

Relationship Value in Hospitality Brand Social Networking Sites: Cost and Benefit Analysis

Anderson Ngelambong¹, Noorliza Zainol¹, Norfezah Md Nor¹, Jazira Anuar²

Faculty of Hotel and Tourism Management

¹Universiti Teknologi MARA, Pulau Pinang, Malaysia

²Universiti Teknologi MARA, Dungun, Terengganu, Malaysia

Received: February 26, 2015

Accepted: April 30, 2015

ABSTRACT

Over the past few years, social networking sites are increasingly popular in the area of relationship marketing. It provides the opportunity for brand marketers to extend relationship with their potential and existing consumers in the virtual environment. Still, little research has been done to examine the value of consumer-brand relationship within the scope of social networking sites. To address the gap, the current study examines the relationship value that consumers perceived as a result of befriending hospitality brand in social networking sites. A qualitative study was conducted with 3 focus groups involving 10 respondents from 6 hospitality brand Facebook pages. The results indicated that they are 5 types of relationship benefits in the consumer-brand relationship value namely information benefit, social interaction benefit, personal benefit, entertainment benefit and economic benefit. Also, respondents expressed their concern over privacy and security issue as the main risk of having a relationship with hospitality brand in social networking sites. The research discusses managerial implications of the findings and suggests improvement for future research.

KEYWORDS: Consumer-Brand Relationship, Perceived Relationship Value, Hospitality Brand, Brand Social Networking Sites.

INTRODUCTION

The evolution of marketing realm has endorsed an exemplar development of marketing from transactions to relationships in early 1990s [1]. Label as relationship marketing, it pointed out the marketing activities conducted towards implementing, developing and maintaining successful relational exchange [2]. It is crucial in marketing community as it contributes to a more holistic business approach covering both markets business-to-business and business-to-consumer context [3]. Several researchers had investigated the concept of relationship marketing from several perspectives such as manufacturer-supplier relationship [4], consumer-service provider relationship [5] to the recent sport organization-sport fans relationship in social media [6]. Evidently, establishing good rapport with consumers can be perceived as essential part of business marketing strategies [7-8].

The study focuses on the business-to-consumer relationship-marketing environment, specifically in the area of consumer-brand relationship. It is assigned to the assumptions of consumer and brand which act as partners in relationships that materialize through several communications at a certain time frame [9]. Although few researchers agreed that consumers would like to possess a relationship with brand marketers [10], several scholars argued that the human motivation to form interpersonal affection is found in the communications between consumers and brand in websites [11-12]. Interestingly, constituting personalize relationships with consumers and communicating with them in real time via brand websites precisely repercuss the notion that brands can be perceived as human characters [13-14]. Similarly, the application of social networking sites in the internet has commenced to expedite the development of relationships in online communities [15]. Probably, the condition is elucidated through how users act in response to computerize devices, it is more or less the same the way they acknowledged people [16].

The key to operating a successful brand driven social networking sites is to create and deliver benefits that motivate consumers to have relationship with the brands online. When consumers perceive the relationship is valuable, they are more likely to join and participate in the brand social networking sites. Online community consumer perceived value of the relationship that should be consistent to encourage favourable behaviours such as brand commitment and loyalty [17]. Thus, in order to operate a fruitful relationship-based brand social networking sites, the brand marketers should have in-depth understanding of their members dynamic background such as who are their members and what are their needs to stimulate a healthy valued relationship [18]. However, most of the previous relationship marketing researches tend to focus more on offline relationship setting rather than online relationship setting. Notwithstanding of acknowledging the importance and urgency of developing systematic knowledge to guide consumer-brand relationship, the study attempt to investigate the value specifically the costs and benefits that consumer perceived when having a relationship with hospitality brand in social networking sites.

