THE INFLUENCE OF SOCIAL NETWORKS ON CONSUMERS’ BUYING DECISION PROCESS – A Study of Tourism Products

Natacha Pinho Pinto
UECE – Universidade Estadual do Ceará (State University of Ceará). Av. Dr. Silas Muguba, 1700; Campus do Itaperi. (Zip Code: 60.740-000). Fortaleza-Ceará-Brazil.
E-mail: Natacha_pinho@yahoo.com.br

Danielle Miranda de Oliveira Arruda Gomes, Dr.
E-mail: danielle@unifor.br

Fabiane de Barros Figueiredo Cavalcante, Ms.
E-mail: fabiane@secrel.com.br

Gabriel Aguiar Mendes, Ms.
E-mail: gabrielaguiarmendes@yahoo.com.br

Raíssa Karen Leitinho Sales, Ms.
E-mail: raikaren@hotmail.com

ABSTRACT

This paper aims at analyzing the influence of social networks during the consumer buying decision process regarding choices such as: tourism destination, lodging, restaurant, pub and flight tickets. The research was done in two phases: an observational phase and an in-depth interview. The first was conducted at: booking.com; decolar.com; hoteis.com; melhoresdestinos.com.br; facebook and Foursquare; the second was done with 15 semi-structured individual interviews. This work contributes to a better understanding of influence of social networks during the buying decision process regarding tourism products, so it can be useful for researches that work with marketing in virtual environments, for managers and also for companies that need to trace strategies for virtual environments.

Keywords: buying decision process, social network, tourism.

1. INTRODUCTION

The creation and dissemination of social networks, among other dynamics that came from the internet, changed the way marketing conducts its activities. The changes are perceived in different sectors of the economy such as tourism, where the internet plays an important role, since it is a source of information, and collaboration among netizens and among tourists and potential tourists.

The World Wide Web has shown its strength and gradually constitutes as one of the main sources of information and dissemination of tourism products channel. The intense flow of information via internet encourages consumers and increases traveling curiosity (Martins, 2013).
The internet allows tourists getting information about: destination, restaurants or pubs, choices, accommodations, tours and others services that are offered at various locations. In this context, the Internet has revolutionized the tourism market because it interfered in the distribution chain, and reconfigured forms of selling tourism products.

These events changed the buying decision process, especially related to seeking information. What once was mainly through visits to traditional travel agencies today happens mostly via Smartphone, tablets and others consumer electronic devices (Castro et al, 2010).

It is known that several factors influence the consumers’ buying decision, among them can be highlighted the: social, cultural, personal, and psychological factors (Engel, Blackwell and Miranda, 2005; Schiffman, Kanuk, 2009; Solomon, 2002). In order to minimize doubts in choosing, consumers trust recommendations from others (Schiffman & Kanuk, 2009). In this sense, nowadays online social networks play an important role for the consumer buying decision regarding products and services.

Based on that, this paper aims to analyze the influence of social networks during the consumer buying decision process regarding choices such as: tourism destination, lodging, restaurant/pub and flight tickets.

2. THEORETICAL BACKGROUND
2.1 Consumer Behavior and the Impact of Virtual Environments
The internet, the subsequent creation and dissemination of social networks have changed the way marketing conducts its activities approaching businesses and customers, and making the relationship more interactive. According to Levy (1999), these digital technologies have created not only a space for a better communication, socialization, and transactions, but also a new market of information and knowledge. Consumers in these virtual environments share and generate content, dialogues, and play an active role in exchanging information about products and services today than before, since they were used to get information from companies, acting strictly in a passive way (Correa, 2009).

The increased use of Internet and the money allocated to virtual advertising by companies is a fact that contributes to understanding the importance of the virtual environment nowadays. In the first two months of 2013 the volume of resources allocated was 4.0 billion dollars, according to the report of the Inter-Media Project (MANZANO, 2013).

