

Social Media Usage, Electronic Word of Mouth and Trust Influence Purchase-Decision Involvement in Using Traveling Services

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Rawin Vongurai¹, Dinesh Elango², Kitti Phothikitti³,
Usakorn Dhanasomboon⁴
Graduate School of Business, Assumption University, Thailand.
rawinrng@au.edu¹, vipdinesh@gmail.com², kittipt@gmail.com³,
usakorndb@gmail.com⁴

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Abstract – Due to the widespread use of Social Media in Thailand, every company should develop their communications plan to be closer to their consumers via online interaction. Traveling Services in Thailand is one of the businesses that has to put emphasis on a 360 degree feedback to immediately respond to the consumers' needs and wants anywhere and anytime. Traveling Services Providers can increase consumers' Purchase-Decision involvement by using Social Media as a means to create positive Electronic Word of Mouth which will consequently enhance Trust. This research has studied the factor that influence trust in using Traveling Services and Purchase-Decision involvement. The target population are people who live in Bangkok Metropolitan, Thailand who have experienced with Social Networks. In the data collection process, non-probability convenience and snowball sampling method have been applied by distributing only online based questionnaire survey to 390 respondents. To analyze the data in this study, Multiple Linear Regression (MLR) has been applied. Based on the result, Social Media Usage and Electronic Word of Mouth significantly influence Trust in using Traveling Services. Besides, Social Media Usage, Electronic Word of Mouth and Trust significantly influence Purchase-Decision involvement in using Traveling Services for Bangkokian.

Keywords – Electronic Word of Mouth, Purchase-Decision Involvement, Social media usage, Traveling Services, Trust

INTRODUCTION

Nowadays, Thai people are increasingly using Social Media. According to Thailand Social Awards 2017 which showed the statistics of Social Media's usage rate by Thai People, during the year 2016-up to May 2017, 47 million Thai people used Facebook (FB) which made it grow by 15%. Facebook (FB) is mostly used from 6:00-11:00pm on weekdays and whole days on weekends. Also, 11 million Thai people have registered with Instagram (IG) which made it to increase by 41%, Instagram (IG) users experience high traffic during weekends. In addition, the fastest growing Social Network Service (SNS) is Twitter with 70% growth and having 9 million Thai accounts. Twitter is mostly used on Thursday, Friday and Saturdays from 8:00-12:00pm (IT24hrs, 2015). Based on TripAdvisor, recommendations and reviews posted by tourists in their website is growing by 50% which mean that they can

inspire and influence the viewers to go out and travel. According to Prachachat, the increasing rate of reputation in online platform by 10% will unintentionally raise the price of hotel room by 8.9%, booking room rate by 5.4% and the average price per room will be increased by 14.2%. For the Traveling Services which is one of the key driver in Thailand's economy, it would be beneficial for the service providers to adopt each Social Media Platform to be one of their operational strategy to enhance their business and sales revenues by maintaining an immediate and effective communication facility.

Therefore, researcher has become interested in this research topic and the objective of this study is to understand whether Social Media Usage, Electronic Word of Mouth and Trust significantly influence Purchase-Decision involvement in using Traveling Services for people in Bangkok Metropolitan, Thailand.

Social Media Usage (SC)

Social Media is an online service where users can publish, edit, generate, design and share different contents. Social Media consists of social networking sites, online communities, user-generated services such as blogs, video sharing sites, online review/rating sites and virtual game worlds (Krishnamurthy and Dou, 2008). Relationship with consumers can be extensively strengthened by facilitating Social Media as an interaction with Social Media enhances consumer engagement with products and services (Doorn et al., 2010).

Electronic Word of Mouth (E-WOM)

Electronic Word of Mouth or E-WOM is the statement that can either be positive or negative which is created by potential, actual or former customers about a product or company through internet (Hennig-Thurau et al., 2004). The most common way of EWOM communication is Product reviews that are posted by consumers via internet (Sen and Lerman, 2007). During Pre-purchase information search, the online product reviews are one of the tools that increase purchase intentions (Zhang and Tran, 2009). Purchased-decision involvement can be enhanced by EWOM as it has strongly affected directly and

Trust (T)

Trust is critically relevant with online consumer purchasing which positively influences the purchase intentions (Jarvenpaa et al., 2000; McKnight et al., 2002), (Jarvenpaa and Tractinsky, 1999; Reichheld and Scheffer, 2000). To sustain relationship with consumers, creating online trust is one of the significant factors as it's one of the reasons for successful websites (McKnight and Chervany, 2001; Balasubramanian et al., 2003; Grabner-Krauter and Kaluscha, 2003; Koufaris and Hampton-Sosa, 2004), (Reichheld and Scheffer, 2000; Gefen et al., 2003) Based on the research result, trust directly influences purchase intentions in multiple cultures (Jarvenpaa and Tractinsky, 1999).