LITERATURE REVIEW

Perceived Consumer-Brand Relationship Value

One of the most interesting developments in relationship marketing research is the conceptualization of consumer value which is coined as relationship value [19]. Value is a subjectively perceived construct since dissimilar consumer segments recognized dissimilar values within the same brand, or a business product or service. Consumer perceived value is mostly being identified as a trade-off between benefits and sacrifices perceived by the consumer in a business's offering [20-21]. Additionally, benefits are widely accepted as a combination of economic, technical, service, social, strategic as well as behavioural benefits [22, 23]. Thus, the concept of relationship value is an effort to develop adjoining relationships in business. Treasured customers are marketers main concern when relationship value is driven.

Among the pioneer researcher to investigate the components of value in a relationship [24], it summarized that the main concern in any relationship is how the value is shared creates, highlighting that relationship should have value to both partners. Moreover, customer perceived value of a relationship could be viewed as the customer's opinions of the collective worth of all the tangible and non-tangible benefits that they encountered from the relationship with the seller [25]. In addition, relationship value is build up through enjoyment and tolerance, which customers obtained from the relationship. It is noted that research relevant to relationship value in the brand social networking sites that required further investigations which focusing on how people value perceptions. It is being highlighted to encourage people to participate in online communities that encompass purposive value, self-discovery, sustaining interpersonal interconnectivity, social enrichment and entertainment value [26].

Three types of relationship that bonding between brands and consumers through the internet were being proposed namely economic bonds, social bonds and structural bonds [27]. Economic bonds incorporate the amount of money and time spent on promoting a relationship, while social bonds incorporate the virtual communication between members that cultivate a relationship. Structural bonds are the bonding to the network that makes it challenging to exit the relationship. In a more recent study, the key concept of relationship marketing in the online environment should incorporate the simplicity and ease of the consumer's web experience [28]. Consumers enjoy a highly positive business website that is reliable, responsive and easy to use. These could be prolonged further to apply in the context of social networking sites. In the context of the study, perceived brand relationship value is referred to the relationship benefits and costs that consumers perceived when having a relationship with hospitality brand in social networking sites.

Hospitality Brand

In Malaysia, approximately half of the brand in the top 200 brand Facebook page is relevant to the service industry with hospitality brand namely AirAsia, McDonalds and KFC dominates the top 3 positions [29]. In line with this, the study targeted primarily on brand Facebook page that associated to the hospitality industry which attributes to all businesses that provide food, beverages and lodging for people who are away from home [30]. Several scholars enlarge the scope of the hospitality industry to consolidate entertainment namely attractions, recreation, special events, travel distribution channels and transportation [31-33]. Hence, in the context of the study, it is concluded that hospitality industry ascribes to foodservice, entertainment, travel distribution channel and lodging organizations.

Social Networking Sites: Brand Facebook Page

The limelight of the study is on the online brand community that built on the social networking sites. Facebook was elected among many social networking sites due to its popularity among online community and brand marketers. Industry data reported that Facebook is undeniably one of the most well-known social network websites in terms of its number of users and marketing power [34-35]. At present, Facebook have more than 600 million active users in over 210 countries which turning it as one of the fastest growing applications of social commerce [30]. Moreover, industry data also reported that Facebook application is predominance in the marketing domain. Business industry data concede that 60% of the world's top retailers have an active presence on Facebook [36], while 68% of U.S. retailers have captured their customers through Facebook [37]. Most of the top brands are employing Facebook as a medium to propagate and engage their brand communities divergently though actual statistical data are not available [38]. As such, what is exercised on Facebook manifest current marketers' efforts to establish a meaningful relationship with their customers.

METHODOLOGY

Over the past decade, qualitative approaches have become more compelling in consumer research with several researchers achieved in-depth understanding and awareness which gaining insight into phenomenon that not easily comprehends. Semi-structured focus group discussions were administered to bridge the research gap. The qualitative inductive approach was selected due to its ability to assess first-hand explanations of the specified domain of the study. The concept of consumer-brand relationship is originated from information that given directly from the consumer, rather than a series of theories, laws and concepts. Moreover, consumer-brand relationship in social networking sites is not just a simple measurable thing where complexities required an in-depth qualitative investigation.

