



Journal of Hospitality and Tourism Technology

The role of social media during the pre-purchasing stage

Sujin Song Myongjee Yoo

Article information:

To cite this document:

Sujin Song Myongjee Yoo , (2016), "The role of social media during the pre-purchasing stage", Journal of Hospitality and Tourism Technology, Vol. 7 Iss 1 pp. 84 - 99

Permanent link to this document:

<http://dx.doi.org/10.1108/JHTT-11-2014-0067>

Downloaded on: 26 January 2016, At: 11:54 (PT)

References: this document contains references to 68 other documents.

To copy this document: permissions@emeraldinsight.com

The fulltext of this document has been downloaded 46 times since 2016*

Users who downloaded this article also downloaded:

Orie Berezan, Michelle Yoo, Natasa Christodoulidou, (2016), "The impact of communication channels on communication style and information quality for hotel loyalty programs", Journal of Hospitality and Tourism Technology, Vol. 7 Iss 1 pp. 100-116 <http://dx.doi.org/10.1108/JHTT-08-2015-0031>

Sajad Rezaei, Faizan Ali, Muslim Amin, Sreenivasan Jayashree, (2016), "Online impulse buying of tourism products: The role of web site personality, utilitarian and hedonic web browsing", Journal of Hospitality and Tourism Technology, Vol. 7 Iss 1 pp. 60-83 <http://dx.doi.org/10.1108/JHTT-03-2015-0018>

Sofia Reino, Aurkene Alzua-Sorzabal, Rodolfo Baggio, (2016), "Adopting interoperability solutions for online tourism distribution: An evaluation framework", Journal of Hospitality and Tourism Technology, Vol. 7 Iss 1 pp. 2-15 <http://dx.doi.org/10.1108/JHTT-08-2014-0034>

Access to this document was granted through an Emerald subscription provided by

Token: JournalAuthor:15FDCA38-263C-4767-BB44-DF30B1B946EE:

For Authors

If you would like to write for this, or any other Emerald publication, then please use our Emerald for Authors service information about how to choose which publication to write for and submission guidelines are available for all. Please visit www.emeraldinsight.com/authors for more information.

About Emerald www.emeraldinsight.com

Emerald is a global publisher linking research and practice to the benefit of society. The company manages a portfolio of more than 290 journals and over 2,350 books and book series volumes, as well as providing an extensive range of online products and additional customer resources and services.

Emerald is both COUNTER 4 and TRANSFER compliant. The organization is a partner of the Committee on Publication Ethics (COPE) and also works with Portico and the LOCKSS initiative for digital archive preservation.

*Related content and download information correct at time of download.

The role of social media during the pre-purchasing stage

Sujin Song

*Department of Hospitality Management, Penn State University,
University Park, Pennsylvania, USA, and*

Myongjee Yoo

California State Polytechnic University, Pomona, USA

Received 25 November 2014
Revised 23 April 2015
23 October 2015
29 November 2015
Accepted 30 November 2015

Abstract

Purpose – The purpose of this paper is to examine whether social media may impact a customer's purchasing decision during the pre-purchase stage of service consumption.

Design/methodology/approach – This study implemented a primary field survey design and developed an online self-administered questionnaire. A total of 285 usable questionnaires were collected. Factor analysis was performed to condense the large set of independent variables, and multiple regression analysis was performed to test the study hypotheses.

Findings – The results indicate that the benefits of social media do have a positive relation with customers purchase decision, but not all items are crucial to a similar extent. Functional (convenience, efficiency, information, sharing experiences) and monetary (free coupons, price discounts, special deals) benefits from social media were found to have a positive impact on customers' purchase decision (*H1*, *H2*), while socio-psychological benefits were found to have no relationship with customers' decision (*H4*). Still, hedonic benefits (amusement, enjoyment, entertainment, fun) were found to have a relationship with purchase decision (*H3*).

Originality/value – While social media received much attention in research due to its rapid development and its popularity, there are still limited studies that investigated the effect of social media during the pre-purchasing stage. Findings of this study are expected to contribute to the growing body of hospitality research on social media. Additionally, this research is expected to assist hospitality businesses to understand customers' behavior regards to social media and develop appropriate marketing strategies.

Keywords E-service, Social media, Customer behavior, Pre-purchase stage, Purchasing decision, Service consumption

Paper type Research paper

Introduction

Service is produced in a process whereby consumers interact with the production resources of the service provider (Grönroos, 2000). Customers who experience valuable interactions with the service providers are more willing to deepen their relationships. Interactions during the service process have been recognized as an important determinant of customers' satisfaction (Wang and Hsu, 2012), and correlating with higher levels of belongingness to a brand (Raajpoot, 2004). Hence, hospitality businesses consider a value-generating service process to be a key competitive advantage and a substantial matter (Hogg, 2003; Wang and Hsu, 2012). The service consumption process can be divided into three stages: pre-purchase stage, service encounter stage and post-process stage (Dube-Rioux *et al.*, 1989; Lovelock, 2011; Tsiotsou and Wirtz, 2012).



During the pre-purchase stage of service, customers search information, read materials, interact with other customers based on their needs, evaluate what they have found and then decide to make the purchase (Pedraja and Yague, 2001). This stage has been intensely studied because the consumers' decision-making process is more complex and takes longer to complete as compared to other hospitality products (Mattila and Wirtz, 2000; Noone, 2009).

The advent of social media and its popularity have changed the service consumption process; it is no longer exclusively unidirectional. Nowadays, consumers are almost always online and participating in a variety of activities such as making friends, creating content and sharing information, experiences and opinions (Khang *et al.*, 2012). As consumers spend more time on social media, purchase decisions have become highly influenced by interactions through these networks. Thus, businesses are placing more emphasis on marketing strategies using two-way communication platforms to reach online consumers and take advantage of word-of-mouth (Heinrichs *et al.*, 2011; Saperstein and Hastings, 2010).