The ample opportunities for choices existing in nowadays make essential studying the consumer buying decision behavior. Engel, Blackwell & Minard (2005) reported that the company that is more skilled at attracting customers, satisfying them and keeping them will surely be marked in their memory and will sell more to them. The study of consumer behavior aims to understand the behavior of individuals, investigating their needs, desires and motivations, seeking to understand the process of how, when and why they buy.

However, the task of satisfying consumers is becoming increasingly difficult, especially due to the increased competition. Kotler (2002) argues that consumers are: increasingly sensitive to sales, have less time to decide, want more convenience, seek to obtain best value among the options, have higher expectations regarding treatment and are less loyal to their suppliers.

2.2 Buying Decision Process
In marketing literature, authors such as Blackwell, Miniard & Engel (2006); Kotler & Keller (2006) and Solomon, Polegato & Zaichkowsky (1998) describe consumer behavior as the study of activities that are directly related to shopping, consuming, and disposing products and services including prior buying decision processes. It is known that several factors influence the buying decision process, among them can be highlighted: social factors (social roles of consumer, reference groups, family), cultural (values, perceptions, preferences, basic family behaviors and other institutions), personal (age and life cycle), and

In general, a decision is the selection of a choice between two or among more possibilities (Sffman & Kanuk, 2009). The consumption is preceded by a consumer buying decision process divided into some steps: the necessity recognition, the information searching, the alternatives evaluation, the buying decision, the consumption, the post-consumption evaluation and finally the disposing (Engel & Blackwell 2005). It is important to point out that it is exactly the information searching and the alternatives evaluation stages that are affected by technological advances and social networks (Carvalho, Pereira & Nunes, 2012).

Many consumers have difficulty in choosing products and services due to the increased possibilities provided by the Internet. In order to minimize doubts, consumers trust in recommendations from others (Netto, 2012). It is clear, therefore, that online social networks play an important role as a helper during the buying decision process.

A person gets into an online community motivated by their individual values. The values come from pre-determined objectives such as giving and receiving information and involve the self understanding through interaction with others which helps the person to build, define and develop their own preferences, tastes and beliefs (Dholakia, 2004).

The family is considered as one of the most influential factor in consumer decisions. Its importance comes from the frequency of contact, or in establishing values, attitudes and behaviors (SCHIFFMAN and Kanuk 2000). After the family, friends are considered the most influence on consumer decision making. Consumers tend to seeking information from friends that have similar values or points of view (THORNE, 2008). According to Schiffman and Kanuk (2000), the more similarities among themselves, the more consumers are influenced by friends’ opinions during the final buying decision. According to Kapferer (1993), consumers trust more in opinions of their neighbors or friends than in advertisements or resellers.

In this perspective, the netizens’ opinions have become as significant and influential as or even more than institutional information published on the web and have gained more visibility in the buying decision process (SALES, et al 2014). Oosterwijk and Loeffen (2005) reported that word of mouth occurs naturally when people talk about a product that they are satisfied or dissatisfied with the purchase, so they want to share their experiences.

The reference group is a comparison source in formation of values, attitudes or behaviors (SCHIFFMAN and Kanuk 2000). Cafferky (1999) affirms that over 80% of people follow the recommendations of reference groups such as family, friends or a professional when buying a product or a service (this can be seen as electronic Word of Mouth).

Henning-Thurau; Guinner, Walsh & Gremler (2004) defines the electronic word of mouth (eWOM) as any positive or negative statement made by potential customer, current or former client about a product or company, which is available to a big amount of people and institutions via Internet . The eWOM can have as a channel different online platforms, such as: emails, instant messages, blogs, homepages, discussion forums, newsgroups, chat rooms and social networking sites (Goldsmith; Horowitz, 2006; Vilpponen; Winter & Sundqvist, 2006).