Purchase-Decision Involvement (PD)

During Purchase-Decision stage, consumers have interest and concern which are the concept of consumer's mind-set by speaking about the anticipation in purchase decision. As there are a lot of alternatives and brand choices that available in the market, consumers consider which choices is the most appropriate choice for them

which result in the right choice during the decision-making process (Mittal, 1989).

indirectly on purchase intention (Jalilvand and Samiei, 2012).

RESEARCH FRAMEWORK AND METHODOLOGY

Referring to the theoretical framework that studied the relationship between Social media usage and Electronic Word of Mouth have positive impact on Purchase-Decision involvement and online trust plays a vital mediating role in this context (Shantanu Prasad). There are 4 variables in this framework which are Social Media Usage, Electronic Word of Mouth, Trust and Purchase-Decision involvement. Therefore, this research is to study whether Social media usage and Electronic Word of Mouth have positive impact on Trust. It will also study whether Social Media usage, Electronic Word of Mouth and Trust influence Purchase-Decision involvement. The following figure (Figure 1) shows the conceptual framework of this research.

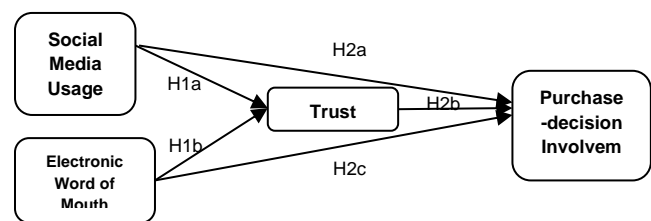


Figure 1: Conceptual Framework developed by researcher for this study

To meet the research objective, this study examined the hypotheses as;

H1a: Social Media Usage significantly influences Trust in using Traveling Services.

H1b: Electronic Word of Mouth significantly influences Trust in using Traveling Services.

H2a: Social Media Usage significantly influences Purchase-Decision involvement in using Traveling Services.

H2b: Trust significantly influences Purchase-Decision involvement in using Traveling Services.

H2c: Electronic Word of Mouth significantly influences Purchase-Decision involvement in using Traveling Services.

Research Methodology

To examine the hypotheses of this research, Quantitative approach is applied by data collection method. The data were collected by online questionnaire

survey only with Non-probability sampling method as convenience sampling and snowball sampling. The questionnaire consists of 3 parts, the first part is screening question, the second part is general questions about the demographic of respondents, and the last part uses a 5-point Likert scale of 4 variables. In the last part we test each factor by using ranking method from 1 to 5 as the scale of agreement, 1 means strongly disagree and 5 means strongly agree.

Measurement of variable

The target population of this research are the Bangkokian or people who live in Bangkok Metropolitan.

Population and Samples

The questionnaires were distributed to 480 respondents, after using the screening question for selecting only respondents who live in Bangkok who have experienced with Social Networks, the usable respondents who match with criteria are 390. These data were collected by Non-probability convenience sampling and snowball sampling methods. In term of the ethical considerations employed for this study, the questionnaires have been informed to respondents that it is the part of research study and confidential. Moreover, the detail of research, research objective and methods were explained to the respondents before collect the data. They also have freedom to cooperate and withdraw for the questionnaire.

Reliability Test

In order to test the validity and reliability of the questionnaire survey, the pilot test has been conducted on 30 respondents before distribution to the target population. By using Cronbach's Alpha Coefficient, all 30 respondents represented the validity and reliability as all variable greater than 0.7(Cronbach, 1951) as shown in Table 1.

To examine further whether the questionnaires were suitable for a large number of prospects, the use of the range of Cronbach's alpha as suggested by Hair, Money, Page and Samouel (2003) were employed to this research. Table 1 illustrates the outcome of reliability test of each variable used in this study. The alpha test of Social Media Usage (SC) is 0.905 which indicates excellent strength of association. The Electronic Word of Mouth (E-WOM), Trust (T) and Purchase-Decision involvement (PD) are considered to have very good strength of association as their alpha

tests are above 0.8, but below 0.9. In conclusion, all the variables proposed in this research have range of coefficient alpha more than 0.7. This means all variables used in the research are reliable and can be implemented as the instrument of this study.