Overall, social media has emerged as a dominant digital communications channel and has significantly influenced the marketing communications environment. Not only does it allow interaction between customers and companies (Gretzel and Dinhopf, 2014; Gretzel and Fesenmaier, 2012) but also among customers (Xiang and Gretzel, 2010). Social media has been recognized as an informative venue in that it assists the relationship among customers by sharing their experiences, which can provide valuable information for others. Nowadays, customers have more power to produce and disseminate information due to the popularity of social media (Xiang and Gretzel, 2010). Social media trends show a constant increase in number of usage among the general population, and its growth is expected to continue (Chappuis *et al.*, 2011; Stacy and David, 2011).

Social media has become a crucial tool to change the paradigms of marketing strategies in the hospitality industry as well. Hospitality businesses have increasingly incorporated social media into their marketing tools to reduce marketing costs, create a strong reputation (Mohamed, 2012) and expand their market share (Thomas, 2010). More importantly, developing marketing strategies for social media is essential for strengthening relationships with customers by invigorating the value-creation network. Social media has shown its ability to increase customer intimacy by allowing continuous mutual communications between hospitality businesses and customers (Saperstein and Hastings, 2010). Customers are also engaged with each other in organizing contents, sharing their opinions and in turn influencing others' awareness and loyalty level toward hospitality brands (Blackshaw and Nazzaro, 2006) because social media plays an important role as a key information channel (Xiang and Gretzel, 2010; Xiang *et al.*, 2008).

It has been suggested that social media is especially critical in the service recovery phase and for ongoing relationship management (Gretzel and Dinhopf, 2014). Thus, previous research in hospitality management has largely stressed the effects of social media during the in-stage or post-stage of a service encounter such as service recovery (Gretzel and Dinhopf, 2014), word-of-mouth (Litvin *et al.*, 2008) and communications (Kasavana *et al.*, 2010). However, since customers can experience services indirectly and create an expectation level toward a service provider through online communications with both a company and other customers (Daugherty *et al.*, 2008), it is expected that

social media can also play a valuable role in the pre-purchase stage of service. Additionally, Wang and Fesenmaier (2004)'s integrated model found a significant relationship between the benefits of social media communities and the effect of customers' involvements, contribution and expectancy. The positive relationship between benefits of social media and customers' expectations may reflect important value in terms of service consumption during the pre-purchase stage.

Thus, the purpose of this paper is to examine whether social media may impact a customer's purchasing decision during the pre-purchase stage of service consumption. A better understanding of the relationship between social media and the pre-purchase stage of services will assist hospitality businesses to implement tactics to target consumers based on social media activity more effectively. Additionally, study findings are expected to contribute to the growing body of hospitality research on social media.

Literature review

Stages of service consumption

Service is produced, delivered and consumed in an interactive fashion (Svensson, 2006). Accordingly, there are three major stages of service consumption:

- (1) the pre-purchase stage;
- (2) the service encounter stage; and
- (3) the post-encounter stage (Lovell, 2011).

The pre-purchase stage refers to the time when preliminaries occur. Customers make their purchasing decision during the pre-purchase stage of service based on an evaluation of information received (Lovell, 2011; Tsiotsou and Wirtz, 2012). The pre-purchase decision-making process involves various factors, activities and consumer participation, and thus is considered more complex and requires more time to complete than that required when buying goods (Fisk, 1981). The service encounter stage refers to the time when the interactions between customers and the service providers are taking place. The post-process stage is the termination of the service at the end. Consumers evaluate their satisfaction level and the service quality at the end of the service consumption process (Brady and Robertson, 2001; Dube-Rioux *et al.*, 1989).

Customers form their expectation level during the pre-purchase stage, and this becomes a critical determinant of their level of satisfaction at the end of the service (Tsiotsou and Wirtz, 2012). In the pre-purchase stage, the customers' needs guide their information search. Making a decision in a service context involves a high degree of uncertainty, thus customers spend an extended length of time retrieving information in an effort to reduce their risk (Mattila and Wirtz, 2002). The internet has reshaped the way customers find information and plan their vacations. The dominant approach to researching service information in the hospitality industry is via the internet due to the enormous amount of data available (Xiang and Gretzel, 2010).

Gursoy and McCleary (2004) found that customers expend more effort trying to find information using the internet rather than traditional information resources, provided it is low-cost and accessible. Bhatnagar and Ghose's (2004) study indicated that the more time consumers spend on finding information on the internet, the more that information affects their decision making. Word-of-mouth has become especially important in the hospitality industry due to the intangibility and higher perceived risk. Electronic recommendations on these social media web sites assist consumers with their purchase

decision, increase customers' satisfaction and give consumers positive brand images. As consumers search information in the pre-purchase stage, they also start considering the service attributes they want or prefer. Once key attributes are decided, customers begin making their decisions to purchase according to the evaluation of these attributes. After customers evaluate these attributes and compared to other possible alternatives, they are ready to make a decision to purchase (Tsotsou and Wirtz, 2012).

The benefits of social media

Social media is described as a technology that facilitates interactive information, user-created content and collaboration (Elefant, 2011). Kaplan and Haenlein (2010) classified social media by social presence and self-disclosure: personal blogs and micro-blogs, social networking sites, virtual worlds, collaborative projects and content communities. While social media shares traditional media's functions of providing content to users, differences exist in terms of the relationships between users and the content. Social media users actively participate in producing content by submitting links or news stories from various sources (Szabo and Huberman, 2010).

