Evaluating Travelers’ Response to Social Media Using Facets-based ROI Metrics

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Introduction

As social media technology continues to mature the scope and scale of its impact on tourism grows more complex as there are now hundreds of social media channels from which destination managers can choose for communicating with potential visitors. Yet as these options continue to expand, uncertainty grows as to which social media should be used to reach past, present, and future visitors. This diversity in social media requires a better understanding of the ways in which travelers use social media for travel-related decisions so that destination marketing managers can develop more effective and efficient social media marketing strategies.

Using a mid-Atlantic city located in the United States as a case study, this research examines the characteristics of travelers that use social media, their motivations for using social media for travel planning, and the ways in which they use social media for travel planning. A facets-based model of destination advertising response is then applied in order to examine the extent to which social media use influences various aspects (i.e., facets) of both pre-trip and in situ travel decisions.

Literature Review

Recent studies (Chan & Guillet, 2011; Huang, 2012; Huang, Basu, & Hsu, 2010; Leung, Law, van Hoof, & Buhalis, 2013; Munar, 2012; Xiang & Gretzel, 2010) suggest that social media is not only an important information search tool for tourists, but also one of the key marketing tools for destination management organizations (DMOs). However, while more DMOs continue to adopt social media as one of their marketing tools, the majority are just “beginning to realize the power of social media” (Stankov, 2010); and, Leung et al. (2013) argue that the tourism industry has made slow progress in responding to the business opportunities brought on by social media. Discussing DMOs adoption of social media, Hays, Page, and Buhalis (2013) contend that DMOs are still at the beginning stages of understanding and experimenting in using social media to promote their destinations and that most DMOs struggle to assess the return on investment (ROI) of their social media strategies.

A conventional approach to determining the ROI of a destination marketing program has been the conversion study, which yields a ‘conversion ratio’ based on the number of visits to a destination that can be attributed to the campaign (Woodside, 1990, 2010). Recently, Stienmetz, Maxcy, and Fesenmaier (2015) proposed the Destination Advertisement Response (DAR) model, which improves upon traditional approaches to conversion analysis by evaluating advertisements’ impact not only on destination choice, but on all major facets of the trip (i.e. destination choice as well as decisions concerning accommodations, attractions, food and beverage, events, and shopping). The DAR model is based on classic advertisement response theory and argues that due to the multi-faceted and hierarchical nature of travel planning and decision making each facet of the travel experience is influenced differently by advertising (Stienmetz et al., 2015). Additionally, demographic characteristics (such as household income) also influence advertisement response (Moutinho, 1987).

While the facets-based DAR model greatly improves upon traditional methods of advertisement evaluation, additional controls for the channels and the timing of advertisement exposure and decision making are needed for social media marketing. Recent research indicates that travelers develop unique information search strategies defined by their selection of...
information sources and channels and that different combinations of social media channels used for planning may influence traveler decisions differently (Grønløften, 2009). Social media involvement, measured as frequency of social media use, as well as the informational needs/motivations for using social media for travel planning are also expected to mediate the influence of social media on each separate facet decision (Gursoy & McCleary, 2004). Further, Bieger and Laesser (2004) indicate that many trip decisions are being postponed until the last minute. As such, this provides sufficient information challenging the efficacy of most destination advertisement evaluation models which emphasize pre-trip decisions with little or no consideration being made for how marketing influences decisions that are made during the trip (Hwang & Fesenmaier, 2011; Wang, Xiang, & Fesenmaier, 2014). Based on this literature, it is expected that the social media channels that a traveler is exposed to will have an influence on the advertisement response for each main travel facet. It is further argued that the DAR model can easily be extended to evaluate the effectiveness of social media as part of a destination marketing strategy in terms of both pre-trip and in situ decisions.

Methods

Using a mid-Atlantic American DMO as a case study (i.e., the Baltimore Tourism Office), this research seeks to address the following three research questions: 1) What are the characteristics of travelers using various types of social media (i.e. the motivations, behaviors, and specific social media channels being used to plan and then experience their destination)? 2) To what degree are various travel decisions (i.e. accommodations, attractions, restaurants, events, and shopping) influenced by the social media related promotion activities of the DMO? And, 3) Can social media user groups with different sensitivities to advertisements be identified?

In the Fall of 2014 all persons contacting Visit Baltimore on their website and through a variety of social media over a 32 month period (May, 2011 – December, 2013) were contacted and invited to participate in a follow-up online survey whereby respondents were contacted up to three times during the week. A 2.7 percent response rate was achieved and after controlling for invalid data, the final sample analyzed for this study included 585 non-resident leisure travelers that visited the city and used social media. Analysis followed a three step process. In particular, frequency analysis was first conducted to examine the characteristics, motivations, and social media channel use of the visitors; also, this analysis examined the extent to which key decisions are influenced by social media. Then, five separate binary logistic regression models were specified in order to evaluate the role individual characteristics and social media behaviors impact response to social media in driving both pre-trip and in situ decisions (hence, 10 models were estimated). Advertising response (e.g. did use of social media influence your travel decision? Yes=1, No=0) for each travel facet (e.g. accommodations, attractions, restaurants, events, and shopping) was the dependent variable; traveler characteristics, motivations, and use of social media were the independent variables used in each respective model.

