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IMPACT OF FACEBOOK MARKETING ON E – WORD OF MOUTH: WITH REFERENCE TO THE HOTEL INDUSTRY

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Abstract

This study concentrates on consumer perception of hotel Facebook pages and how effective are the contents posted in those pages in creating a word of mouth about the hotels. The Consumers perception onFacebook has been rapidly evolving and it is due to this fact that social media is gaining a lot of attention among the consumers in their entire decision making and perception of the customers in terms of more service.Existing studies have employed the technology acceptance model (TAM) to address the issue of consumer behavior and the model has now become one of the most widely used models. This study is mainly concentrated on the star rated hotels from Coimbatore region and how their Facebook page is bringing an impact to them. The five hotels taken into consideration are TajVivantha, RadissionBlu, Le Meridian, Residency, and Welcome Hotels. These hotels are chosen based on the customer preferences. The different parameters taken into consideration are Ease of using the Facebook page, how satisfied are the customers in using the hotel Facebook page. Based on the level of ease of use and the satisfaction level how effective is the contents given in the Facebook page helps the customers in making decisions and there by the make a word of mouth to their friends. While there are existing studies concentrated on other marketing uses of a Facebook Page, many see the need for a closer examination of what exactly the customers are looking for in a Facebook page typically to arrive at a better decision. A conceptual model on the considered parameters was created, presented and discussed in light of existing empirical studies. The study shows that the Facebook page with the relevant content and message on different information's that are required to make a booking proved to have a competitive advantage in spreading a word of mouth about the hotel.

Key Word: Facebook marketing, e- word of mouth, TAM model, Customer Decision making, SEM model

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Introduction

The social media sites are growing rapidly, with more and more people using social media networking sites to connect to others in a variety of ways, including, meeting others with common interests, and sharing information. This social media sites are targeted by several companies to bring in more leads to their page and in turn to their company as well. Facebook is the reigning player in the Social networking media which holds the number one spot in posting and sharing of information with friends. This helps the company's and businesses of all sectors and sizes to use Facebook as a powerful marketing tool.

Facebook forms a bigger space for the marketers to develop the brand identity, create brand awareness and improve brand building. Facebook pages allow the users to get several information's that they are looking for both in forms of content and images. This huge growth of social networking sites has transformed the way many consumers interact with each other and with businesses.In addition, social media enables users to build and maintain contacts with their family, friends and businesses in a virtual environment, thus provide customers and businesses with wide better social networking opportunities and enhanced communication abilities. This haschanged the way we do business and how businesses attract and retain their customers.For customers, the rapid growth of social media is changing the ways in which travelers search for and evaluate travel information. Travelers might change their decision on travelling or travel behavior based on the details and information they obtained from the networking sites.In the hotel industry, Facebook marketing is becoming a new trend as hoteliers are using Facebook to promote their business (Moore, 2011).For hotels, social media marketing particularly the Facebook page enable real-time, two-way communication and allow hotels to communicate at point-of-need. Social media advertising has now become a new trend in advertising by replacing the traditional forms of advertising because of the reach that these social media sites provide the business. Social media marketing can be used by hoteliers not only to increase sales, but also to improve brand awareness, monitor brand reputation,educate and inform customers and improve customer services. Since these social media sites provide a two way communication, where people can post their views and feedbacks on the Facebook page. This enables the

Hotels to understand the exact need of the customer and provide them with the better service that they are looking for. This helps in building the brand reputation of the hotel. In this way, hotels can post contents and message and help it go viral, which will in turn generate electronic word-of-mouth (Lanz et al., 2010).

