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# *THE EFFECT OF VIRTUAL COMMUNITIES AND SOCIAL NETWORK SITES ON TOURISM DESTINATION CHOICE*

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## **ABSTRACT**

Competition and globalization are factors that challenge tourism enterprises and destinations to develop and introduce new products, services and concepts at an increased speed. At the same time, Internet has an enormous diffusion and radically changed most of our economic and social life and impacted the way we communicate, work and conduct business. The emergence of Web 2.0 or Travel 2.0 brings together the concept of social networking/virtual communities and applies it to the tourism industry. The importance of Travel 2.0 features and tools, and specifically of social media environments, is growing fast and many tourism businesses are changing their approach to the manners of presenting themselves online (Au, 2010; Jones & Yu, 2010; Schegg et al., 2008). However, tourism operators have not yet fully understood the new technological world by

and still many concerns, such as credibility of the information online, possibility to forge for particular interests by unscrupulous competitors, privacy, overload of useless information, in addition to the usual (in the technology arena) lack of resources or skill shortage are the most reported issues are brought forward.

This study analyzes factors that influence tourists' involvement in virtual communities and asserts that virtual communities and social network sites (SNSs) support tourism organizations to develop and improve their marketing functions, as they can understand better their customers' satisfaction and behavior, to reach worldwide customers in a cost effective way, to engage in a direct dialogue with the customers and undertake corrective actions to improve their offering, and ultimately influence tourists' destination choice.

**Key words:** Web 2.0, virtual communities, tourism marketing, social network sites

## **1 INTRODUCTION**

The tourism industry can be seen as one of the first business sectors where business functions are almost exclusively using information and communications technologies (ICTs) (Garzotto et al., 2004). The benefits from ICTs, particularly the Internet, for tourism are substantial, since they enable knowledge about the consumer or tourist to be gathered, as well as vice versa. In the modern economy, knowledge is commonly recognized as the most important factor in increasing the competition among firms and regions. If one considers knowledge as the organization of information designed to provide an answer to a question or solve a certain problem, information can be seen as the fuel of knowledge which produces innovation. Innovation is a continuous learning process because the strategic value of information, changes in time; therefore a regular knowledge update is important. It is also a highly coordinated process, because it demands the interaction of several actors, the selective acquisition of information, and the creation of networks in an attempt to produce value through the use and exchange of information throughout several activities inherent to the innovation process (Santinha and Castro, 2010).

ICTs also help tourists to overcome risks regarding tourism destination choice, such as (Jacobsen et al, 2012:40): monetary risks (eg. feeling of wasting money); functional risks (eg.the standards of the place did not meet tourists' requirements); physical risks ( eg. avoiding get injured or ill); social risks (eg. visiting a fashionable place and getting a high status); psychological risks (eg. not damaging the self-esteem, by feeling guilty that there was not enough time spent looking for more information about the place).

Recently, new applications that facilitate interactive information sharing, collaboration and formation of virtual communities, known as Web 2.0., is a natural development of the original Berners-Lee's idea of "a collaborative medium, a place where we all meet and read and write" (Richardson, 2006: 1). With the introduction and the diffusion of the interactive Web 2.0 features and applications, tourists everywhere see the potential for new technologies to improve their ability to make travel plans (Sheldon, 1998; Smith & Jenner, 1998) and Web marketing is gradually becoming mainstream (Buhalis, 2003; Fesenmaier, Gretzel, Hwang, & Wang, 2003). Perhaps marketing and distribution are the most affected business functions from the technological revolution (O'Connor, 2008). New online technologies within the tourism industry have significantly impacted on communications, transactions and relationships between the various industry operators and with the customer, as well as between regulators and operators (Galloway, Mochrie and Deakins, 2004; Sharma, Carson and De Lacy, 2000; Sheldon, 1998; Werthner and Klein, 1999a). This happens in particular with Social Networks (SNs) which seem to have rapidly attracted a considerable attention by Internet users of all ages and are discussed below.

## **2. VIRTUAL COMMUNITIES AND SOCIAL NETWORK SITES IN WEB 2.0 ERA.**

The emergence of Web 2.0 or Travel 2.0 brings together the concept of social networking/virtual communities and applies it to the tourism industry. The most cited definition of a virtual community was firstly given by Rheingold (1993, p. 58) as "a virtual community is a group of people who may or may not meet one another face-to-face, and who exchange words and ideas through the mediation of computer bulletin boards and networks".