Despite being separated by physical distance, social media users are connected with each other through similar interests, and content can be spread across the world within minutes. Social media also differs from traditional media in that audiences can customize content choices and interact with others (Chung, 2008). Marketing professionals recognize that advertisements shared among friends on social media show more significant effects on brand awareness and purchase intent than the traditional marketing tools (Lee, 2010; Khang *et al.*, 2012). Overall, social media can drive traffic more effectively (Kasavana *et al.*, 2010), enhance customer loyalty and communication, is cost-effective (Brady, 2010) and also strengthens brand awareness and brand power (Edosomwan *et al.*, 2011).

In the hospitality context, many researchers have emphasized the effectiveness of social media, mostly considering it as a marketing tool and concentrating on the customer-company relationship. Litvin *et al.* (2008) suggested that online word-of-mouth on social media is a cost-effective marketing tool for hospitality companies. Kasavana *et al.* (2010) found that social media can bring both sides of the coin (customer loyalty and unfair criticism). Gretzel and Dinhopl (2014) and Gretzel and Fesenmaier (2012) examined how benefits of social media affect travelers' motivations to establish relationships with travel-related companies and destinations. However, these studies focused only on the relationship between customers and the company, while the interaction among customers on social media was ignored. Few studies tried to examine social media from the customer's perspective, such as effects of online reviews (Ye *et al.*, 2009; Vermeulen and Seegers, 2009) and customers' decision-making process (Fotix *et al.*, 2012).

Wasko and Faraj (2000) found that people join online communities due to tangible returns (i.e. promotions, raises, discounts) or intangible returns (i.e. reputation, moral obligations, relationships). Dholakia *et al.* (2004) specified the benefits of participating in online networks into five motivational factors: purposive value, self-discovery, entertainment, maintaining interpersonal interconnectivity and social enhancement. Wang and Fesenmaier (2004) incorporated consumers' fundamental needs and classified the benefits of participating in social media communities into four categories: functional, social, psychological and hedonic. In addition to the four factors suggested

by Wang and Fesenmaier (2004); Kang (2011) added monetary factors because of the consumers' desire to save money (Harris *et al.*, 2003). Monetary savings have been a primary reason why customers try to make relationship with a company (Harris *et al.*, 2003). In the Gretzel and Fesenmaier (2012)'s study, the example items to measure influential factors of social media found to have some large overlaps with those used in online community studies. Thus, this study selected the common benefits from previous online community studies and addressed these questions in the social media context.

Consequently, the current study adopted five types of benefits of social media: functional, social, psychological, hedonic and monetary (Kang, 2011; Wang and Fesenmaier, 2004). Functional benefits refer to sharing and exchanging information. Social benefits refer to the various types of help and support that online members can obtain. Psychological benefits are personal feelings including a sense of belonging and association with others. Hedonic benefits refer to positive emotions from entertainment and amusement (Wang and Fesenmaier, 2004). Monetary benefits refer to savings such as discount coupons or special price breaks (Kang, 2011). Table I describes the specific benefits that were examined in this study.

Study hypotheses

In the pre-purchase stage of service, consumers start searching for information as their need awareness is aroused and begin evaluating alternatives before making their purchase decision. There are various sources that create consumers' needs, and the marketing mix is one of them. Consumers use multiple sources of information once they recognize their needs in purchasing a product or service. Overall, consumer expertise, knowledge and perceived risk play an important role in the pre-purchase stage (Tsiotsou and Wirtz, 2012). Social media includes various benefits as a marketing mix and an information source, and also provides a platform for the customers to make their decisions to some extent (Swain, 2009). Xiang and Gretzel (2010) found that social media

Sub-category	Benefits
Functional	Convenience Efficiency Information Sharing experiences
Monetary	Free coupons Price discounts Special deals
Hedonic	Amusement Enjoyment Entertainment Fun
Psychological	Affiliation Belonging Relationship
Social	Social enhancement Identification Involvement Trust

Table I.
Benefits from social
media

enables customers to distribute information and share their personal experiences with others, thus social media contains a number of powerful information for customers. Thus, it could be assumed that social media may have an impact on consumers' decision-making process.

As the internet-based technology has now become increasingly common, there is a strong need to understand the electronic service process (Henten, 2012). Previous literatures have provided understanding in regards to the positive impact of online reviews on customers' attitudes and decisions (Vermeulen and Seegers, 2009; Ye *et al.*, 2009). However, other beneficial dimensions on social media have not been explained in these studies. Fotis *et al.* (2012)'s study explained why customers use social media before, during and after their travel and found that social media largely influences traveler's decision. However, their study focused specifically on holiday travel planning in Europe. Although aforementioned studies stressed the significant impact of social media on customers' decision process, there still exists a high level of need to fill the gap in hospitality literature of empirical research associated with the dimensions of social media benefits and its impact on customers at the pre-stage of service consumption. The present study investigated which of the five beneficial dimensions from Kang (2011) and Wang and Fesenmaier (2004) of social media affect customers' purchasing decision. This research focused on the pre-purchase stage of the service process, and the following study hypotheses and model were derived:

- H1. The functional benefits of social media during the service pre-purchase stage will positively affect customers' purchasing decisions.
- H2. The monetary benefits of social media during the service pre-purchase stage will positively affect customers' purchasing decisions.
- H3. The Hedonic benefits of social media during the service pre-purchase stage will positively affect customers' purchasing decisions.
- H4. The Socio-Psychological benefits of social media during the service pre-purchase stage will positively affect customers' purchasing decisions (Figure 1).