The use of digital platforms, such as social networks, as a tool for collaborative interaction is one of the leadings brand of the current e-commerce. Moura (2009) discusses the use of the actual social networks and argues that: once netizens have the tools there are no limits. Brazilians, in particular, began to produce, collaborate and contribute not only to themselves and about themselves but also about the icons that surround them, making the brands a part of the virtual identity building process as well as a way of opinion expression. In general, travelers seek hotel information via internet motivated by the amount of detailed information and by the possibility of finding reviews (Sales, Carvalho, Arruda & Albuquerque 2014). So, netizens opinions have a strong influence during the decision
making. Working collaboratively, their opinion is a valuable tool for companies and also a research resource for the consumer buying decision (Carvalho, Pereira & Nunes, 2012).

Sales, Carvalho, Arruda e Albuquerque (2014) argues that the electronic opinions, comments and experience reports become public information and can directly impact on the consumer buying decision. It is also clear that if before it was necessary efforts concentration on TV media, nowadays TV viewers share their time, attention and contenting production on the Internet.

2.3 Tourism: Ideas and Financial Benefits
The concept of tourism is described by Beni (2001), as the set of equipment, goods and services of lodging, food, recreation and entertainment, artistic, cultural, social or other nature, able to attract visitors to a certain region during a certain period of time.

Carvalho and Vasconcellos (2006), conceptualize tourism as a first approximation as a group of goods and services produced to meet tourists’ needs. According to the authors, this concept allows the understanding that the tourism market can be supported by products that are not offered exclusively for tourist consumption. Thus, a neighborhood grocery store and a restaurant, for example, can serve either a local resident, or a tourist who is hosted close.

In short, tourism can be understood as a set of natural and cultural resources, which form the basic material of tourist activity, since these features are actually what cause the influx of tourists (Castro, Tadinies & Melquíedes, 2010).

Regarding the financial transactions of the tourist market, a study by OMT (Organização Mundial de Turismo – World Tourism Organization), and published by the Brazilian Ministry of Tourism brings data on tourism revenue in the major regions in 2010, in which Europe has generated 406.2 billion dollars; America, 182.0 billion; Africa 31.4 billion dollars; Middle East 50.3 billion dollars, and finally Asia and Pacific together a total of 248.7 billion dollars (TURISMO, 2010).

According to a study conducted by the World Travel and Tourism Council (WTTC) the impact of tourism in Brazil’s economy in 2014 is expected to reach 9.5% of GDP – Gross Domestic Product (R$ 466.6 billion) an increase of 5.2% compared to 2013, which was 9.2% of GDP (R$ 443.7 billion), according to the WTTC. The number is higher than the world average, which is 2.5% (EMBRATUR, 2014).

The sector is expected to generate 8.9 million of direct and indirect jobs, which means an increase of 4.5% compared to 2013, when the segment was responsible for 8.5 million jobs. Worldwide, it is expected an increase of 2.5% over the previous year. According to the report, Brazil is the 5th largest generator of direct and total jobs in tourism in the world, which shows the importance of the sector to the country's economy (EMBRATUR, 2014).

3. METHODOLOGY
The study can be classified as qualitative and exploratory. According to Marshall and Rossman (1995) this kind of research is appropriate to those who focus is on analyzing an object that is not much explored, with the purpose of building new knowledge. Creswell (2010) corroborates this idea arguing that this kind of study is indicated when the objective is to investigate factors that involves phenomena, presenting perspectives or meanings assigned by individuals or groups related to a social problem that is still a young field, having little explored.

The data collection was done in two phases: observational research and in-death interviews. The observational phase was conducted at: Booking.com; Decolar.com; Hoteis.com; melhoresdestinos.com.br, as well as in social networks such as Facebook and Foursquare. This method was used, since it is a technique for data collection that leads the investigator to a direct contact with the studied object (Prodanov & Freitas, 2013).
The in-death interviews were done with 15 semi-structured individual interviews and the respondents were selected by convenience within the following criteria: be aged between 19 and 31 years old; have traveled frequently in the past three years for national destination (São Paulo or Rio de Janeiro) or international destination (United States of America or Chile); recognize the influence of social networks during the buying decision process of tourism products and services such as flight tickets, tourism destinations, lodging, restaurants and pubs.