Results

Table 1 reports the popularity of the social media channels used for travel planning before a trip starts and for making final decisions once the trip has begun. The results indicate that travel review sites such as Trip Advisor and Yelp are clearly the most useful to travelers, followed by social networking sites (such as Facebook and Google Plus). Relatively few travelers consider microblogging sites (such as Twitter) useful for travel planning before or during the trip.
Table 1: Social Media Channel Preference for Pre-Trip and In Situ Decisions

<table>
<thead>
<tr>
<th>Social Media Type</th>
<th>Most useful SM for planning before the trip</th>
<th>Most useful SM for decision making during the trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel reviews</td>
<td>77.4</td>
<td>68.7</td>
</tr>
<tr>
<td>Social networking</td>
<td>36.8</td>
<td>23.8</td>
</tr>
<tr>
<td>Photo/video sharing</td>
<td>16.4</td>
<td>7.4</td>
</tr>
<tr>
<td>Personal blogs</td>
<td>11.6</td>
<td>5.0</td>
</tr>
<tr>
<td>Special interest communities</td>
<td>20.3</td>
<td>13.2</td>
</tr>
<tr>
<td>Microblogs</td>
<td>2.6</td>
<td>1.4</td>
</tr>
<tr>
<td>Other</td>
<td>10.1</td>
<td>9.7</td>
</tr>
<tr>
<td>None of the above</td>
<td>13.5</td>
<td>19.1</td>
</tr>
</tbody>
</table>

Analyses were also conducted to examine the impact of social media advertising on the various decisions which comprise the trip planning process. In particular, this study compared the conversion rates for five different trip decisions facets (e.g. accommodations, attractions, restaurants, events, and shopping). An ‘influence’ rate for each aspect of the trip was calculated as the ratio of those that were exposed to social media and those that were influenced by the social media to visit specifically featured destination facets (i.e. accommodations, attractions, restaurants, events, and shopping). Table 2 summarizes the results of this analysis for both pre-trip planning and in situ decisions and indicates that attractions and restaurants are substantially influenced by social media.

Table 2: Probability of Social Media Influence on Facet Decisions

<table>
<thead>
<tr>
<th>Trip Facet</th>
<th>Pre-Trip Influence Rate</th>
<th>In-Situ Influence Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting a featured attraction</td>
<td>63.6%</td>
<td>50.4%</td>
</tr>
<tr>
<td>Visiting a featured restaurant</td>
<td>46.2%</td>
<td>42.7%</td>
</tr>
<tr>
<td>Staying at featured accommodations</td>
<td>28.8%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Attending a featured event</td>
<td>28.3%</td>
<td>25.6%</td>
</tr>
<tr>
<td>Visiting a featured store or shop</td>
<td>20.7%</td>
<td>15.4%</td>
</tr>
</tbody>
</table>

A final series of analyses examined the marginal impact of traveler characteristics, social media use, motivations, and behaviors on the social media response for each major destination facet while holding constant the impact of other variables believed to effect advertising response. In particular, a total of ten binary logistic regression models were analyzed in which social media response for each facet for both the pre-trip and in situ context was a dependent variable. The results of the logistic regression analyses for each of the models are reported in Table 3. Examination of the regression coefficients reveals the relative marginal impact each variable has on the log likelihood of social media response for each facet. The results indicate that the variables which significantly affect the likelihood of social media response for each facet decision are different. This finding lends support to the conclusion that each facet of the
destination should be considered separately when developing social media metrics for advertisement response.
Table 3: Regression Results for Pre-Trip and In Situ Facet Response

<table>
<thead>
<tr>
<th>Model Sig.</th>
<th>Attractions - BEFORE</th>
<th>Attractions - DURING</th>
<th>Restaurant - BEFORE</th>
<th>Restaurant - DURING</th>
<th>Events - BEFORE</th>
<th>Events - DURING</th>
<th>Shopping - BEFORE</th>
<th>Shopping - DURING</th>
<th>Hotels - BEFORE</th>
<th>Hotels - DURING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cox &amp; Snell R Square</td>
<td>.003</td>
<td>.026</td>
<td>.067</td>
<td>.183</td>
<td>.000</td>
<td>.001</td>
<td>.083</td>
<td>.200</td>
<td>.001</td>
<td>.001</td>
</tr>
</tbody>
</table>

Classification Table (% Correct)

- Income less than $50,000: Nagelkerke R Square = .460
- Income $100,000-$149,999: Nagelkerke R Square = .550

- Why have you followed DMO - Keep informed through news for events/activities, etc: Nagelkerke R Square = .749
- Why have you followed DMO - I am interested in meeting new people: Nagelkerke R Square = .953