Methodology

Measurement method and data collection

This study designed and conducted an online survey to test the study hypotheses. The questionnaire was developed in three sections based on the literature review. It was designed for respondents to recall their experiences by presenting them a scenario (e.g. "recall your past experiences of visiting a social media (e.g. Facebook, Twitter, etc.) website of a hotel or restaurant before deciding where to visit.", "while you search for

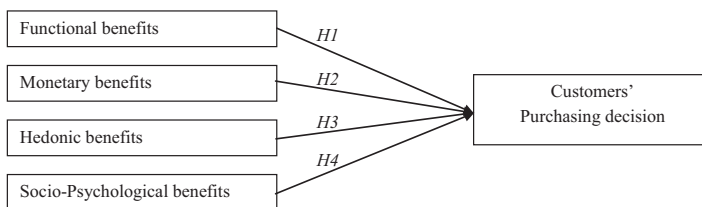


Figure 1.
Proposed model

information of a hotel or a restaurant you are interested in, you see pictures of products, special offers, or discounts provided.”, “you also see other customers’ reviews or conversations about the hotel or restaurant on the social media website.”). Those who were not willing to or unable to recall their experience on a hotel or restaurant social media Web site were excluded in the sample.

The first section involved questions related to the benefits of social media. The items of benefits for social media were derived from online community literature but were modified into a social media context in the questionnaire. The beneficial factors included a total of 18 items in five factors from Kang’s (2011) and Wang and Fesenmaier’s (2004) study:

- (1) functional (convenience, efficiency, information, sharing experiences);
- (2) monetary (free coupons, price discounts, special deals);
- (3) hedonic (amusement, enjoyment, entertainment, fun);
- (4) psychological (affiliation, belonging, relationship); and
- (5) social (social enhancement, identification, involvement, trust).

This section started with a statement of “when I visit a hotel or a restaurant’s social media pages, I consider the following is important [...]”. The examples of items used for measuring five beneficial dimensions are:

- “gathering up-to-the minute information on the hotel or restaurant”;
- “communicating conveniently with other consumers on social media”;
- “being offered better prices”;
- “establishing and keeping relationship with other consumers”;
- “getting involved with other consumers”;
- “having trust about the brands”;
- “creating a sense of affiliation”; and
- “having fun on branded social media pages”.

The second section involved questions related to purchasing decision. Purchasing decisions included a total of three items (willingness to purchase, intention to purchase, decision to purchase) based on Shim (2012) and Huang and Chen’s (2006) study. The examples of items used for measuring purchasing decision are:

- “a branded social media page affects my willingness to visit hotels or restaurants”;
- “a branded social media page affects my intention to go ahead and make a reservation”; and
- “overall, a branded social media page affects my decision to purchase”.

The last section included demographic questions. A five-point Likert scale was used to measure the customers’ perception, where 1 indicated “strongly disagree” and 5 as “strongly agree”.

The online survey link was distributed to a convenience sample of undergraduate and graduate students in Miami. The online link of the final questionnaire was

distributed to students through emails and social media users through the author's social media pages and applications. The social media used for distribution of survey link was Facebook and Twitter. The online survey was conducted from November 1, 2013 to December 31, 2013. A total number of 285 questionnaires were used as the final sample for this study.

Data analysis method

Data were entered into SPSS 20.0, and factor analysis was performed to condense the large set of beneficial factors and purchase decision factors into a few underlying constructs, and regression analysis was used to test the study hypotheses. An exploratory factor analysis was first conducted to validate the structures and the measurement items for the model that examines the relationship between beneficial factors of social media and customer purchasing decision. Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's Test of Sphericity tests were performed to evaluate the data adequacy to perform a factor analysis. Reliability analysis using Cronbach's alpha test was conducted to validate the internal consistency on the measurement items.

Regression analysis measures the degree of influence of the independent variables on a dependent variable. Thus, multiple regression analysis was employed to examine if there is a positive relationship between customers' purchasing decision as the dependent variable and the beneficial functions as the independent variables. Assumptions for regression analysis include normal distribution, linearity, homoscedasticity and multicollinearity. All assumptions and outliers were checked (Jason and Waters, 2002).

Results and discussion

Sample profile

Table II describes the sample profile. Females represented 56.8 per cent of the participants, while the males represented 43.2 per cent of the data. Approximately 70 per cent of the participants were between 21 to 30 years old. The participants' racial and ethnic groups were mostly Asian (32.6 per cent), followed by Hispanic (27 per cent), White (23.6 per cent), Black (14 per cent) and American Indian (2.8 per cent). More than 50 per cent of the respondents had a bachelor degree and more than 40 per cent had an associate or graduate degree.

Results

Results of KMO Measure of Sampling Adequacy and Bartlett's Test of Sphericity tests suggested that factor analysis was suitable. According to factor analysis, psychological benefits and social benefits were interrelated and, thus, combined together. Consequently, purchasing decision was condensed into one factor, and the 18 beneficial items were condensed into four factors from factor analysis. As a rule of factor analysis, factor loadings with 0.55 and above were interpreted (Comrey and Lee, 1992). Results of Cronbach's alpha all exceeded the 0.8 level, indicating an excellent level of internal consistency (Carmines and Zeller, 1979). Table III shows the results of factor analysis.