Sampling and Data Collection

Ideally, recruiting participants for a qualitative study should not be too small to the extent of that it is difficult to achieve data saturation or too large to manage the data. The study conducted 3 series of focus group discussion that consist of 10 participants for each group to reach the point of data saturation. About 30 participants were selected based on the nonprobability

sampling from 6 most popular hospitality brand Facebook page in Malaysia namely AirAsia, Kentucky Fried Chicken Malaysia, McDonald Malaysia, Malaysia Airline System, Pizza Hut Malaysia and Burger King Malaysia. Semi-structured open-ended questions were distributed to the focus groups as a platform to gather data. It provides adequate flexibility to investigate any aspects of the issue that may arise in the discussion [39]. This type of data collection is fruitful due to effective communication among focus group participants which foster further contributions to the discussion in light of points that made by other participants [40].

Data Analysis

The study employed thematic analysis to assess the qualitative semi-structured focus group interviews data. It is attributed to establishing, evaluating and describing themes or patterns within data. The strength of thematic analysis can be seen at its suitability to a pragmatic framework, ease of use, its provision of rich description of data sets, its allowance for social as well as psychological interpretation of data and its ability to feature similarities and differences across data sets [41]. The thematic analysis of the text data was conducted at 2 levels in the study, within each focus group and across the 3 focus groups. QSR NVivo software was adopted to analyse the data due to its characteristics of user friendly, visually attractive and suitable for individual research projects.

RESULTS AND DISCUSSION

Participants were asked to discuss about their relationship with hospitality brand Facebook page in Malaysia. Among all, the brand Facebook pages include 4 spectrums of the hospitality industry namely food and beverage, transportation, entertainment and lodging. The results can be divided into 2 major theme consist of perceived relationship benefits that comprise of information benefit, social interaction benefit, entertainment benefit, economic benefit as well as personal benefit, while the other theme is perceived relationship risks.

Perceived Relationship Benefits

Information Benefit

Information benefit seems to be the first and the most important reason why participants want to establish a relationship with hospitality brand Facebook pages. Information benefit refers to the benefit that participants receive from obtaining and sharing information in the hospitality brand Facebook page. They regarded the hospitality brand Facebook page as a source of collective information that includes photos, videos and posts. Additionally, they benefited from group generating ideas, influencing others and seeking solution to problems. Further, they can ask the hospitality brand for a more accurate and up-to-date information in relation to the hospitality brand offerings. Examples of these include:

“There is information about their latest offerings... Also, they notify changes in flight schedule...” Male, 25.

“When I am in doubt, I just ask the brand or others in the brand Facebook page for further information” Female, 33.

Social Interaction Benefit

Most of the respondents interviewed mentioned that the hospitality brand Facebook page provide a new mean for them to communicate with the hospitality brand as well as other online brand community, beyond email and telephone communication. They can interact with the hospitality brand asking question, giving feedback and sharing their product or service consumption experiences. At the same time, they can have one-on-one or one-to-many interaction with their online network in order to seek or give answers to specific questions. Examples of these include:

“I can interact with the brand online, to ask questions...” Male, 27.

“If there is an interesting news, I normally tag my friends in the post and we discuss about it” Male, 31.

Entertainment Benefit

Participants stated that they encountered fun, pleasure and relaxation through interacting with the hospitality brand and others in the hospitality brand Facebook page. Clearly, joining the hospitality brand Facebook page is seen as a source of entertainment. They mentioned that they enjoy browsing the contents of the hospitality brand Facebook page. Moreover, they like to participate in games held in the hospitality brand Facebook page as a way to recharge themselves and to pass idle time. Examples of these include:

“Their Facebook page is entertaining, interesting pictures....sometimes they posted funny videos...” Male, 31.

“Sometimes I play games posted in the brand Facebook page to kill time...” Male, 28.

