

## **IMPACT OF SOCIAL MEDIA ON CONSUMER ATTITUDE AND PURCHASE DECISION IN TRAVEL AND TOURISM INDUSTRY**

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### **ABSTRACT**

This research explores and investigates how social media influences consumers behaviour and their purchase decision in Indian travel and tourism industry. Social media has emerged as exiting platform for sharing and consuming information. Increasing numbers of consumers are posting reviews and ratings and their holiday related experience through social media. This study analyses the role and usefulness of social networking sites in providing travel and tourism related information to Indian consumers. This study also delves how consumer's attitude and purchase decision is influenced by online reviews. Finally, this study determines trustworthiness of travel and tourism related information to consumers and evaluates the implication of information provided by social media on change of consumer's holiday plan.

By adopting quantitative research method, this study collects primary data by undertaking a survey on sample size of 230 Indian respondents. By using SPSS software, this study analyses primary data and draws suitable conclusion and recommendations.

### **KEYWORDS**

Social Media, Holiday Planning, Purchase Intention, Trustworthiness, Consumer Attitude

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## **INTRODUCTION**

Internet has brought revolutionary in impact in the consumer behaviour and purchase decision of modern consumers. Social media has emerged as vital and most exciting medium of communication and interaction for the consumers of contemporary era. Social media has brought revolutionary changes in posting and sharing travel and tourism related information, opinion and experience [Xiang, and Gretzel, 2010]. Most of the people belonging the baby boom and y generation are active on social media [Baruah, 2012]. Consumer behaviour and purchase decision in travel and tourism industry is increasing influenced by information provided through media and online reviews.

According to a most recent research, 89% of millennials plan their travel and tourism related activities on the basis of information, reviews and opinion posted in different social networking sites. Consumers can easily find useful travel and tourism related information in the form of photos, ratings, check-ins and reviews which allow the modern consumer to compare and evaluate the competitive offerings of travel and tourism service providers from the popular websites such as tripadvisor.com makemytrip.com etc. A recent study also confirms that approximately 97% of millennials share videos, photos, travel related experience and information through social media [Entrepreneur, 2017].

According to Assenov&Khurana [2012], consumer finds social media as exciting platform because it has empowered consumer by creating a highly democratised media space [Assenov&Khurana, 2012]. Traditional media is only a one way communication medium but social media is a two way communication medium which can be recognised as central reason for the growing popularity of social media. Forbes [2017] report further highlights that different social networking sites have been gained remarkably popularity among the younger generation of people because they can share their by way picture and videos of exotic location or by sharing their experience through stories.

Travel and tourism operators have also started capitalising upon the change in consumer behaviour. Some travel companies have created social media APP. Airline Company Such As Lufthansa has created social media App which allow company to share vital updates with

consumers. Consumer can also share their status as my sky status by using social media App [Forbes, 2017].

Above argument based on recent market trends and market research helps in building understanding that social media has produced significant impact on consumer behaviour and purchase decision. This study attempts to examine the effectiveness of social media providing relevant information to consumers of Indian travel and tourism industry. This research delves how information provided by social media affects attitude, purchase intention and purchase decision of consumers in Indian travel and tourism industry. This research also evaluates the trustworthiness of information provided by social media for consumers as compared to information provided by traditional media.

## **RESEARCH OBJECTIVES**

1. To study the role and effectiveness of social media website in providing online travel information to users in travel and tourism industry.
2. To study the impact of online reviews on consumer's attitude in travel and tourism industry.
3. To measure level of trust towards social media in relation to traditional sources of holiday related information among the consumers of tourism industry.
4. To analyze the influence of social media on holiday plans of consumers of Indian travel and tourism industry.

## **LITERATURE REVIEW**

Social media has completely changed the information gathering and consumption process of modern consumer [Cox et al. 2009]. Activities concerning to travel and tourism are recognised as inherently experiential in nature and social media has allowed modern consumers to share their experience in a unique and innovative manner with fellow consumers [Litvin, Goldsmith, and Pan 2008]. Online information provided by social networking sites has significantly contributed in decreasing the transaction cost for the consumers [Pires, Stanton & Rita, 2006, cited by Qian, Hu, & Zhang, 2015]. Social media is inherently a two way communication medium. Therefore, it

has helped in balancing the power between marketers and consumers [Baruah, 2012]. Some other maintains that social networking sites have changed the information search behaviour of consumers [Yoo, Gretzel, & Zach, 2011]. Modern consumers are taking active part in the marketing effort of travel and tourism companies as they are co-creating the marketing message which renders vital contribution in influencing the purchase behaviour of fellow consumers [Berthon, Pitt, McCarthy, & Kates, 2007]. It is also argued that consumers in fact redefining and dictating the content, nature and extent of marketing message in web 2.0 context [Hannaa, Rohma, Crittenden, 2010]. More importantly, contemporary companies have started using social media as dominant tool for fostering consumer's engagement [Garretson, 2008]. Leung et al., [2013] also maintain that social media has promoted user's democracy and shifted bargaining power in the hand of consumers but they has also presented some risks such as identity theft and breach of privacy users.

Locke et al., [2000] argue how social media in influencing the consumer behaviour in entirely different sense. They maintain that modern consumers have realised that they live in a networked world and can get better information by becoming part of network. Social media has also made boundary between information producers, suppliers and consumers fuzzy. Social media has facilitated exponential growth of information because information shared by one consumer can eventually get propagated among thousands of consumers who are part of network [Mangold and Faulds, 2009].