Review of Literature

Marketing is considered to be one of the most essential factors for value generating and income generating to most businesses and is generally the most important strategy of any business (Godin, 2008). The advertising in social media like the Facebook, Twitter, Whatsappetc differs from the traditional method of marketing, in that it not only depends on a mere unidirectional relationship but also a bidirectional flow of communication between the advertiser and the consumer(ThirushenNaidoo,2011). Facebook, because of a large number of users is gaininghigh profits sites on the web, which is projected at a value of about 10 billion dollars (Foe, G. 2010b). Facebook marketing software program allows the users to automate and target the method of befriending individuals and expose their groups to a Facebook page for a huge crowd (Robin Neifield. 2010). The different reasons for companies looking at Facebook page advertising are dependent on several factors, such as the company profile, the different productsavailable, and the targeted customers to the product or service (Bernoff, 2008). Hotel marketing experts should be both aware of the expected benefits and harm the viral marketing could have on the hotel's brand reputation and brand awareness(Litvin,S.W ; Goldsmith, R.E ; Pan,B.,2008).

Hoteliers are expected to both engage and communicate effectively with their target audience through Social Media Marketing in order to be ahead of the competition that is prevailing in the hospitality industry (Russell, J.,2010). Facebook marketing is one of the most dominant Social media platform, that allows hotels to build, retain and sustain relationships with all the stakeholders and customers, get effective feedbacks across to attain customer confidence (Lanz, L et al.,2010). The hotel Facebook page acts as a source of information for international visitors, internationaltravellers who are more likely to get attracted towards the pages, and to generate interest on the hotel brand (Mackenzie, J.,2011).

Travellers and customers can gain valuable details and information on community members' profiles and from the news feed posted and statements that different users post on their walls and pages about the hotels (Casteleyn, Mottart, &Rutten, 2009). Costs involved in this type of communication have reduced drastically with Facebook Marketing and other social media sites, creating a lot of opportunities for the hotels to communicate with their individual customers directly, quickly and consistently (Mize, 2009; Palmer & Koenig-Lewis, 2009). Facebook has a sheer number of daily active users and also the level of every user's activity on this social media website, Facebook marketing is considered as the mostappealing platform for Social mediamarketers and online advertisers (Francisco, 2006).

The marketing communication is a very complex process; with addition of a new mode of communication that has been added to this study is the e - word-of-mouth (Holm, 2006). Word Of Mouthis very important in the social networking websites. Facebook users can observe customers views and opinions in blogs, Facebook, Twitter, chat forums etc. in the form of articles, texts, documents, images, videos etc. (Holm, 2006)

Word-of-mouth (WOM) marketing is a type of relationship marketing and possibly the only marketing strategy that is made available to some small business. This does not mean that larger businesses do not benefit from wordof- mouth. Regardless of the fact that word-of-mouth isan intangible form of marketing, with most of the customer recommendations be with friends, family members, relatives or strangers on different websites such as Trip Advisor can have a great impact on another customer's decisionmaking process (George, 2008).

Statement of the Problem

Now a days more and more hotel managers are depending on social media for their digital marketing campaigns, in order to raisethe attention on the hotels as a bigger brand. Facebook page of any business helps in developing the brand identity with the customers. However, the challenge of business lies in measuring theeffectiveness of social media marketing. Withthe emerging trendsin social media, this creates opportunities as well as challenges to create more effective marketing and advertising.

Relation between Ease of using Facebook and Facebook Satisfaction

The different factors considered to understand the ease of using Facebook page are like learning to use the hotel Facebook page, how easy is it to navigate through the Facebook page, to understand whether it is really easy to use or hard to use the Facebook page. These factors will lead to form the hypothesis between the ease of using Facebook page with the level of satisfaction in using it.

The above literature reviews will lead to the development of the following hypotheses:

H1:Ease of using hotel Facebook page has a positive influence on Facebook page Satisfaction.

Relation between Facebook page Satisfaction and Decision making

To derive a relation between the Customer satisfaction levels to the decision making of the Consumers to select or reject the hotels several factors are considered. Satisfaction level of the information provided in the Facebook page, Comfortableness in using the hotel Facebook page, hotel Facebook page builds a good relationship etc. are considered.

The above literature reviews will lead to the development of the following hypotheses:

H2: Facebook page satisfaction has a positive influence on decision to be made on hotels.