4. RESULTS AND DISCUSSIONS
The results were organized into two sub-topics; the first is related to the observational research and the second, to the analysis of in-depth interviews.

4.1 Observational Survey
The Booking.com website allows web users to search and book accommodation in many countries, offering a preview of: accommodation, indoor areas, swimming pool, among other areas of the hotels, through official photos, and also through photos taken by other travelers and shared on the Site.

It also allows a visualization of when the last booking was done for each available hotel as well as a reviewing preview of travelers who've stayed at the hotels. Based on evaluations, the site generates a score for each hotel that goes from zero through ten. The site also allows a person to filter the search by: price, stars, location, and evaluation of the guests. All these available tools may help the decision process since the tourist can be based on opinions, comments and reviews from those who had already stayed at a certain hotel.

At Decolar.com site, the traveler besides enjoying all the aforementioned tools can also search and purchases airline tickets. Once one types the destination and travel date, the site does a search among all airlines companies, allowing the web users search by: price range, stop or nonstop flight, trip duration and most chosen flights. If one decide to book an airline ticket, the site charges a fee based on the total value of the trip.

Similarly, the hoteis.com site provides all those offered by Booking.com and Decolar.com, with a change from the searching filter, which can be chosen from: most popular, stars, distance of reference points (such as meters, squares, malls, etc.), and guest rating. The site also has a link for accommodations on sale and booking for groups.

At the melhoresdestinos.com.br site, if the user opts to purchase tickets, it will automatically be transferred to the “submarinoviagens.com.br” site, and if one chooses to booking a hotel the payment transfer is made to the Booking.com website. The site also brings tips for web users, and lists the main attractions at the chosen destination, such as restaurants / pubs, tourism attractions, among others.

The Tripadvisor is a kind of website that acts as an aggregator of deals from other sites like: Decolar.com, Booking.com. When a person searches for booking a hotel, or opt for purchasing a flight ticket, the website offers the best prices on the aggregates sites, and do not allows purchasing or booking directly at Tripadvisor. The site also offers interactive travel forums where web users exchange information, tips and suggestions. This site is one of the most widely used by travelers; it works as a reference among them.

Besides that, the site allows a search for sustainable hotels. The “EcoLideres” seal is the distinguishing brand for a sustainable hotel. Clicking on the seal, the site shows sustainable practices developed by the hotel.

The Facebook on the other hand, is a social network that lets one chat with friends and share messages, links, videos and photos. The tool also lets a person to receive news from commercial pages, such as the media or businesses. The social network has a news feed that is characterized by the updates of friends such as links, videos, news, etc. The user can review each item and click on the ‘Like’ button to show they liked that content. Based on the comments and on the “like” choices, the social network sends to the web user some
news and recommendations of pages that have similarity or relation to the “like” subjects. In Brazil, Facebook is the most accessible network, with approximately 62% of the access to social networks (MENSAGEM, 2014).

The Foursquare is an application that helps people to stay in touch and meet up with friends and discover great places. The application is for ones who want to know about the best places and also sharing what they have found out with others. It is free for Android, iOS, Windows and Blackberry. It can also be linked to a phone number or the accounts of Facebook, Google Plus and Twitter. It works through an app (application acronym), it is a social network where check-ins and the geolocation feature of the devices are relevant, as well as tips and opinions posted on the sites. The application works integrated to Google Maps, displaying to the user the exact position and visiting time of their virtual friends. It also shows the location of friends, allowing publications with complaints and compliments about the places. Besides that, it is also a source of information about different sights, malls, nightclubs, pubs and restaurants.

