

**Social Networking Websites: Do Generation Y Use Them Before Making Decisions for
Hotels and Restaurants?**

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Abstract

Individuals have many motivations to visit the Internet such as searching for information, communication, and shopping (Rodgers & Sheldon, 2002). Increasingly those individuals meet online to share their opinions and information, express views, and regularly update their status or post blogs and microblogs. More and more people discuss on forums and exchange information/opinions on social networking websites (Chung & Buhalis, 2009). The case for the hospitality industry is not discovered. There is unlimited number of opportunities that social networking website presents to tourism organizations. This study will investigate the issue from consumers' point of view. In view of the fact that environmental factors have influenced Generation Y shoppers (who born after 1977) to make them different from older groups (Bakewell & Mitchell, 2003), this study only focuses on Generation Y since 65% of this cohort had booked travel arrangements online in 2008 (Jones & Fox, 2009). A sample of U.S. college students was given an online survey, and the survey returned 512 valid responses. It was found that respondents tend to share their experiences related to their experiences in restaurants and hotels, however, they are not using social networking websites to make decisions.

Keywords: Social Networking Websites, Hospitality, Generation Y, Commitment-Trust

1. Introduction

The Internet usage has grown by 380% from 2000 to 2009; worldwide Internet user number has reached to 1.733 billion (Internet World Stats, 2010). The Internet has changed the lifestyle of consumers dramatically. It changed the way that they shop, search, read, communicate, and so on. Social networking websites are increasingly attracting the attention of both academic and industry researchers. Since their first appearance online, social networking websites like Facebook, MySpace, Twitter, LinkedIn and Bebo have attracted millions of users all around the world, many of whom use these websites into their daily practices. Nowadays, there are hundreds of social networking websites, with various technological affordances, supporting a wide range of interests and practices. The foundation of these sites is to maintenance of preexisting social networks such as colleagues, and alumni's, on the contrary some help strangers connect based on their shared interests, friends, political views, or activities. Sites also differ in the magnitude to which they incorporate new information and communication tools, such as mobile connectivity, blogging, microblogging, and photo/ video-sharing (Boyd & Ellison, 2007). Moreover, those sites developed rapidly as an information medium for tourists and a platform for tourism organizations to represent themselves (Dickinger & Bauernfeind, 2009). Web 2.0 presented new applications that changed the communication of the users in a social basis. As a result, electronic word of mouth became an uprising trend for consumers. Online communities became a common platform to broadcast e-word of mouth.

Individuals have many motivations to visit the Internet such as searching for information, communication, and shopping (Rodgers & Sheldon, 2002). Increasingly those individuals meet online to share their opinions and information, express views, and regularly update their status or post blogs and microblogs. More and more people discuss on forums and exchange information/opinions on social networking websites (Chung & Buhalis, 2009). Even though most of these developments have been pushed by non-commercial purposes, consumers started to use these websites to review products and services, and to support or criticize organizations for the quality of their offerings (Chung & Buhalis, 2009). Literature supports the view that consumers tend to trust their peers more than the marketing of organizations. Consequently these tools are turning out to be extremely significant for organizations. Hospitality organizations are no exceptions. Travel discussion websites (such as Tripadvisor) are gaining popularity in terms of number of users and postings per user. From the industry perspective the trend is the same, meaning more and more hotels are using these websites as a communication tools with their guests.

It is evident that people are depending on their peers' reviews before purchasing products and services. As a result, social networking websites are growing both in popularity and importance for the consumers as well as corporate. They are not anymore only a platform for friends to stay connected. Those websites have advanced to a critical part of brand marketing. Unique visitors to Twitter increased 1,382% from 2008 to 2009. Additionally, Zimbio and Facebook had a significant growth of 240% and 228%, respectively (Nielsen, 2009). According to Nielsen research (2009), majority of Facebook users are younger; mostly college students. Additionally, Facebook users can be a fan of their favorite brands and share their opinions and experiences with other fans. There is unlimited number of opportunities that social networking website presents to tourism organizations. This study will investigate the issue from consumers' point of view. In view of the fact that environmental factors have influenced Generation Y shoppers (who born after 1977) to make them different from older groups (Bakewell & Mitchell,

2003), this study only focuses on Generation Y since 65% of this cohort had booked travel arrangements online in 2008 (Jones & Fox, 2009).

2. Literature Review

2.1. Social Networking Websites

2.1.1. Definition of Social Networking Website Sites

Boyd and Ellison (2007, p. 221) defines social network sites as web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. Social networking websites promote users to articulate and make visible their social networks. Key goals of those websites users are not essentially to meet new people; instead, they are primarily communicating with people who are already a part of their extended social network. Although social networking websites have employed a wide variety of technical features, their backbone consists of visible profiles that display an articulated list of Friends who are also users of the system.