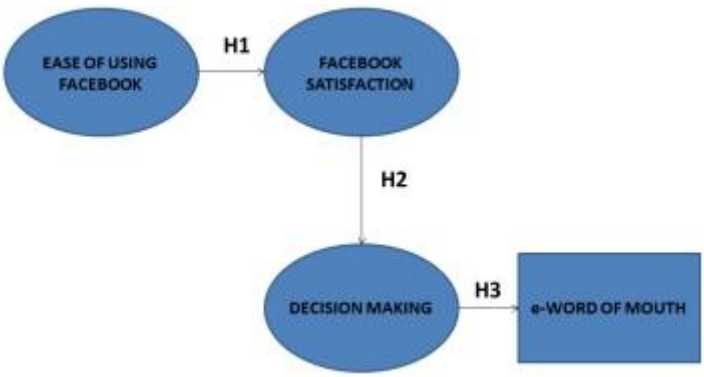
Relation between Decision making and e - Word of mout

In order to develop a hypothesis to determine the e - word of mouth using the customer perception on decision making the following factors is taken into note to develop the hypothesis; Hotel Facebook page help to make travel decisions quickly, Hotel Facebook page helps increase the performance in making travel decision, to make an effective travel decision, etc.

The above literature reviews will lead to the development of the following hypotheses:

H3: Decision making has a positive influence on e – Word of mouth.

Figure 1: Conceptual model



Objectives

To understand the ease of using a hotel Facebook page

To understand the level of customers satisfaction on looking at a hotel Facebook page

To analyze the impact of contents and messages posted on a hotel Facebook page from the customer perceptions.

To find out the impact of customer perceptions on hotel Facebook page.

To find out the impact of customer decision making and Word of mouth by looking at the hotel Facebook page.

To propose and validate a model for impact on word of mouth using a hotel Facebook page.

Research Methodology:

It's imperative that any type of organisation in the present environment needs systematic supply of information provided in the Facebook page coupled with tool of analysis for making sound decision which involves minimum risk.A research design is purely and simply the framework or plan of a study that guides the collection & analysis of data.

The research type carried out in the research is descriptive using ease of use, satisfaction, decision making and word of mouth as indicators.The method of data collection is by using questionnaire given to respondents created using the Google form.The population here includes college going students (post graduate and undergraduate) and general public in Coimbatore.The sampling design used here is non-

probability sampling convenient sampling. The total sample size here is 100 Respondents.The tools used are Statistical Package for Social Studies (SPSS v 17.0), Microsoft Excel 2010 and visual pls. Power analysis was used to check the sample size and it was found to be sufficient to prove the theory.

Results / Discussions

Demographical Characteristics of the Respondents

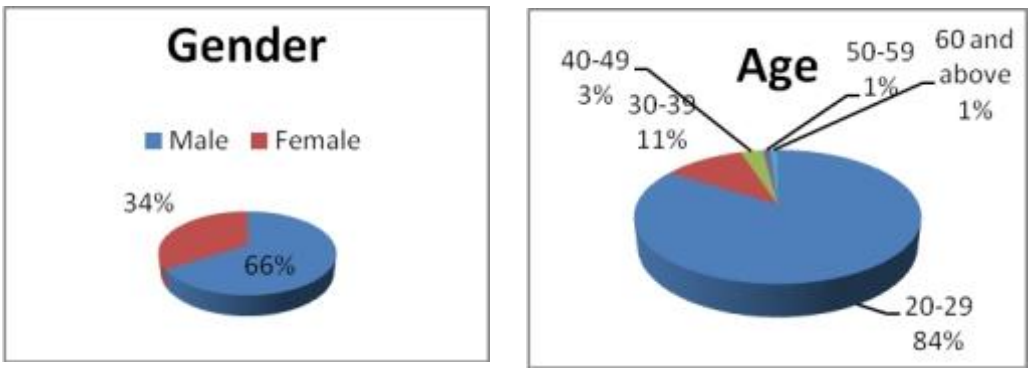


Figure 2 : Chart showing the gender and age group of the respondents

Out of 100 respondents, 66 respondents were male and 34 respondents were female in the ratio 66% : 34%. Out of 100 respondents 84% of the respondents were between 20-29, 11% between 30-39, 3% between 40-49 and 1% between 50-59, 1% between 60 and above.