Multiple regression analysis was performed with purchasing decision as the dependent variable and the four beneficial factors as the independent variables. Overall, the results (see Table IV) indicated that the model was significant ($p < 0.05$, $F = 92.225$). Thus, while $H1$, $H2$ and $H3$ were supported, $H4$ was not supported. From the regression

Table II.
Sample profile

Variables	<i>n</i>	(%)
<i>Age</i>		
Under 21	6	2.1
21-30 years	203	71.2
31-40 years	65	22.8
41-50 years	7	2.5
51-60 years	4	1.4
<i>Gender</i>		
Male	123	43.2
Female	162	56.8
<i>Ethnicity</i>		
American Indian or Alaska native	8	2.8
Asian	93	32.6
Black or African American	40	14.0
Hispanic or Latino	77	27.0
White	67	23.6
<i>Education</i>		
High school or less	7	3.2
Associate degree	53	18.6
Bachelor's degree	149	52.2
Graduate degree	74	26.0
Total	285	100

model, 58.5 per cent of the beneficial factors were explained by the purchasing decision factors.

Discussion of results

Overall, this study suggests that social media plays an important role in the pre-purchase stage of the service process that supports customers' purchase decisions. The results indicate that the benefits of social media do have a positive relationship with customers' purchase decisions, but not all items are crucial to a similar extent. Functional (convenience, efficiency, information, sharing experiences) and monetary (free coupons, price discounts, special deals) benefits from social media were found to have a positive impact on customers' purchase decision (*H1* and *H2*), while socio-psychological benefits were found to have no relationship with customers' decision (*H4*). Still, hedonic benefits (amusement, enjoyment, entertainment, fun) were found to have a relationship with purchase decision (*H3*).

The positive effect of functional and monetary benefits on purchase decision is consistent with previous literature. Chung and Buhalis (2008) found a positive relationship between functional benefits and customer participation. Kim (2013) also indicated that functional benefits of a Web site, such as the design, in-depth information, quick and easy access and prompt responses, are the most influential factors that affect customers' purchase decisions. Likewise, monetary factors have been found to help companies attract customers' interest, encourage them to purchase (Treadaway and Smith, 2010) and have been identified as the consumer's primary reason to start a

Construct	Standardized factor loadings	Cronbach's alpha
<i>Functional benefits</i>		
Communicate conveniently	0.858	0.898
Maximizing the efficiency of communication online	0.890	
Gathering up-to-the minute information of the hotel or restaurant	0.875	
Exchanging and sharing information/experience of the hotel or restaurant	0.880	
<i>Monetary benefits</i>		
Being given free coupons	0.950	0.945
Being offered better prices	0.942	
Obtaining special deals	0.957	
<i>Hedonic benefits</i>		
Being amused	0.850	0.929
Seeking enjoyment	0.919	
Being entertained	0.930	
Having fun	0.932	
<i>Socio-psychological benefits</i>		
Creating a sense of affiliation	0.880	0.942
Creating a sense of belonging	0.861	
Establishing and keeping relationship	0.861	
Social enhancement	0.883	
Seeking personal identity	0.822	
Getting involved	0.891	
Having trust	0.836	
<i>Purchasing decision</i>		
Willingness to purchase	0.927	0.920
Intention to purchase	0.918	
Decision to purchase	0.942	

Table III.
Summary of factor
analysis

Model	Unstandardized		Standardized beta	<i>t</i>	<i>p</i>
	B	Std error			
(Constant)	-0.005	0.040		-0.117	0.907
<i>Tangible</i>					
Functional	0.295	0.074	0.296	3.986	0.000*
Monetary	0.294	0.060	0.294	4.869	0.000*
<i>Intangible</i>					
Hedonic	0.187	0.069	0.188	2.695	0.007*
Socio-psychological	0.080	0.073	0.080	1.094	0.275

Table IV.
Summary of
regression analysis

relationship with brands (Harris *et al.*, 2003). Apparently, sharing and gathering information efficiently and conveniently through interaction, also known as the key difference between social media and traditional media (Dunne *et al.*, 2010; Lee and Ma, 2012), plays a crucial role for consumers who are likely to purchase products and services of hotels or restaurants. While marketing strategies with monetary factors such as discounts, coupons and free gifts through social media have been known to positively affect new customers' purchase decision, the depth of their importance has not been investigated thoroughly enough to determine their effectiveness (Facebook marketing, 2010).

In contrast to previous findings, the results of this study did not suggest a significant relationship between psychological and social benefits (Kang, 2011; Litvin *et al.*, 2008), and suggested only a positive relationship between hedonic benefits and purchase decision. Psychological benefits (i.e. feeling a sense of affiliation, belonging and keeping relationships with others) or social benefits (i.e. seeking for identity, social enhancement with others, involvement and trust) were not as vital as hedonic benefits (i.e. being amused, entertained, seeking enjoyment and having fun). However, recognizing psychological or social benefits usually takes a longer time than other benefits, and they are typically obtained through several repeated contacts between the customers and the service providers (Kim *et al.*, 2004a, 2004b). Therefore, relationship marketing through social media by incorporating psychological or social benefits may be more effective for a long-term strategy.

Implications and limitations

Management implications

This study may suggest practical implications for hospitality marketers. The impact of social media has become so prevalent and noteworthy that it should no longer act as a marketing communication tool only during the service recovery stage or in ongoing relationships. Instead, it could be utilized more as an integrated promotion mix. Hospitality marketers should not ignore the role of social media in attracting consumers to purchase services or products during the pre-purchase stage. In the pre-purchase stage, a need arousal triggers consumers to start searching for information and comparing alternatives to make their purchase decision. Gathering information is the actual first behavior during the customers' decision-making process and the information obtained in the pre-purchase stage has a significant impact on the purchase decision (Tsotsou and Wirtz, 2012). Thus, social media for hospitality businesses should be utilized more to trigger consumers' needs by incorporating various sources. Moreover, marketers should develop a communications paradigm that recognizes the pervasiveness of information being exchanged among companies and customers.