Table 1: Consistency of the scales test

Variable	Number of items	Cronbach's Alpha
Social Media Usage (SC)	8	0.905
Electronic Word of Mouth (E-WOM)	5	0.827
Trust (T)	5	0.850
Purchase-Decision involvement (PD)	3	0.847

RESULTS AND DISCUSSION

In order to identify the relationship between independent and dependent variables, the statistical software was used to analyze and evaluate data.

Demographic Factors of Respondents Explanation

The demographic data were collected from 390 respondents which represent 100 percent including gender, age, education, occupation and monthly income. All the basic characteristics of respondents is shown in the Table 2.

The majority of respondents of this research are female which represents 66.15%, while male is 32.82%. The age of majority of respondents are around 20-30 years' old which is more than half of all population (57.69%), followed by 31-40 and 41-50 years old as 16.15% and 14.87% respectively. 67.95% of total population are graduated from Bachelor's degree and 21.28% with Master's degree. The occupations of the majority of respondents are Employees which represent 55.90%, Business owner with 18.72% and student with 15.64%. Lastly, the majority of the population have monthly income of 15,001-45,000 THB accounting for 56.41%.

Descriptive Analysis and Correlation Matrix

According to 5-point Likert scale, the experiment of all variables have been rank from 1 to 5 scales as the agreement level, 1 means strongly disagree and 5 means strongly agree.

Table 2: Demographic factors of respondents (N=390)

Demographic	Frequency	Percentage
Gender		
Female	258	66.15
Male	128	32.82
Others	4	1.03
Age		
Below 20	18	4.62
20-30	225	57.69
31-40	63	16.15
41-50	58	14.87
Above 50	26	6.67
Education		
Below Bachelor's degree	35	8.97
Bachelor's degree	265	67.95
Master's degree	83	21.28
Doctoral degree	1	0.26
No schooling completed	6	1.54
Occupation		
Student	61	15.64
Employee	218	55.90
Business Owner	73	18.72
Freelance	6	1.54
Government Officer	28	7.18
Housewife	4	1.03
Monthly Income		
Below 15,000 THB	62	15.90
15,001-30,000 THB	116	29.74
30,001-45,000 THB	104	26.67
45,001-60,000 THB	36	9.23
Above 60,000 THB	72	18.46

Table 3: Correlation Matrix (Dependent Variable: Purchase-Decision involvement)

Variable	Mean	SD	SC	E-WOM	T	PD
SC	4.2144	0.61183	1			
E-WOM	3.8631	0.64119	.535*	1		
T	3.9138	0.60449	.593*	.633*	1	
PD	3.9701	0.63233	.516*	.554*	.646*	1

*Correlation is significant at 0.05 level (1-tailed)

According to Evans (1996), the above correlation matrix reveals that 3 independent variables have positive

correlation with the dependent variable. First, Social Media Usage (SC) has moderate relationship with Purchase-Decision involvement (PD) in using Traveling Services for Bangkokian at 0.516. Second, Electronic Word of Mouth (E-WOM) also has moderate relationship with Purchase-Decision involvement (PD) in using Traveling Services for Bangkokian at 0.554. Lastly, Trust (T) also has moderate relationship with Purchase-Decision involvement (PD) in using Traveling Services for Bangkokian at 0.646.

Inferential Analysis

In this research, Multiple Linear Regression (MLR) has been applied in the Inferential Analysis in order to test H1a and H1b, Social Media Usage (SC) and Electronic Word of Mouth (E-WOM) significantly influence Trust (T) in using Traveling Services for Bangkokian. Also, Inferential Analysis tests H2a, H2b and H2c whether Social Media Usage (SC), Electronic Word of Mouth (E-WOM) and Trust (T) significantly influence Purchase-Decision involvement (PD) in using Traveling Services for Bangkokian.

Table 4: The result of significant factors that influence Trust (T) in using Traveling Services for Bangkokian.

Variable	Beta	VIF
Social Media Usage (SC)	.357*	1.400
Electronic Word of Mouth (E-WOM)	.442*	1.400
R-square (R ²)		.491
Adjusted R ²		.489

Beta coefficients with standard errors in parenthesis, *p ≤ 0.05

The above Table shows that, 49.1% of Trust (T) in using Traveling Services for Bangkokian can be explained by Social Media Usage (SC) and Electronic Word of Mouth (E-WOM) as shown as R-square (R²) value. Due to the Multiple Linear Regression (MLR) result, both Social Media Usage (SC) and Electronic Word of Mouth (E-WOM) positively influence Trust (T) in using Traveling Services for Bangkokian.