Note: *p > .05

Income less than $50,000
- Model Sig.: .780
- Nagelkerke R Square: .460

Income $100,000-$149,999
- Model Sig.: .418
- Nagelkerke R Square: .336

Income $150,000-$199,999
- Model Sig.: .818
- Nagelkerke R Square: .544

Income $200,000 or more
- Model Sig.: .257
- Nagelkerke R Square: .749

Most useful SM - Travel reviews
- Model Sig.: 1.356
- Nagelkerke R Square: .749

Most useful SM - Social Networking
- Model Sig.: 1.024
- Nagelkerke R Square: .749

Most useful SM - Photo and video sharing
- Model Sig.: -.383
- Nagelkerke R Square: .749

Most useful SM - Personal blogs
- Model Sig.: -1.014
- Nagelkerke R Square: .749

Most useful SM - Special Interest or online communities
- Model Sig.: .889
- Nagelkerke R Square: .749

Most useful SM - Microblogs
- Model Sig.: .913
- Nagelkerke R Square: .749

Most useful SM - Other
- Model Sig.: 1.249
- Nagelkerke R Square: .749

Freq. of SM use - Several times a week
- Model Sig.: -.181
- Nagelkerke R Square: .749

Freq. of SM use - About once a day
- Model Sig.: -.565
- Nagelkerke R Square: .749

Freq. of SM use - Several times a day
- Model Sig.: -1.505
- Nagelkerke R Square: .749

Freq. of SM use - About once an hour or more
- Model Sig.: -3.406
- Nagelkerke R Square: .749

Total Number of DMO SM accounts followed
- Model Sig.: .450
- Nagelkerke R Square: .749

Why have you followed DMO - Participate in exclusive events or offers
- Model Sig.: .539
- Nagelkerke R Square: .749

Why have you followed DMO - Find new event information
- Model Sig.: 1.404
- Nagelkerke R Square: .749

Why have you followed DMO - Keep informed through news for events/activities, etc
- Model Sig.: .228
- Nagelkerke R Square: .749

Why have you followed DMO - Read interesting or entertaining content
- Model Sig.: .488
- Nagelkerke R Square: .749

Why have you followed DMO - Look at material tourists have posted
- Model Sig.: .812
- Nagelkerke R Square: .749

Why have you followed DMO - Look at material other residents have posted
- Model Sig.: 1.094
- Nagelkerke R Square: .749

Why have you followed DMO - I want to show others that I am interested
- Model Sig.: -.488
- Nagelkerke R Square: .749

Why have you followed DMO - Other people I know follow DMO social media
- Model Sig.: -.288
- Nagelkerke R Square: .749

SM activities - Commented on a post (text, photo, or video)
- Model Sig.: .033
- Nagelkerke R Square: .749

SM activities - Shared a post (text, photo or video) with others
- Model Sig.: 1.896
- Nagelkerke R Square: .749

SM activities - Expressed your support (eg like, pin, favor)
- Model Sig.: -.306
- Nagelkerke R Square: .749

SM activities - Became a fan or follower
- Model Sig.: -.465
- Nagelkerke R Square: .749

SM activities - Downloaded an application
- Model Sig.: -.778
- Nagelkerke R Square: .749

SM activities - Shared positive experiences
- Model Sig.: 2.028
- Nagelkerke R Square: .749

SM activities - Shared negative experiences
- Model Sig.: -1.244
- Nagelkerke R Square: .749

SM activities - Asked questions
- Model Sig.: -.217
- Nagelkerke R Square: .749

SM activities - Answered questions
- Model Sig.: 1.942
- Nagelkerke R Square: .749

SM activities - Participated in a discussion
- Model Sig.: -.322
- Nagelkerke R Square: .749

SM activities - Other
- Model Sig.: .965
- Nagelkerke R Square: .749

Constant
- Model Sig.: -.391
- Nagelkerke R Square: .749

Note: *p > .05

Income less than $50,000: Nagelkerke R Square = .460
Income $100,000-$149,999: Nagelkerke R Square = .550
Income $150,000-$199,999: Nagelkerke R Square = .749
Income $200,000 or more: Nagelkerke R Square = .953
Discussion

The results of this study indicate that travelers use different social media channels for both pre-trip and *in situ* decisions, and that while social media is used more frequently pre-trip for all facets of decision making, it also has considerable impact on *in situ* travel. Importantly, the regression analyses suggest that response to social media marketing can be reliably estimated for most facets of both pre-trip and *in situ* decisions and that traveler characteristics, social media use, motivations, and behaviors influence response to social media marketing differently by facet type and context.

There are several important implications for this research. First, the findings clearly suggest that DMOs must be aware of the numerous information search strategies employed by travelers so as to develop appropriate social media strategies. Second, key indicator variables for each facet of both pre-trip and *in situ* facets can be used to predict social media marketing response. For example, DMOs can predict the effectiveness of their social media marketing for the attractions, restaurants, and accommodations facets by monitoring the number of positive experiences that are shared on their social media channels. Finally, facets-based conversion ratio metrics for social media marketing must be used in order to effectively determine social media ROI. Given the estimated spending associated with each major facet of a trip (accommodations, attractions, restaurants, events, and shopping), each facet’s conversion ratio metrics can be used to provide an estimation of the actual value of social media in terms of induced destination expenditure compared to the known cost of a DMO’s social media program.

References