Study results specifically suggest that functional, monetary and hedonic benefits were influential. Now, customers not only want truthful information, but they also want to have fun while they are searching for facts. The entire experience needs to be informative and pleasurable. Therefore, hospitality marketers should move forward to create a more enjoyable functional service process by integrating dynamic technology and monetary surprises. In response to radical changes in technology, its dynamics and usefulness may be captured in various functional components of social media such as menus, chat rooms, videos, pictures, virtual product presentations and informative postings. For example, virtual presentations via NFC technology (Near Field Communication) will allow consumers to experience the products online before they

visit the property with a visual effect that is also entertaining. Electronic recommendation agents or virtual sales agents may also be introduced as an entertainment and information tool to fulfill customers' desire for a more pleasurable shopping experience. These technologies will help entice potential consumers to visit their social media platforms more often, trigger their needs, provide more truthful information and ultimately encourage purchase intentions.

Saving costs has been a primary concern for customers (Harris *et al.*, 2003). Businesses typically use monetary promotions such as discounts and free gifts to increase business traffic and stimulate customers to purchase in the short term (Grewal *et al.*, 1998). Hospitality marketers may promote events on social media that can increase customers' interaction and interests by encouraging customers to post messages and pictures by rewarding them with various types of freebies and perks. Events with free gifts or free samples can also be appealing and they are known to be more effective than discounts and coupons for hospitality businesses to create a favorable perception (Chandon, 2000). However, frequent price discounting may force management to offer bigger discounts in the future, and it may negatively affect the brand image. Consequently, hospitality marketers need to use multiple monetary promotions to convey discounts or price cuts.

Further, socio-psychological benefits should not be discounted just because study results were statistically insignificant, as customers can be easily affected by their social relationships. While socio-psychological benefits may not have an immediate influence on customer purchase decision, it may play an important role as a rigid support indirectly. Since the recognition of socio-psychological benefits may take relatively longer time than other benefits and social media is highly personal space for customers, hospitality practitioners may have to change their approach to social media to promote and motivate customers. "Being a friend" or "living aside customers lives" can be an example, which shares empathic episodes in everyday life on social media instead of posting only products. In doing so, customers may perceive a company as their friends or neighborhoods, and such building an intimate relationship makes customers to be in favor of a certain brand.

Study limitations and future recommendations

This study includes several limitations that should be identified, and may provide suggestions for future studies. Findings of this study cannot be generalized since data were collected from a convenience sample in a limited area. Replication of this study with a larger random sample and inclusion of additional exploratory variables would be essential to the research stream. A wide range of social media users was not included, and thus, it is expected that re-examining this study with a variety of customer segments would increase the understanding of the impact of social media in the service process.

Additionally, this study only considered five beneficial factors from existing social media research. Future studies are needed to strengthen the theoretical and empirical background by incorporating more variables that could affect customers' purchase decisions. Additionally, results may differ for different segments of the hospitality industry. Future studies are advised to examine hotels, restaurants and other businesses separately to discover the impact of social media and apply diverse strategies.

This research only examined customers' purchasing decision through the lens of the beneficial factors of social media during the pre-purchase stage of service. Future

research may investigate other outcomes such as customer satisfaction, loyalty or commitment to provide hospitality management with an assortment of information to create more active customer participation in the service process when utilizing social media. Finally, future studies may examine the social media effect from all three stages of service consumption and investigate how they are different to develop marketing strategies more strategically.

References

- Bhatnagar, A. and Ghose, S. (2004), "Online information search termination patterns across product categories and consumer demographics", *Journal of Retailing*, Vol. 80 No. 3, pp. 221-228.
- Blackshaw, P. and Nazzaro, M. (2006), *Consumer-Generated Media (CGM) 101: Word-of-Mouth in the Age of the Web-fortified Consumer*, Nielsen BuzzMetrics, New York, NY.
- Brady, M.K. and Robertson, C.J. (2001), "Searching for a consensus on the antecedent role of service quality and satisfaction: an exploratory cross-national study", *Journal of Business Research*, Vol. 51 No. 1, pp. 53-60.
- Brady, P. (2010), "Using social media to grow your business", available at: <http://ezproxy.fiu.edu/login?url=http://search.proquest.com/docview/356998560?accountid=10901>
- Carmines, E.G. and Zeller, R.A. (1979), *Reliability and Validity Assessment*, Sage Publications, Beverly Hills, CA.
- Chandon, P.P. (2000), "A benefit congruency framework of sales promotion effectiveness", *Journal of Marketing*, Vol. 64 No. 4, pp. 65-81.
- Chappuis, B., Gaffey, B. and Parvizi, P. (2011), "Are your customers becoming digital junkies?", *McKinsey Quarterly*, available at: www.mckinseyquarterly.com/Are_your_customers_becoming_digital_junkies_2839
- Chung, D. (2008), "Interactive features of online newspapers: identifying patterns and predicting use of engaged readers", *Journal of Computer Mediated Communication*, Vol. 13 No. 3, pp. 658-679.
- Chung, J.Y. and Buhalis, D. (2008), "Information needs in online social networks", *Information Technology & Tourism*, Vol. 10 No. 1, pp. 267-281.
- Comrey, A.L. and Lee, H.B. (1992), *A First Course in Factor Analysis*, Erlbaum, Hillsdale, NJ.
- Daugherty, T., Li, H. and Biocca, F. (2008), "Consumer learning and the effects of virtual experience relative to indirect and direct product experience", *Psychology and Marketing*, Vol. 25 No. 7, pp. 568-586.
- Dholakia, U.M., Bagozzi, R.P. and Pearo, L.K. (2004), "A social influence model of consumer participation in network- and small-group-based virtual communities", *International Journal of Research in Marketing*, Vol. 21 No. 3, pp. 241-263.
- Dubé-Rioux, L., Schmitt, B.H. and Leclerc, F. (1989), "Consumers' reactions to waiting: when delays affect the perception of service quality", *Advances in Consumer Research*, Vol. 16 No. 1, pp. 59-63.
- Dunne, Á., Lawlor, M. and Rowley, J. (2010), "Young people's use of online social networking sites – a uses and gratifications perspective", *Journal of Research in Interactive Marketing*, Vol. 4 No. 1, pp. 46-58.
- Edosomwan, S., Sitalaskshmi, K.P., Kouame, D., Watson, J. and Seymour, T. (2011), "The history of social media and its impact on business", *Journal of Applied Management and Entrepreneurship*, Vol. 16 No. 3, pp. 79-91.