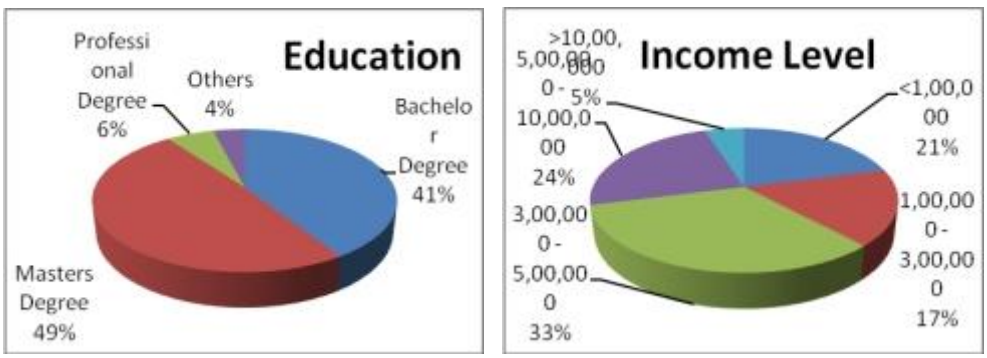


Figure 3 : Charts showing the Education and Income level of the respondents

49% of respondents hold Master's Degree, 41% was Bachelor Degree holders and 10% were professional and others. As the chart shows most of the respondents were well educated who completed their UG or PG degree.

From the income level chart it is predominant that 57% of the respondents are in the income level of 3,00,000 to 10,00,000. Hence most of the respondents are in a good position to afford to stay in a star rated hotel.

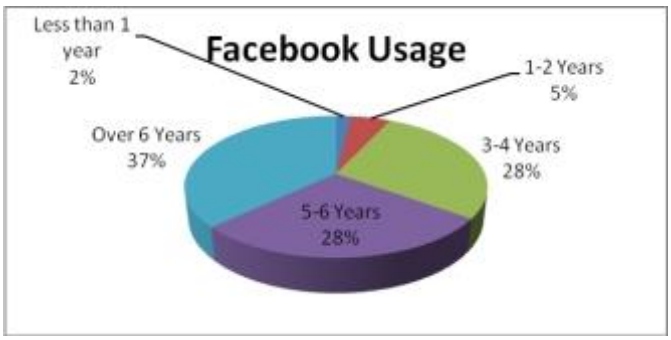


Figure 4: Chart showing the Facebook usage in years of the respondents

37% of the respondents have been using Facebook for over 6 years, 28% of the respondents have been using Facebook for 5 – 6 years, 28% using Facebook for 3 – 4 years. This shows that most of the respondents are using Facebook for more than 3 years and they are well aware of using the Facebook page and the also find it comfortable in using it.

Table 1: Table showing the Descriptive Analysis on customer look for in a hotel

Descriptive Analysis

	Mean
Price	3.53
Cleanliness	3.74
Location	3.60
Previous Experience	3.47

From the above table it is clearly understood that cleanliness gets the highest mean value of 3.74. This shows that the respondents who answered to the questionnaires mainly look for the cleanliness in a hotel they prefer to stay.