2.1.2. History of Social Networking Websites

Collaboration and community became the important characteristics of the Internet. These characteristics evolved the term Web 2.0. This term consists of a second generation of Web services that let people cooperate, collaborate and share information online in. Some of the Web 2.0 applications include social networking sites, wikis, blogs and podcasting (Linanza et al, 2008). Primitive social networking on Internet started in the form of generalized online communities such as Theglobe.com (1994), and Geocities (1994). The first online communities concentrated upon gathering people to interact with each other via chat rooms. In 1995, Classmates.com took a different approach by linking people to each other via email addresses. In the late 90s, social networking websites introduced user profiles as the principal feature that allows users to compile lists of friends and search for other profiles that shared similar interests. Newer social networking approaches were developed by the late 90s and social networking websites initiated to expand advanced features for users to find and manage friends. This trend of social networking sites began to increase with the introduction of Friendster in 2002, and rapidly became a part of the Internet mainstream. MySpace and LinkedIn were introduced a year later. The rise of the MySpace was remarkable by 2005, they were reported to get more page views than Google. Finally, Facebook launched in 2004, and turn out to be the largest social networking site. After the introduction of smart phones with GPS Location Based Services (LBS) emerged, consumers started to use virtual “check in” in social networking websites that feeds “friends” about the location one visits and companies such as Starbucks started to use these services as a marketing tool.

2.1.3. Applications of Social Networking in Travel Companies

Contemporary travelers benefit from the Internet to acquire travel related information, share their experiences/opinions/reviews for hotels, resorts, inns, vacations, travel packages, vacation packages, travel guides to reduce their risk before purchase. After the introduction of Web 2.0, individuals started build relationships with people from various destinations.

Additionally, through the travel phase, tourists have option to access social networking websites while on the go since smart phones that support social networking tools. Those people can share experiences, review hotels and destinations, and post photographs and videos from their trips.

3. Model Development and Research Hypotheses

Given the importance of commitment in the development of relationships, it is vital to examine the factors that are antecedents to commitment and the outcome of commitment. This paper proposes a model to understand why a Generation Y customer commits to a social networking website. The dependent variable in our model is loyalty. This section presents the nature of the constructs used in the model.

2.2. Commitment

The commitment of customer is a fundamental construct in the development and maintenance of marketing relationships for the reason that it is a crucial psychological force that links the consumer to the organization (Fullerton, 2005; Bansal et al., 2004; Morgan & Hunt, 1994). This applies both for B2B relationship (Morgan & Hunt, 1994) and B2C service relationship (Bansal et al.; Fullerton, 2003). Literature views commitment as an attachment between parties that leads to a desire to maintain a relationship (Fullerton, 2005; Moorman, Zaltman, & Deshpande, 1992; Morgan & Hunt, 1994). Marketing literature generally recognize that customer commitment has two components; (a) affective commitment (emotional in nature and founded on a sense of liking the partner), (b) calculative commitment (economic in its structure and based on switching costs, sacrifice, and absence of alternatives).

2.2.1. Affective Commitment

Affective commitment is a well studied construct in relationship marketing (Fullerton, 2003; Gilliland & Bello, 2002). Affective commitment is founded on shared values, identification, and emotional attachment (Bansal et al., 2004; Fullerton, 2003; Gruen et al., 2000). Fundamentally, when consumers are affectively committed to the partner, they tend to trust and enjoy doing business with that partner (Fullerton, 2005). It was reported that the affective component is the psychological attachment, derived from loyalty and affiliation, of one exchange partner to the other (Bhattacharya, Rao, & Glynn, 1995). Individuals with high affective commitment consider that they are a part of the partner (Iun & Huang, 2007). To state the matter differently, affective commitment is an indication that an individual is staying in a relationship because he/she demonstrates an emotional attachment towards the social networking website. Therefore, individuals with strong affective commitment would stay in a relationship because they want to continue their associations with the vendor (Cichy, Cha, & Kim, 2009). Fullerton (2005) purported that affective commitment is likely to explain the process where it is presumed that a customer is loyal because he/she has a favorable attitude toward the brand and is also a frequent buyer of that brand.

Thus, the following hypothesis is proposed:

H1: Affective Commitment is positively related to loyalty.

2.2.2. Calculative Commitment

Calculative commitment or more rational, economic-based dependence on product benefits due to a lack of choice or switching costs (Anderson and Weitz 1992; Dwyer, Schurr, and Oh 1987; Heide and John 1992). Customers realize the rewards and benefits associated with continuing to use a particular social networking website. Calculative commitment is the condition of connection to a partner cognitively experienced as a recognition of the benefits sacrificed and losses incurred if the relationship ended (Geyskens et al. 1996; Kumar et al. 1994). Although calculative commitment contains an element of continuance, it is positively associated with both opportunistic behaviors and a search for alternatives (Kumar et al. 1994). Thus, while calculative commitment indicates an attachment, there is no indication that relational norms or other pro-social behaviors exist between the partners.

Therefore, the following hypothesis is proposed:

H2: Calculative Commitment is negatively related to loyalty.