- Elefant, C. (2011), "The power of social media: legal issues & best practices for utilities engaging social media", *Energy Law Journal*, Vol. 32 No. 1, pp. 1-56.
- Fisk, R.P. (1981), "Toward a consumption/evaluation process model for services", in Donnelly, J.H. and George, W.R. (Eds), *Marketing of Services*, American Marketing Association, Chicago, IL, pp. 191-195.
- Fotis, J., Buhalis, D. and Rossides, N. (2012), *Social Media Use and Impact during the Holiday Travel Planning Process*, Springer-Verlag, Berlin, pp. 13-24.
- Gretzel, U. and Dinhopf, A. (2014), "Breaking up is hard to do: why do travelers unlike travel-related organizations?", *Information and Communication Technologies in Tourism*, p. 267.
- Gretzel, U. and Fesenmaier, D.R. (2012), "Customer relations 2.0 – implications for destination marketing", paper presented at the TTRA Annual International Conference, VA Beach.
- Grewal, D., Krishnan, R., Baker, J. and Borin, N. (1998), "The effect of store name, brand name and price discounts on consumers' evaluations and purchase intentions", *Journal of Retailing*, Vol. 74 No. 3, pp. 331-352.
- Grönroos, C. (2000), "Service reflections: service marketing comes of age", *Handbook of Services Marketing & Management*, Sage Publications, London.
- Gursoy, D. and McCleary, K.W. (2004), "An integrative model of tourists' information search behavior", *Annals of Tourism Research*, Vol. 31 No. 2, pp. 353-373.
- Harris, L.C., O'Malley, L. and Patterson, M. (2003), "Professional interaction: exploring the concept of attraction", *Marketing Theory*, Vol. 3 No. 1, pp. 9-36.
- Heinrichs, J.H., Lim, J.S. and Lim, K.S. (2011), "Influence of social networking site and user access method on social media evaluation", *Journal of Consumer Behaviour*, Vol. 10 No. 1, pp. 347-355.
- Henten, A. (2012), "Innovations from the ICT-based service encounter", *The Journal of Policy, Regulation and Strategy for Telecommunications, Information and Media*, Vol. 14 No. 2, pp. 42-56.
- Hogg, G. (2003), "The professional service encounter in the age of the internet: an exploratory study". *The Journal of Services Marketing*, Vol. 17 No. 5, p. 476.
- Huang, J. and Chen, Y. (2006), "Herding in online product choice", *Psychology & Marketing*, Vol. 23 No. 5, pp. 413-428.
- Jason, O. and Waters, E. (2002), "Four assumptions of multiple regression that researchers should always test", *Practical Assessment, Research & Evaluation*, Vol. 8 No. 2, available at: <http://pareonline.net/getvn.asp?v=2&n=8>
- Kang, J. (2011), "Social media marketing in the hospitality industry: the role of benefits in increasing brand community participation and the impact of participation on consumer trust and commitment toward hotel and restaurant brands", PhD, ProQuest Dissertations and Theses, IA State University, Ames, IA.
- Kaplan, A.M. and Haenlein, M. (2010), "Users of the world, unite! the challenges and opportunities of social media", *Business Horizons*, Vol. 53 No. 1, p. 59.
- Kasavana, M.L., Nusair, K. and Teodosic, K. (2010), "Online social networking: redefining the human web", *Journal of Hospitality and Tourism Technology*, Vol. 1 No. 1, pp. 68-82.
- Khang, H., Ki, E.J. and Ye, L. (2012), "Social media research in advertising, communication, marketing, and public relations", *Journalism and Mass Communication Quarterly*, Vol. 89 No. 2, pp. 279-298.