In the Web 2.0 era, the boundaries between information producers and users is blurred, and the usual concepts of authority and control are radically changed. Among the other consequences, marketing approaches aiming at improving online reputation are being greatly affected. Brand awareness, one of the objectives of classical marketing practices transforms into brand engagement, purpose of Marketing 2.0., which passes through experience and is created by the perceptions, attitudes, and behaviors of those with whom the different companies and organizations are communicating (Weinberger, 2007). As stated ten years ago by the Cluetrain Manifesto (Locke et al., 2000: xxiii): "people in networked markets have figured out that they get far better information and support from one another than from vendors." Thus, virtual communities are gradually becoming incredibly influential in tourism as consumers increasingly trust better their peers, rather than marketing messages. Virtual communities influence all three phases which were identified as being influential in travel experience formation process (Milano, 2010):

- pre-experience, built on other people's travel stories, before travelling;
- experience during travel or stay, today increasingly shared real-time through mobile applications;

- post-experience, which disseminates comments, evaluations, emotions.

Virtual communities vary in the scope of their content from fairly simple lists of resources to complex cyber environments offering net-citizens information and the opportunity to socialize with likeminded individuals. Some of these have arisen spontaneously, while others have been sponsored or managed by companies (Flavian and Guinaliu, 2005). Free Software (FS) communities are virtual communities that help companies to have better relations between them and their consumers and vice versa. Members of FS communities are linked by common admiration to the same product or brand etc. being a part of such communities is important for participants because they can be active in discussions, forums, they can recommend and help in picking one of products of their favorite brands or products. For them existence of this community is like a real one and can influence their behavior. Secondly, the virtual community can help to know better the needs or desires of you or a group of people (Casaóla et al, 2010:364). Examples would be communities based on shared interests (such as wine-enthusiasts' Virtual Vineyards), or communities held together by product or brand loyalties (e.g., Apple.com/usergroups). In any case, these virtual environments represent fertile territory for the dissemination of eWOM and the creation of "buzz". If a virtual community wants to be successful, its members have to show strong involvement. They should also know how to promote a community to non-members. According to literature review, the most important interactions in a virtual community are:

- Identification. This concept is divided in affective and cognitive component: the cognitive one is said to be a result of perception of similarities with other members and dissimilarities with people who are not in a group; the affective component is believed to be this type of identification experienced when a person is emotionally involved with a group (Casaóla et al, 2010:358-359). Identification with a group impacts consumer motivation to communicate and interact with the rest of a group members. It leads to further participation in a group and recommending community. *'Broadly speaking, if the consumer is identified with a group, participation in joint activities in the collective will be viewed as congruent to personal values, so that s/he will be motivated to participate actively in the community and help other members (Casaóla et al, 2010:361)'*. Online social networks can guarantee a social support. You can always ask for an information, advice, meeting. As the membership grows, you have more alternatives or possibilities to get such help. These all can attract you in a way that you will feel more identified with a group. But on the other hand, the network size can destroy net quality, which can be something opposite to increase identification with the SNS (Chiu et al, 2013:4-5).
- Satisfaction. We may define satisfaction *'as an affective condition that results from a global evaluation of all the aspects that make up the relationship'*. We can say that if a product is better than a customer assumed, he or she is satisfied. If it is not, the customer is dissatisfied (Casaóla et al, 2010:359). If our requirements will be met, we would like to participate longer in virtual community because we feel good. If the basic needs

(satisfaction) will not be ensured, long term presence in the virtual community is not possible. But if we are satisfied from our previous interactions and in the community it can *'[...]help to develop profitable behaviors such as positive word-of-mouth (Casaóla et al, 2010:360)'*. Then it is possible that a consumer is able to promote and recommend the virtual community to non-members. There are also some complementarities so that you can feel more satisfied. That means for example additional applications, services etc. It is especially important, as while using complementarities, we can feel whether achieved our goal or not. According to the article *'[...] when an individual achieves the goal of having fun and relaxing by playing an online game, a complementary application in SNS, he/she will experience a pleasurable emotional state of satisfaction with the SNS (Chiu et al, 2013:6)'*. We can note that having additional, complementary functions or services will increase user's satisfaction of SNS.

- Continuanace Participation. It is very crucial as on it mainly depends the future and success of the community. When we participate in the 'life' of the virtual community we can guarantee its endurance and help achieve groups' goals (Casaóla et al, 2010:359). Vogt and Fesenmaier (1998) stated that participation and attitude are the primary dimensions of consumer behaviour in the virtual communities.

- Community Promotion. When a consumer wants a product, brand or just virtual community to be known or recommended to non-members, he or she uses promotion. Community Promotion is also very important in a 'life' of FS community. It makes it more attractive to the potential future members by for example *'[...] talking about the benefits of being a part of the community, inviting non-members to join the virtual community or emphasizing the positive aspects of the community when somebody criticized it (Casaóla et al, 2010:360)'*.