2.3. Perceived Utility

The technology acceptance model (Davis, 1989) is the broadly used model of technology adoption. According to TAM, technology adoption is influenced by two perceptions: usefulness and ease-of-use. Research has shown that perceived usefulness affects intended adoption of any technology (Gefen & Straub, 2000). The greater perceived utility increases the customers' likelihood to remain with the firm (Verhoef, 2003). Consequently, perceived utility should have a positive effect on commitment.

Thus:

H3: Perceived utility is positively related to affective commitment.

H4: Perceived utility is positively related to calculative commitment.

2.4. Perceived Risk

The level of complexity and inherent perceived risk involved in customer relationships in technology markets leads to a complex interaction of factors causing commitment and trust that in turn affect customer intentions to remain in the relationship (de Ruyter et al., 2001). The theory underlying the relationship marketing umbrella suggests several testable hypotheses. Firstly, the more a consumer trusts a service provider, the more likely they are to continue the relationship (de Ruyter et al, 2001). Secondly, the more a consumer feels an affective commitment to their relationship with a service provider, the more likely they are to continue doing business with that service provider. Additionally, the level of perceived risk will be lower for consumers who feel stronger levels of affective commitment to a customer-service provider relationship.

Thus:

H5: Perceived risk is positively related to affective commitment.

H6: Perceived risk is positively related to calculative commitment.

2.5. Trust

Trust is necessary for a long-term business relationship (Palvia, 2009). Web vendors are interested in building exchange relationships with their users. The focal point of trust in building long-term relationships has been stressed frequently in the marketing literature (e.g., Anderson and Weitz, 1989; Dwyer et al., 1987; Morgan and Hunt, 1994). Trust exists to the extent that the customer believes its partner to be honest and benevolent (Geykens et al, 1996). To investigate the effects of trust on commitment, we extend previous research by exploring the differential effects of trust on affective and calculative commitment. Several studies confirmed evident of positive effect of trust on affective commitment (e.g. Anderson and Weitz (1989) and Morgan and Hunt (1994)). Coherent with these studies, we hypothesize that the higher a users' trust in social networking website, the higher its motivation to continue the relationship for affective reasons. Moreover, as mentioned above, the more a consumer trusts a service provider, the more likely they are to continue the relationship (de Ruyter et al, 2001). Accordingly;

H6: Trust is positively related to affective commitment.

H7: Trust is positively related to calculative commitment.

4. Methodology

A descriptive, cross sectional survey was developed based on extensive review of literature and expert opinions. The population for this study was college students in the U.S. For the purpose of the study, an online questionnaire was submitted to 720 students in various colleges in the U.S. The survey instrument consisted of three sections: 1) Social Networking Websites general questions; 2) theories and perceptions 3) demographics of the respondent and characteristics.

5. Findings

Out of the 720 email invitations sent, 512 valid responses were collected. A thumping majority of the respondents use Facebook (97%), and it was followed by YouTube (71%) (see Table 1). More than half of the respondents (55%) access to social networking websites both with their personal computers and mobile phones (see Table 2). Respondents tend to agree with the statements related to the experience sharing through social networking websites (see Table 3). It was also found out that 45% of the respondents does not use social networking websites as an information seeking tool, on the other hand, 36% of them use this to look for destination information, 35% use for restaurant information seeking, and 31% use for hotel information seeking before making purchase decisions (See Table 4).

Social Networking Website	Percentage
Facebook	97%
LinkedIn	17%
Myspace	22%
YouTube	71%
UStream	2%
Second Life	1%

Twitter	23%
Flickr	5%
Blogger	8%
Trip Advisor	10%
Other	6%

Table 1. Social Networking Website Usage Percentages

<i>Access to SNW</i>	<i>Percentage</i>
Mobile	2%
Computer	42%
Both mobile and computer	55%
Other	1%
Total	100%

Table 2. Social Networking Website Access Ways

<i>Statement</i>	<i>Mean</i>	<i>Variance</i>	<i>Standard Deviation</i>
I share information related to my hotel stays	3.45	3.51	1.87
I share information related to my airline trips	3.45	3.44	1.85
I share information related to my travel	4.45	3.69	1.92
I share information related to my dining experiences	4.23	3.54	1.88
The information I share with my network influence my decision to purchase travel related products (eg. Hotel, airline, destination, restaurant)	3.74	3.41	1.85
I share photos related to my hotel stays	4.58	3.67	1.92
I share photos related to my airline trips	4.16	3.82	1.95
I share photos related to my travel	5.45	3.09	1.76
I share photos related to my dining experiences	4.47	3.41	1.85
The photos I share with my network influence my decision to purchase travel related products (eg. Hotel, airline, destination, restaurant)	3.85	3.55	1.89

Table 3. Information Sharing Trends (1 Strongly Disagree-7 Strongly Agree)

<i>Statement</i>	<i>Percentage</i>
I look for restaurants information	35%
I look for hotels information	31%
I look for destinations information	36%
I look for bars/nights information	37%
I do not use it to make decisions	45%

Table 4. Purchase Decision through Social Networking Websites

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