- Kim, H.W., Xu, Y. and Koh, J. (2004a), "A comparison of online trust building factors between potential customers and repeat customers", *Journal of the Association for Information Systems*, Vol. 5 No. 10, pp. 392-420.
- Kim, J.J. (2013), "Effects of reputation and website quality on online consumers' emotion, perceived risk and purchase intention: based on the stimulus-organism-response model", *Journal of Research in Interactive Marketing*, Vol. 7 No. 1, pp. 33-56.
- Kim, W.G., Lee, C. and Hiemstra, S.J. (2004b), "Effects of an online virtual community on customer loyalty and travel product purchases", *Tourism Management*, Vol. 25 No. 3, pp. 343-355.
- Lee, C.S. and Ma, L. (2012), "News sharing in social media: the effect of gratifications and prior experience", *Computers in Human Behavior*, Vol. 28 No. 1, pp. 331-339.
- Lee, D.H. (2010), "Korean consumer & society: growing popularity of social media and business strategy", *SERI Quarterly*, Vol. 3 No. 4, pp. 112-1179.
- Litvin, S.W., Goldsmith, R.E. and Pan, B. (2008), "Electronic word-of-mouth in hospitality and tourism management", *Tourism Management*, Vol. 29 No. 3, pp. 458-468.
- Lovelock, C.W. (2011), *Services Marketing: People, Technology, Strategy*, 7th ed., Prentice Hall, Upper Saddle River, NJ.
- Mattila, A.S. and Wirtz, J. (2000), "The role of pre-consumption affect in post-purchase evaluation of services", *Psychology & Marketing*, Vol. 17 No. 7, pp. 587-605.
- Mattila, A.S. and Wirtz, J. (2002), "The impact of knowledge types on the consumer search process: an investigation in the context of credence services", *International Journal of Service Industry Management*, Vol. 13 No. 3, pp. 214-230.
- Mohamed, A.N. (2012), "An investigation of hoteliers' attitudes toward the use of social media as a branding tool", *International Journal of Marketing Studies*, Vol. 4 No. 4, pp. 93-105.
- Noone, B.B.M. (2009), "Perceived service encounter pace and customer satisfaction: an empirical study of restaurant experiences", *Journal of Service Management*, Vol. 20 No. 4, pp. 380-403.
- Pedraja, M. and Yague, J. (2001), "What information do customers use when choosing a restaurant?", *International Journal of Contemporary Hospitality Management*, Vol. 13 No. 6, pp. 316-318.
- Raajpoot, N. (2004), "Reconceptualizing service encounter quality in non-western context", *Journal of Service Research*, Vol. 7 No. 2, pp. 181-201, 21.
- Saperstein, J. and Hastings, H. (2010), "How social media can be used to dialogue with the customer", *Ivey Business Journal Online*, Vol. 74 No. 1, p. 6.
- Shim, S. (2012), "A large number of consumer recommendations or a small number of friend recommendations: purchasing decision making based on SNS", *The Journal of Society for e-Business Studies*, Vol. 17 No. 3, pp. 15-41.
- Stacy, M.P.S. and David, L.R. (2011), "Social media: more available marketing tools", *The Business Review, Cambridge*, Vol. 18 No. 2, pp. 37-43.
- Svensson, G. (2006), "New aspects of research into service encounters and service quality", *International Journal of Service Industry Management*, Vol. 17 No. 3, p. 245.
- Swain, S. (2009), "Impact of social media on consumer behavior", 1 January, available at: <http://sampadswain.com/2009/01/impact-of-social-media-on-consumer-behavior/>
- Szabo, G. and Huberman, B.A. (2010), "Predicting the popularity of online content", *Communications of the ACM*, Vol. 53 No. 8, pp. 80-88.
- Thomas, D. (2010), "Social media in hospitality", *Caterer & Hotelkeeper*, Vol. 200 No. 4649, pp. 33-34.

- Treadaway, C. and Smith, M. (2012), *Facebook Marketing: An Hour A Day*, John Wiley & Sons, New York, NY.
- Tsiotsou, R.H. and Wirtz, J. (2012), "Consumer behavior in a service context", in Wells, V. and Foxall, G. (Eds), *Handbook of New Developments in Consumer Behavior*, Edward Elgar Publishing, Cheltenham.
- Vermeulen, I.E. and Seegers, D. (2009), "Tried and tested: the impact of online hotel reviews on consumer consideration", *Tourism Management*, Vol. 30 No. 1, pp. 123-127.
- Wang, C. and Hsu, L. (2012), "How do service encounters impact on relationship benefits", *International Business Research*, Vol. 5 No. 1, pp. 98-109.
- Wang, Y. and Fesenmaier, D. (2004), "Towards understanding members' general participation in and active contribution to an online travel community", *Tourism Management*, Vol. 25 No. 6, pp. 709-722.
- Wasko, M.M. and Faraj, S. (2000), "It is what one does: why people participate and help others in electronic communities of practice", *Journal of Strategic Information Systems*, Vol. 9 Nos 2/3, pp. 155-173.
- Xiang, Z. and Gretzel, U. (2010), "Role of social media in online travel information search", *Tourism Management*, Vol. 31 No. 2, pp. 179-188.
- Xiang, Z., Woeber, K. and Fesenmaier, D.R. (2008), "Representation of the online tourism domain in search engines", *Journal of Travel Research*, Vol. 47 No. 2, pp. 137-150.
- Ye, Q., Law, R. and Gu, B. (2009), "The impact of online user reviews on hotel room sales", *International Journal of Hospitality Management*, Vol. 28 No. 1, pp. 180-182.

Further reading

- Jeong, E. and Jang, S. (2011), "Restaurant experiences triggering positive electronic word-of-mouth (eWOM) motivations", *International Journal of Hospitality Management*, Vol. 30 No. 2, pp. 356-366.
- Kacen, J.J. and Lee, J.A. (2002), "The influence of culture on consumer impulsive buying behavior", *Journal of Consumer Psychology*, Vol. 12 No. 2, pp. 163-176.
- Rowley, J.J. (2006), "An analysis of the e-service literature: towards a research agenda", *Internet Research*, Vol. 16 No. 3, pp. 339-359.
- Sharma, P., Sivakumaran, B. and Marshall, R. (2009), "Exploring impulse buying in services vs. products – towards a common conceptual framework", *Advances in Consumer Research – Asia-Pacific Conference Proceedings*, Vol. 8 No. 1, pp. 195-196.
- Shostack, G.L. (1985), "Planning the service encounter", in Czepiel, J.A., Solomon, M.R. and Surprenant, C.F. (Eds), *The Service Encounter*, Lexington Books, New York, NY, pp. 243-254.
- Withiam, G. (2011), "Social media and the hospitality industry", *Cornell Hospitality Research Summit Proceedings*, Vol. 3 No. 3, pp. 6-15.

Corresponding author

Sujin Song can be contacted at: sxs6040@psu.edu

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgroupublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com