmoodet al, 2012).The responses to consumers are to be replied with morality in order to secure their image and brand regardless if the reviews are interpreted in a good or bad way (Mahmoodet al, 2012). Mahmood and others (2012) stated that "with the rapidly changing technology it is impossible for any hospitality operator to ignore the social media" (p. 2).

VI. Promotion

Social networking sites are becoming an important way of communication for promoting products (Indian Express, 2014). According to Zeng (2013) a good plan to promote marketing is by utilizing social media to sell tourism goods. Other than that, using social media can also help to announce the latest promotions. For example, a last minute promotion can be posted on social media when time is limited and there is no time to print out leaflets for distribution. Without printing those leaflets, costs are reduced as well. Since there are millions of users on Facebook, it would be a waste if there is no interaction between the consumers and the company. Assenov and Khurana (2012) suggest that it would be prudent topromote special offers that are only available for Facebook users who are a Facebook fan of their Facebook fan page. Such an event can help to promote their brands and retain loyal consumers. It would also be a good way to promote their merchandise on social networking sites.

VII. Targeting the Consumers

A company can get to know more information about their consumers' needs and their behaviors. They can also improve their Customer Relationship Management (CRM) through social networking sites. When a company understands what their consumer wants depending on their income, it is easier to target at their consumers and persuade them to buy their products and services. In order to understand consumers' behavior the main key is to understand their purchasing decision making in details (Twumasi & Adu-Gyamfi, 2013).Social networking sites have potential to spread the words therefore the sites make everything easier for the company to target their consumers and to reach their targeted consumers(Murray & Waller, 2007).

VIII. Problems

Social networking mostly depends on the general perception of word-of-mouth (WOM) or now called the electronic word of mouth (eWOM) which contents are generated by consumers online. WOM and eWOM share the same purpose that is to "provide information to other consumers", (Ranjha, 2010, p. 17) which will either promote or defame a brand but in eWOM, comments are posted from unknown online users whom reputations are lacking, so consumers who check the site do not trust the sources (Lange-Faria & Elliot, 2012).Studies have shown that social media influences the tourism industry in both positive and negative way (Litvin, Goldsmith & Pan, 2008).In modern times, social networking sites have tremendous growth in user accounts therefore "the marketing trends have now changed and instead of firms communicating to their consumers now consumers can also communicate with other consumers using social media" (Assenov & Khurana, 2012, p. 3). A consumer may give a false statement that is negative by sharing a testimonial or recounting an experience or downloading content based on his or her personal impression towards the company, and others in the network may be affected by the opinion of the consumer (Seth, 2012).

IX. Discussion

The information shared on social networking sites have definitely contributed a lot on influencing consumers' behaviors but there are some limitations throughout this investigation. For example, utilizing social networking sites effectively could also build desire of consumers towards learning more about their products and services to have a better understanding so that consumers would not fuss about searching for more information. On the contrary, consumers are expected to have a higher chance of getting convinced.

Targeting consumers through social networking sites does not necessarily have to base on their income and their behavior. When the market is focused on the income of the consumers, the company is actually limiting themselves to promote their products and

services from more consumers with either lower income or higher income than the targeted income of consumers. As well as observing the behavior of the consumers, it might not be the one affecting the sales or the market as there is a possibility of other sources or factors that may boost up the sales. The result from the observations of the consumers' behaviors may fall into a category which forms the characteristics of a social generation, but not the other generations, so the other people who lie under the other generations are neglected which might be the reason why the targeted consumers are narrowed.

Since people prefer experience goods than search good, company coulden courage loyal consumers to share their testimonials and experiences on the products and services with rewards. For example, offering special privilege to the followers on their websites. Consumers feel appreciated by the company as an individual to have the opportunity to share their satisfying experience. Moreover, it is a natural "habit" that many Internet users adapted which is having the eager to share their happiness online to other Internet users around the world. This strategy is beneficial for the company to retain loyal consumers, attract new consumers and create brand awareness.

However, such strategy does not apply to all the people around the world; there are individuals who do not fully trust eWOM as they perceive the Internet post as a scam and they might be at risk of being a victim of social media scams. On top of that, there are also bad reviews on the Internet discussed among other Internet users. The actions of posting negative information affect other consumers' confidence of trying the products and services.

X. CONCLUSION

Social networking sites strategy is getting popular in the hospitality and tourism industry. Many firms started to use social networking sites for the purpose of communication. In the case of the tourism industry, the communication among consumers has a huge impact on the way a consumer makes their destination decision. Social networking has also given the opportunity for the industries to connect with their consumers and employees in a quick and efficient way. The wide connection of social networking is a good way to spread information around the world, especially for business promotion and to build the image of a specific brand.On the other hand, it is convenient for a company to target their consumers by using the data given by the consumers who registered an account on the social networking site. Lastly, social networking sites allow everyone and anyone to write their opinions and post it online, which not only brings advantages to the company but also disadvantages because certain users might defames the brand through word of mouth.

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