- Loyalty. Loyalty is the crucial factor in the success of virtual community (Casaóla et al, 2010:360). The longer tourists are in a virtual group, the more loyal and engaged to this organization they become, because they feel that *'[...] the quantity of value received from participating in the community is greater than the value of non-participating (Casaóla et al, 361)'*. They want to be in a group as long as it is possible so you also do everything to make it 'live'. It is obvious that they try to recommend and promote your organization to non-members. We can say that the more participation to the group you feel, the more promotions and recommendations you want to do. If we are active in a group, we try to be good participants, and this leads to our greater loyalty to a virtual group. We feel more emotionally tied and identified to a group (Casaóla et al, 2010:361).

Since many travelers like to share their travel experiences and recommendations with others, VTCs have become one of their favourite areas to post their travel diary. Additionally, online travelers are enthusiastic to meet other travelers who have similar attitudes, interests, and way of life (Wang, Yu, & Fesenmaier, 2002). Contents generated by users (UGCs) have an acknowledged importance in all fields, and in tourism in

particular (Akehurst, 2009). Their positive effects have recognized repercussions on quantifiable phenomena such as e-commerce, but also on intangible matters such as those related to the image or the informational side of specific products or services (termed sometimes info-commerce). The continuing growth of UGCs' influence, due to their wideness and deepness, makes them perceived as even more reliable than official sources for a tourist. According to PhoCusWright (2009) nine out of ten cybertravelers read (and trust) online reviews on tourism products and services (hotels, restaurants and destinations). A Virtual Travel Community (VTC) makes it easier for people to obtain information, maintain connections, develop relationships, and eventually make travel-related decisions.

The impact of modern ICTs and Web 2.0 poses a big challenge to any business or organisation (private or public) working in today's tourism arena. These changes and developments in the travel market, force all tourism players to rethink their business models and to take drastic actions in re-developing their value chains. Tourism organizations aim to disintermediate all intermediaries that add cost to their production and distribution. For example, tour operators aim to sell their packages direct, bypassing travel agencies. They also disbundle their packages and sell individual components. On the other hand, travel agencies dynamically package tour products and support the development of customized packages, disintermediating tour operators. The web therefore introduced utter transparency in the marketplace

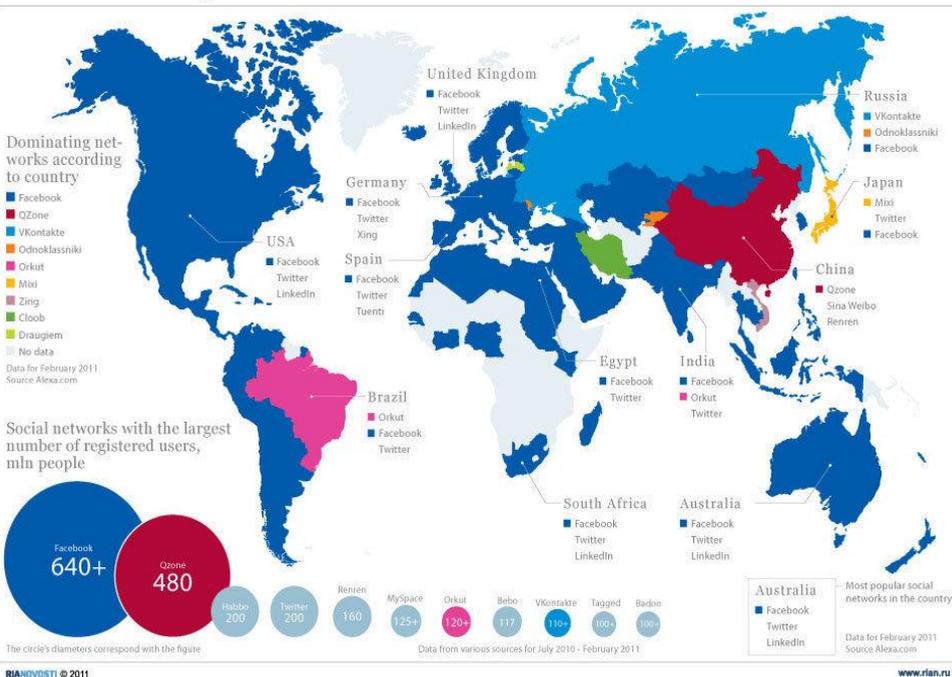
VTCs have a large potential impact on the tourism industry, and by analysing VTCs' content, travel organizations can understand their customers' satisfactions and behaviour, and undertake corrective actions to improve their offering. They can also increase brand awareness and strengthen brand association through the assistance of VTCs. The tourist (traveler, visitor etc.) makes extensive use of these technologies and shows to appreciate quite much the possibilities offered by the Internet today. The adoption issues commonly referred to social media application, include aspects such as a certain level of suspicion, distrust and reluctance to share information, comments or suggestions with others. This amazing new phenomenon of SN can be interpreted as starting a new trend, especially in some countries, where generic SNs (Facebook first and Twitter), which are being progressively more used in travel and tourism, as it can be seen from fig.1(Cosenza, 2010).