All tools available on the social networks aforementioned act as a helper during the buying decision process, since they allow a hotel visualization, as well as opinions, evaluation, comments and reports of others that already had prior experiences.

Sales, Carvalho, Arruda e Albuquerque (2014) say that recommendations, reports, opinions and comments become public information and can directly impact on the buying decisions of other travelers. The authors also consider that initially due to the use of the sites and later on the social networks, web users play more active roles emphasizing new modes of social interaction and communication. These virtual spaces of relationship, businesses and entertainment strengthen engagement among web users intensifying the collective articulation.

4.2 Data from in-depth interviews
From the interviews, it was noticed that Facebook was the social networking most cited for buying flight tickets and booking hotels. All fifteen respondents reported having a page at that network and researching before deciding buying tour packages. The choice of accommodation was influenced by, reviews, opinion, prior experience of others’ and also by the ease interaction that Facebook provides, as can be shown below:

"If it is available a travel website, an official website, a blog and Facebook, I'd rather take a look at the Facebook webpage. It is easier to interact and it is possible to see how many persons “like” the pages. It is possible to see the positive and the negative experiences. I think it is better to evaluate "(Interviewee 6);

"I'd rather gather information on social networks because companies’ websites don’t show the consumer’s view. I always use, Booking.com, TripAdvisor, but what I like most are the Facebook groups "(Interviewee 8);

"I prefer getting information on social networks, because the opinion of other consumers is very important to me "(Interviewee 9);

"At first I prefer to go to social and blog networks, then I'll visit the company website, because I'm more familiar with social networks than with websites "(Interviewee 13).

This result shows that social networks directly affect the searching for information and researching on tourism products, flight tickets and lodging. When buying flight tickets, interviewees were also influenced from automatic advertisements that appear in the news feed of Facebook, airlines posts and sales posted at some followed sites such as TripAdvisor, booking.com, decolar.com, melhoresdestinos.com. This finding can be seen in the following reports:

"I follow pages of melhoresdestinos.com who post deals for flight tickets, and then I think: is it worth to visit that place, travel with friends or with my family? It helps me a lot "(Interviewee 6).
"The automatic advertisements influence my decision, because once in a social network it often appears advertisements. So, if you want to go to Miami and didn’t find a cheap flight ticket but suddenly it appears in your news feed, you click straight, through the social network. On the other hand, on the social network it has too much visual pollution, and always has good deals. In my case, the focus is social networking (Interviewee 7).

This finding corroborate what Sales, Carvalho, Arruda e Albuquerque (2014) had stated: the reviews of Internet users are as significant and influential as or even more than institutional information published by companies on their websites, having a valuable importance during the consumer buying decision process.

The findings reinforce the work of Levy (1999) that considers the digital technologies as a space of communication, socialization, new information and knowledge market, as well.

Posts of friends encourage and instigate the interest for certain destination, thus it influences the consumer's decision. The comments, reports of experiences and reviews act at the same purpose during the process of buying flight tickets and booking hotels, helping the internet user (the potential traveler) during the buying decision process. This finding may be perceived by the following excerpts from the interviews:

"I often look at travel pictures of friends at Facebook. When a photo of a specific place calls my attention I try to find out more information about it with the friend who posted it. "(Interviewee 1)

"I always like to search on Facebook and Google. I analyze the positive and negative reviews about the destination. It helps me a lot to decide. "(Interviewee 10)

Form the interviews it was observed that the preference for social networks is due to the possibility of interaction between customer and company, because of the reviews, prior experience of others and ratings. According to respondents, the airlines websites do not tell the consumer reviews, as social networks do. Besides that, it was also noticed that the opinion and comments of other user about products and tourism services influence the consumer buying decisions, as shown below:

"I'm quite influenced by the comments, they help me a lot." (Interviewee 2);

"Usually I read all reviews positive and negative. I always look at several sources before deciding, because I'm quite influenced by the comments. Once, I gave up booking a hotel because of the reviews I read. "(Interviewee 14);

"They are useful, because I need to know what people know about something I'm thinking of doing, if the restaurant is nice, if the food is good, which dish is the best; how is the hotel, if the staff is nice. Regarding traveling, I try to find out if the place is good, if it has a lot of things to do, so I can decide what I'll do "(Interviewee 5).