	Mean
Learning touse hotel FB Page	5.39
Easy to Use hotel FB Page	5.16
Skilful in using hotel FB Page	5.25
Hard touse FB Page	3.08

Table 2: Table showing the descriptive analysis on Ease of using Facebook page

Descriptive Analysis

	Mean
Hotel FBpagebuildrelationship	5.06
Satisfiedwithinformation given in hotel FBpage	5.25
Comfortableinusing hotel FB page	5.38
SurfingFBtospendtime	5.12
Overall the hotel FBpage is good	5.31

From the above table we can see that the comfortable in using Facebook page gets a highest mean of 5.38. From this we can infer that the respondents are more satisfied and comfortable looking at a hotel Facebook page to further proceed with their decision

Table 4: Table showing the Impact of the Independent variables on the dependent variable

Descriptive Analysis

	Mean
Hotel FB page makes travel decision Quickly	4.98
Hotel FB page makes Travel decision easier	5.09
Hotel FB page improves Performance in travel	5.13
Hotel FB page is Effective in making travel Decision	5.18
Hotel FB page provides Useful travel Decision	5.39

From the above table we can understand that Facebook page information can help the respondents make decision to stay or not to stay in a hotel. Facebook page Useful travel decision gets the highest mean of 5.39

Table 5: Table showing the descriptive analysis of word of mouth on hotels

Descriptive Analysis

	Mean
Do you like message about hotels on FB page	4.56
Will you Comment on message on FB Page	4.36
Will you Share message on FB	4.52
Will you Post you experience on FB	4.72
Will you Recommend hotels to FB friends	5.16

From the above table we can see that the recommendation of a hotel on Facebook gets the highest mean of 5.16. This shows that the respondents are ready to spread a word of mouth about the hotel on Facebook based on the contents given in the hotel Facebook page.

Table 3: Table showing Reliability and validity of the constructs

Construct	Composite Reliability	AVE	Cronbach Alpha	Result
Ease of using FB page	0.960308	0.858146	0.944752	Sufficient
FB Page satisfaction	0.960211	0.857845	0.94288	Sufficient
Decision Making	0.948667	0.755171	0.934418	Sufficient
E–WOM	0.949148	0.788865	0.932905	Sufficient

The AVE values for all constructs are greater than 0.50 as per the standard AVE rule showing convergent validity and also the Composite Reliability values for all constructs are greater than 0.7. Thus the reliability scale is proved to be higher in this research indicating the effectiveness of the study.

In the boot strap analysis, the impact of all independent variables on the dependent variable will be evaluated and as a rule, the T-statistic value should be greater than 2.0. The T-Statistic value indicates the effectiveness of the independent variables on influencing the dependent variable.

Causal Model

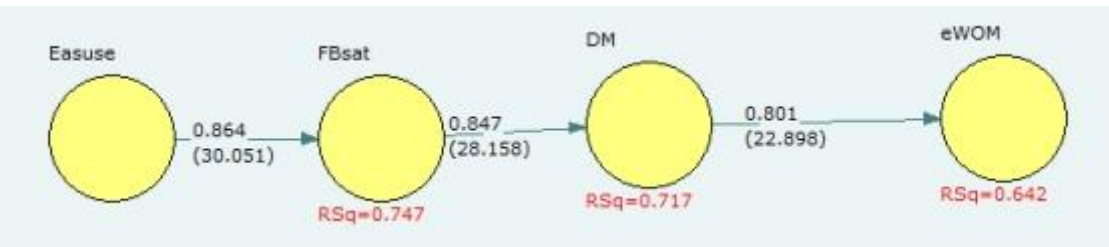


Figure 5: Causal model and hypotheses testing

The overall impact of all the independent constructs on Intension to spread an e- Word of Mouth is about 64.2%. Ease of using Facebook page, Facebook page satisfaction, Decision Makinghave a very high impact on consumer perceptions. Perceived Ease of Using Facebook page will impact the Facebook page Satisfaction by 74.7%. The Facebook page Satisfaction will impact the decision making of the respondents by 71.7%.

Table 4: Table showing the Bootstrap function and significance of constructs

	Entire Sample Estimate	Mean of Subsamples	Standard Error	T-Statistic	Result
Ease of use->FB page sat	0.864	0.8645	0.0288	30.0511	Sufficient
FB page sat - >DM	0.847	0.8477	0.0301	28.1581	Sufficient
DM- >e – WOM	0.801	0.8035	0.035	22.8978	Sufficient

From the above table, it is clear that the all the independent variables have sufficient T values to affect their dependent variables. From the T-statistic value it is quite clear to see that most effective impact is that of information and convenience on the perceived ease of use while the least impact effective impact was that of attitude on intention to buy closely followed by perceived ease of use on intention.