Apart from a few areas (part of Latin America, Russia, China and some others), Facebook shows to be the most widespread SN. Facebook has become in few years by way the largest (in number of users) and the most widespread (in geographical terms) online social network in the World (Fig. 1 after Cosenza, 2010). Facebook is very popular and without any doubts it influences our lives. Some people say that they feel happier when they update their status, they explain that it helps them to keep in touch with people when they

are not around. Facebook is one of the SNSs that uses many complementarities. It tempts with many games, photos sharing, applications. However, research conducted in Germany showed, that the more time you spend on Facebook, the poorer your life seems to be for you (Elmore, 2013). Web 2.0 or Travel 2.0 providers such as Tripadvisor.com, IGOUGO.com and Wayn.com also enable consumers to interact and to offer peer to peer advice.

Fig. 1. The World Map of SNSs (Cosenza, 2010).

### The world map of social networks



TripAdvisor ([www.tripadvisor.com](http://www.tripadvisor.com)) for example, is amongst the most successful social networking/virtual community in tourism that facilitates the reviewing of all hotels around the world and brings together individuals in discussion forums. The system provides users with independent travel reviews and comments written from TripAdvisor members and expert advisors and provides a powerful platform for interaction between peer, as user satisfaction is a major factor for evaluating a travel organisation.

Nevertheless, better understanding VTC users' behaviour and motivation can assist tourism practitioners and policy makers to establish, operate, and maintain VTCs in a more

efficient way. This, in turn, facilitates consumer centric marketing or relationship marketing. VTCs, however, may be at risk of losing members if their members are not satisfied with the content, design, security policies, and repercussions for non-compliance with community rules. Credibility of the information online, possibility to forge for particular interests by unscrupulous competitors, privacy, overload of useless information, in addition to the usual (in the technology arena) lack of resources or skill shortage are the most reported issues concerning SN application.

### **3. CONCLUSIONS**

This paper argues that the Internet forces tourism organizations around the world to change their strategies dramatically (Buhalis & Zoge, 2007). Constant innovations of both product and process supported by proactive and reactive strategies are some of the few sources of competitive advantage in the Internet era (Buhalis, 2003). VTCs have a large potential impact on the tourism industry, and by analysing VTCs' content, travel organizations can understand their customers' satisfactions and behavior, and undertake corrective actions to improve their offering. They can also increase brand awareness and strengthen brand association through the assistance of VTCs. The effects of these tools on the image and the popularity of destinations or other tourism operators, mainly in the hospitality sector, in which the direct contact, real or virtual, with the customer and their crucial role for the good health of the companies are tremendous (Burgess et al., 2009; Inversini et al., 2009; Matloka & Buhalis, 2010; Sigala, 2010).

Identification of tourism destinations competing for the same market can be assisted by a Group Decision Support System (GDSS). In this way, decision-makers can include their subjective and objective views for analysis like the traditional forms of competitive analysis. Similarly, there was a shift in the bargaining power of suppliers, as the Internet provided alternative procurement opportunities. The bargaining power of suppliers was also enhanced by allowing direct contact with consumers and decreasing distribution costs while creating the opportunity for partnerships with countless affiliates and other distributors. Consequently, tourism enterprises for the first time ever did not have to rely exclusively on powerful intermediaries, such as Tour Operators or Global Distribution Systems.

Tourism marketers can no longer ignore the role of social media in distributing travel-related information without risking to become irrelevant (Xiang and Gretzel, 2010: 186). The virtual communities phenomenon has become a social convergence trend, where specialized travel websites increase their sociality by adopting applications which enable real-time sharing of contents among the visitors, while giants such as Facebook try to occupy vertical markets through dedicated services or acquisitions of specialized companies as the social DTravel recommendation site Nextstop (see:

<http://www.insidefacebook.com/2010/07/08/facebook-acquires-social-travel-startup-nextstop/>).

However, tourism operators have not yet fully understood the new technological world by and still many concerns are brought forward. These positions however, create a tension between demand (tourists, travellers, visitors) and supply (tourism businesses and organizations). As well reported by Xiang and Gretzel (2010: 186): “social media Websites are “ubiquitous” in online travel information search in that they occur everywhere [...] no matter what search keywords a traveler uses. Certain social media Websites [...], which can be considered more comprehensive and travel-specific sites, are becoming increasingly popular and are likely to evolve into primary online travel information sources. [...].

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