According to O'Connor [2010], the emergence of social media has contributed significantly in popularising push marketing because of peer to peer sharing of data. This has brought paradigmatic change in the tourism and hospitality industry. Several online communities Igo, virtual tourists, Independent traveller, Ugo, TripAdvisor, WAYN and many others have been dedicated to promote discussion exclusively on travel and tourism topic. This is how social media changes the behaviour of consumer because increasing numbers of travellers and tourists are joining such innovation social networking sites for the purpose of information search concerning to holiday and travel purpose [Ayeh, Au, Law, 2013].

Furthermore, emergence of social media has produced profound implication on travel planning and choice of destination and accommodation of consumers. Social media is increasingly used by consumers before, during and after the vacations [Fotis, Buhalis, and Rossides, 2011]. Cox et al. [2009] argue that social networking sites are used by consumers for evaluating their travel and holiday related decisions. Cox et al. [2009] also maintain that information provided by social media is recognised as more trustworthy information.

## **RESEARCH METHODOLOGY**

This study adopts quantitative research approach for ascertaining primary data needed for the study. The research methodology of this study has been adapted from the study titled “Social Media Impact on Holiday Travel Planning: The Case of the Russian and the FSU Markets” by FotisBuhalis, and Rossides, [2011]. This study uses survey research strategy for collecting primary data. Survey on sample size of 230 respondents has been undertaken by author. This study draws pertinent hypothesis concerning to each research objective and test the validity of each hypothesis by analysing primary and secondary data.

## **DATA ANALYSIS**

### **Role and effectiveness of social media websites in providing online travel information to users in travel and tourism industry of India**

H0: social media websites do not play important and crucial role in providing online travel related information to the consumers of travel and tourism industry of India.

H1: social media websites play important and crucial role in providing online travel related information to the consumers of travel and tourism industry of India.

#### **One – Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Do you use social media for travel bookings	230	3.7609	0.92005	0.06067

**One – Sample Test**

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
Do you use social media for travel bookings	12.542	229	0.000	0.76087	0.6413	0.8804

P-value [two tailed] is  $<0.5$  at 95% CI and mean difference of 0.76 which is statistically significant. This helps in concluding that sample mean does not correspond to population mean. Therefore, null hypothesis is rejected. This helps in drawing inference that social media play crucial role in providing online travel related information to the consumers.

### **Impact of online reviews on consumer's attitude in travel and tourism industry of India**

H0: Positive and negative online reviews do not affect the consumer's attitude in travel and tourism industry of India.

H1: Positive online reviews and negative online reviews affect the consumer's attitude in travel and tourism industry of India favourably and unfavourably respectively.

**One – Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
My final decision for vacations/business trips are influenced with reviews available on the social media sites.	230	3.8609	1.09295	0.07207

**One – Sample Test**

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference Lower	95% Confidence Interval of the Difference Upper
My final decision for vacations/business trips are influenced with reviews available on the social media sites.	11.945	229	0.000	0.86087	0.7189	1.0029

P-value is <0.05 at 95% CI and 229df and mean difference is 0.86 which allows in rejecting the null hypothesis and helps in drawing inference that social media reviews significantly influences consumer decision making process.

**Level of trust on social media for making holiday and tourism related decision among the consumers of Indian travel and tourism**

H0: consumers of Indian travel and tourism industry do not trust on information provided by social media websites for making holiday decision.

H1: consumers of Indian travel and tourism industry trust on information provided by social media websites for making holiday decision.

**One – Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Information provided by social media is more trustworthy to traditional media for evaluating holiday related information.	230	3.6826	1.01480	0.06691

**One – Sample Test**

				Test Value = 3		
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	95% Confidence Interval of the Difference
					Lower	Upper
Information provided by social media is more trustworthy to traditional media for evaluating holiday related information.	10.201	229	0.000	0.68261	0.5508	0.8145

P-value<0.05 and mean difference 0.68, this study rejects null hypothesis and concludes that information provided by social media as more trustworthy than traditional media.



## **Influence of social media on holiday plans of consumers of Indian travel and tourism industry**

H0: Social media has no influence over the holiday plans of consumers of Indian travel and tourism industry.

H1: Social media has significant influence over the holiday plans of consumers of Indian travel and tourism industry.

### **CORRELATION**

		I did not make any changes to my plan.	I did make changes to my original holiday plans
I did not make any changes to my plan.	Pearson Correlation	1	0.037
	Sig. (2-tailed)		0.575**
	N	230	230
I did make changes to my original holiday plans	Pearson Correlation	0.037	1
	Sig. (2-tailed)	0.575**	
	N	230	230

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The coefficient of correlation between social media information and change in holiday plan is only 0.37. This suggests that social media has not significant influence on change in holiday plan.

## **Conclusion**

This study finds that social networking sites such as makemytrip.com, tripadvisor.com and some other sites are effective in providing travel related information to users. This study also finds evidence in favour of argument that online reviews have significant and vital impact on the attitude and purchase decision of consumers of Indian travel and tourism industry. Analysis of primary data further reveals that people demonstrate stronger trust on information provided by social media for travel and tourism related decision making as compared to traditional media. Finally, this study draws inference that information provided by social media does not influence consumer's change of holiday and travel plan.

## **Recommendations**

Recommendations for travel and tourism operator

- Provide all the relevant and useful information via social media; most of the consumer retrieves information for travel and tourism related activities through social media. Therefore, travel and tourism service providing should provide relevant and useful information in interesting and innovative manner through social media
- Customer engagement through social media; this study suggests that increasing numbers of consumers are relying of social media reviews for making decision concerning to their travel and tourism related activities. engaging customers through social media will not only elevate the level of consumer satisfaction but also motivate consumer to post more favorable reviews which will subsequently influence fellow consumers purchase behavior.

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