Findings

The findings of this study show that Ease of using hotel Facebook page, Facebook page satisfaction, decision making influences the customer's intention to spread a word of mouth about the hotels online by being influenced by the contents and messages posted on the hotel Facebook page. Using SPSS software the degree of consistency between multiple measurements of a variable was assessed by measuring the Cronbach's alpha value. After including all the constructs in the test the Cronbach's alpha value was found to be 0.932 which is more than the standard accepted value suggesting that the chosen constructs are reliable enough to affect the dependent variable which is spread of e-Word of Mouth.

From the T-statistic value it is quite clear to see that most effective impact is that of information and convenience on the contents, images, feedbacks and messages on the particular Facebook page have an effective impact on the Facebook page satisfaction and also the Decision making process.

The structural eqution model it is plain to see that Ease of using hotel Facebook page had a strong relation with the Facebook page satisfaction. This is mainly because most of the respondents who are taken into consideration fall under the age of 30 with 84%.Rest all consitute the different age groups. The other find is that most of the respondents considered are those who use Facebook for more than 6 years with37% and between 5 – 6 years constitute about 28%.The Causal model also shows that the ease of using Facebook page, Facebook pge satisfaction, Decision making affect the attitudes of the customers who would like to spread an e-Word of mouth.

Ease of using Facebook page, Facebook page satisfaction, Decision Making has a very high impact on consumer perceptions. Perceived Ease of Using Facebook page will impact the Facebook page Satisfaction by 74.7%. The Facebook page Satisfaction will impact the decision making of the respondents by 71.7%.The overall impact of all the independent constructs on Intension to spread an e- Word of Mouth is about 64.2%.

Suggestions

Customer perception on the technology has been rapidly evolving & hence identifying the needs & providing innovative solutions is of prime importance. Identifying what all contents to be posted on a Hotel Facebook page is equally important.

Information's provided on the Facebook page must be relevant and accurate. More of visual contents like the images and videos will engage more customers to look at the page. Ratings and reviews given in the page will have a greater impact on the perception of the customer. Thus maintaining a good hotel Facebook page will help spread a positive word of mouth.

Implications of Research

The direct implication of these findings is that targeting more appropriate customer groups, bringing about more improvements in technology which is customer friendly and convenient and by improving the quality of information provided that can positively influence customer attitudes and behavior, potentially leading to increase in frequency of customers looking at the hotel Facebook page and have a repeated visit to the page for getting more details.

Conclusion

Social media is one of the most important inventions in the previous decade.Facebook, one of the most popular social networking sites, used by millions of users in their day to day life, which changes on how businesses market themselves and how they interact with customers. Now a days Facebook is being employed by more and more hotels, in order to explore the effectiveness of hotel Facebook marketing. In particular, marketing effectiveness involves both customer and advertising; it is important for hoteliers to understand why customers visit their Facebook pages and what messages and contents are preferred by customers and generates best marketing outcomes. Therefore, the purpose of this research was to explore the marketing effectiveness of hotel Facebook pages from two perspectives: customer and message. The study summarized and developed a classification of messages posted on hotel Facebook pages and analyzed the marketing effectiveness of different message types through an experiment design.

Brand, product, and involvement message were indicated to be better message content types while promotion message was the worst message content type in terms of marketing effectiveness. Besides, messages in picture format were better than those in word, web link, and video formats. Finally, the study developed and tested an integrated model of hotel Facebook marketing mechanism which combined antecedents with outcomes of hotel Facebook marketing. The integrated model was tested to be a good fit to the data and all hypothesized causal relationships in the model were supported. The study's findings supported the claim that three social influence factors impact customer's attitudes which influences hotel booking intention and intention to spread e - WOM.

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