This finding corroborates the results got by Sales, Carvalho, Arruda and Albuquerque (2014), who reports that in general travelers seek information about tourism products on the internet motivated by the amount of detailed information and the ability to find reviews of other travelers.

Regarding restaurant / pub it was noticed a preference on searching information at the hotel with the reception staff, when the traveler is already on the place. This behavior is described in the following excerpts from the interviews:

"Usually when I'm in a hotel, I ask for information at the desk staff, I'm not influenced for social networks in this case "(Interviewee 7);

"I rarely go to restaurants/ pubs, when I travel I'd rather go to sightseeing. When I go to restaurants, I ask for information at the information desk of the hotel "(Interviewee 13).
On the other hand, it was noticed that some travelers like to gather information before traveling:

"I do not usually go to pubs, but restaurants. I follow Facebook for information. When I go to a place I like to know about it before. So, the reviews of others at Facebook are very important to me" (Interviewee 4);

"I look in advance for information, with friends or at Fourquare" (Interviewee 6)

The social networks have a great power in influence others during the buying process, even if it is still in a timid way. This corroborates the study of Sales, Carvalho, Arruda and Albuquerque (2014), which affirms that the social networks act as a source of information, since the reviews, ratings and others prior experiences play influence during the decision making.

It was also noticed that consumer buying decision are very much influenced by: institutions that promote promotional campaigns, friends and even unknown people. The flowing excerpts of the interviews illustrate these behaviors:

"Closest friends influence me most, because their taste are similar to mine and also because they travel with me" (Interviewee 6).

"People that I have some bond, or people that are really close to me and best friends are the ones who influence me most, because I trust them; so, I’m sure they won’t try to fool me" (Interviewee 4).

"Consumers themselves are the ones who influence me" (Interviewee 9).

"I try to know from friends who have traveled and also I look for sales and always at social networks. What influences me most is sale at social networks "(Interviewee 12).

"People and sales have a great influence on my decision. People, because the degree of their satisfaction are an important indicator; and sale due to the fact that I can save some money. But what really influence me most are people who have been to the places I want to go. If it is a friend or a relative it is even better." (Interviewee 14).

These perceived behaviors corroborate the findings of Cafferky (1999); Schiffman and Kanuk (2000) that report that over 80% of people follow the recommendations of reference groups such as family, friends or a professional when buying a product or a service. Schiffman and Kanuk (2000) also report that the reference group is a point of comparison in formation of values, attitudes or behaviors and the family is the primary reference group. After the family, the reference group of friends is the one who plays a bigger influence. At Thorne (2008) point of view, people are influenced by friends, when they believe having similar values or points of view.

5. FINAL THOUGHTS
This work contributes to a better understanding of the buying decision making process regarding tourism products, influenced by the increased use of social network. It was noticed that users are influenced by opinions, comments, reviews and reports posted at social networks. Among the social networks, Facebook is the most cited by respondents as a source of information that supports and influences the buying decision on tourism products and services. The influence of social network during the buying decision in a descending order is: purchasing flight tickets, hotel booking, the destination choice and the restaurant and pub choices. On the other hand, what influence consumers' decisions are: sale campaigns, friends/ family and even unknown people.

This work is useful for researchers who work with marketing in virtual environments, for managers and also for companies, who can use the findings of this research for a better
understanding of the consumer behavior at the social networks, enabling them to trace strategies for a virtual environment, as well.

Replication of this study in other sectors, a comparative study between genders, and the study of other products like buying cars, smartphones, and computers over the internet are suggestions for further work that could enrich the knowledge on the subject.

REFERENCES
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