Moreover, the Beta value implies that Electronic Word of Mouth (E-WOM) has higher impact on Trust (T) in using Traveling Services for Bangkokian than Social Media Usage (SC). According to Ringle, Wende and Becker (2015), the variance inflation factors (VIF) test multicollinearity problem of both variables should not higher than 5 as maximum, so there is no critical problem in this research.

Table 5: The result of significant factors that influence Purchase-Decision involvement (PD)in using Traveling Services for Bangkokian.

Variable	Beta	VIF
Social Media Usage (SC)	.156*	1.650
Electronic Word of Mouth (E-WOM)	.200*	1.784
Trust (T)	.428*	1.966
R-square (R ²)	.468	
Adjusted R ²	.463	

*Beta coefficients with standard errors in parenthesis, *p ≤ 0.05*

As shown in above table, Social Media Usage (SC), Electronic Word of Mouth (E-WOM), and Trust (T) can explain 46.8% of Purchase-Decision involvement (PD)in using Traveling Services for Bangkokian as R-square (R²) value is 0.468. All of 3 independent variables significantly influence Purchase-Decision involvement (PD) positively in using Traveling Services for Bangkokian as the p-value of Social Media Usage (SC), Electronic Word of Mouth (E-WOM), and Trust (T) exceed 0.05. Moreover, Trust (T) has highest influence toward Purchase-Decision involvement (PD)in using Traveling Services for Bangkokian as beta value is highest among 3 independent variables. This also reveals that people in Bangkok or Bangkokian are concerning on the Trust of using the travelling service than E-WOM and Social Media Usage.

To investigate the multicollinearity problem, the variance inflation factors (VIF) of these 3 independent variables are in the range between 1.650-1.966 which are not exceed 5, thus in this research, the multicollinearity is not a critical problem. (Ringle et al., 2015).

CONCLUSION AND RECOMMENDATION

This research provides the understanding on Purchase-Decision involvement in using Traveling Services for the people who live in Bangkok Metropolitan. The result reveals that Social Media Usage and Electronic Word of Mouth significantly influence Trust in using Traveling Services for Bangkokian, Electronic Word of Mouth has higher impact on Trust rather than Social Media Usage. Moreover, the Purchase-Decision involvement in using Traveling Services for Bangkokian is also significantly influenced by Social Media Usage, Electronic Word of Mouth and Trust. To Conclude, Purchase-Decision involvement is strongly impacted by Trust in using Traveling Service for Bangkokian.

To enhance more Purchase-Decision involvement, each Traveling Services Providers has to emphasize on creating Trust in their services. The contents in Social Media and Electronic Word of Mouth is also an area to improve to be more reliable and legitimate to increase trustworthiness. Social Media should be reachable to everyone everywhere and every time. By increasing the trustworthiness, Traveling Services Providers should build the content in Social Media as one of their Marketing Communication tools, to easily understand and can get closer with consumers. Also, as the Social Media is now widely spreading all around the world, we can interact and communicate via online channels with360 degree communication then positive Electronic Word of Mouth which is not only draw new customers but also enhance relationship to be loyalty customers will be originated consequently. Finally, after trustworthiness has been increased, the Purchase-Decision involvement is activated during the process that consumer try to find any online information by using social media.

According to Prachachat, the service providers should promote and build their brand in online media platform by using Influencer. The first action is finding and checking the content in online media platform whether it’s accurate and complete or not. Then, follow and analyze all the data from reviews and Electronic Word of Mouth that have mentioned about their services. The last action is to interact with the audience by replying back and recommending in order to create trust and avoid the future negative Word of Mouth. Moreover, promoting awards and certificate such as Traveler’s Best Choice or Certificate of Excellent from Tripadvisor which can help ensuring the customer that their service can be trusted and reliable with guarantee in online media platform.

The limitation of this research is the uncontrollable issue in term of Electronic Word of Mouth. As social media is widely spreading, it’s hard to control the negative feedbacks in the Electronic Word of Mouth which can dilute trustworthiness and brand image. However, immediate response in both online and real situations should be taken place to respond to consumers’ demands. If Traveling Services Providers can immediately reply or respond to consumers, the negative Word of Mouth will be dissipated and replaced with the complements.

Lastly, as this research has been studied only in Bangkok Metropolitan, the future research can be distributed to the other places in Thailand to give more meaningful response from larger target population in Thailand.

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