Economic Benefit

Economic benefit refers to the intangible rewards received by the participants as a result of their relationship with the hospitality brand Facebook page. They stated that some hospitality brand Facebook page offered some kind of promotion voucher to purchase products and services at discounted price. Also, they mentioned that there were contests held which provide attractive prizes to the lucky winner. Examples of these include:

“By being a member in this brand Facebook page, I have the opportunity to win some cash in the contests or games...” Male, 24.

“As a member, I will be entitled coupons to purchase their food at lower cost” Female, 28.

“Rewards, that is one of the reasons why I join them” Female, 22.

Personal Benefit

Surprisingly, a large number of participants join hospitality brand Facebook page to fulfil personal desire for self-expression, self-esteem, self-satisfaction and empowerment. These involve understanding and deepening of their salient aspects of one's self through social interactions. It refers to the benefit that helps one to develop, define and elaborate on one's own preferences, tastes, values and opinions. Also, it is the benefit that the participants gained from learning from others. Examples of these include:

"I can say whatever I want to say in their Facebook's wall or contents" Male, 31.

"I just love to fly with them, it feels like home" Female, 21.

"I feel like I am apart of the community" Male, 34.

"As a frequent user of this brand, it is great to have this kind of relationship with them online.... I am a proud customer..." Female, 27.

Perceived Relationship Risks

Although the participants benefited from the relationship with the hospitality brand in the Facebook page, they remained concern over the issue of privacy and security. They were worried that the hospitality brand misuses their personal details for unethical marketing practices such as through unsolicited telemarketing, spam email and mails. Also, they expressed concern that brand marketers might use social networking sites to spy on their online behaviour and invade their privacy. Examples of these include:

"It is possible that they take my details without my consent, such as my telephone number" Male, 25.

"When I click the "like" button, I am scare they will invade my privacy...start sending me emails and so on" Female, 25.

CONCLUSION

Social networking sites have a great potential as a platform for hospitality brand marketers to establish and maintain good relationship with their consumers. Findings generated from the study formed an understanding of how consumers perceived the costs and benefit of having a relationship with hospitality brand in social networking sites. Several themes emerged as the key drivers for consumer-brand relationship in social networking sites. The key drivers can be classified as information, social interaction, economic, entertainment and personal benefits, while the key hinders of a good consumer-brand relationship are privacy and security risks.

It is hoped that the study assist practitioners and industry managers to fully utilize social networking sites in aggressively promoting their products and services. It signals the need for better marketing strategies, which include emphasis on the variety of benefits, offered by hospitality brand social networking sites. Additionally, findings of the study as the one provided here may serve as a starting point to determine meaningful drivers of consumer brand relationships as being manifested in social networking sites. The driver variables comprise of monetary savings, personal benefits, social interaction, information and entertainment. While from the academic perspectives, the study contributes to the existing body of knowledge about relationship marketing. It accommodates deeper understanding of the reasons why consumers engage in relationship with hospitality brand in social networking sites.

It can be summarized that the degree of importance of the consumer brand relationship in social networking sites is highly dependent upon relationship benefits and relationship risks. Hospitality brand marketers should focus on the benefits that consumers valued to attract them into the relationship. However, hospitality brand marketers should consider security issues when implementing relationship marketing through social networking sites, as this can be a threat to consumers' privacy and security. Future research should look into comparing other social networking sites such as twitter in order to understand the differences between them. Additionally, it is interesting to examine whether consumer brand relationship have significant effect on consumers' behaviours, for example word of mouth behaviour in the social networking sites. Moreover, empirical investigation can be conducted to develop a multi-item scales measuring consumer relationship drivers towards brand marketers. The effects of these drivers on consumer's inclination towards a relationship with brand marketers can be further explored and tested.

ACKNOWLEDGEMENT

The authors would like to thank Mr Zairi Ismael Rizman for his guidance and assistance in getting this paper published.

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