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An Empirical Study on use of Social Media in the Hotel Industry in China: A Study of Customers' Preferences and Attitudes

Ruolin Wang
Johnson & Wales University - Providence, RWang01@wildcats.jwu.edu

Tianyue Chen
Johnson & Wales University - Providence, TChen03@wildcats.jwu.edu

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Johnson & Wales University

Abstract

With the development of the technology, business corporations start to use social media to promote their businesses. This study focuses on the preferences and attitudes of travelers' in China with the relationship between usage of social media (based on WeChat and Sina Weibo) with the option of hotel choice in the hospitality industry. There are two instruments used in this study: (1) sending out online surveys and (2) scheduled interviews with people who are working in the hotel industry. From our survey data (N=245) were participants who completed questionnaires located all over China. However, the results of the study indicate that participating hotels and online tickets firms prefer to use social media to attract guests and even potential consumers. The top about three elements that influence decision making of hotel choice are: price (71.84%); location (68.16%); and online rating (33.06%).

Keywords: social media, hotel, China, customer choice behavior, customer preference, WeChat, Sina Weibo

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Unlike the traditional form of media such as newspapers, television and film, social media can not only deliver information to their readers, viewers, or listeners, but it can also make them participate in the content by either developing it or disseminated it (Noone, McGuire, & Rohlfs, 2011). For the reason that traditional form of media is no longer enough to fulfill business needs of marketing, and the use of social media is becoming more widespread. More and more business firms are starting to use it to attract more customers and get higher revenue. At this time, social media creates a wonderful opportunity to make future business strategy for revenue managers by provide them a platform to closer communicate to the customers, and increase the variety of sources of data (Chan & Guillet, 2011; Bhanot, 2012). Bhanot (2012) explained that the highly accessible and scalable communication techniques may also be one of the reasons that social media has become so popular.

As the country that has the largest number in population, China now has one of the largest overall hotel industries in the world, and has become a country that shows incredible development. According to the Yearbook of China Tourism Statistics (CNTA, 2010), between the years of 1978 and 2009 the total number of hotels in China increased from 137 to 14,237. The China National Tourism Administration also indicated that there was 2.1 billion domestic tourists by the end of the year 2010. With the continuing development of the hotel industry in China, the question becomes of how to properly market hotels effectively while reaching specific target markets consequently creating a highly competitive industry overall. Failure to properly

utilize social media channels will result in overall missed opportunities to reach a specific customer clientele and lost revenue for the hotel.

There are so many forms of social media that provide a platform for people and business to share information (Hajli, 2014). This study focused on two of the most popular social media in China, WeChat, and Sina Weibo. WeChat is a mobile phone instant message application made by Tencent. According to the latest data released by Tencent in 2014, this 3-year-old social network site has reached 600 million of users. As an instant message application, WeChat can not only one-to-one and group chat with friends, but also follow public accounts, post moments with pictures or messages to their "Circle of Friends" (Lin & Li, 2014; Hou, 2014). Sina Weibo, is a Chinese microblog founded by Sina, which has more than 556 million (as of the end of March 2013) of users, with more than 50 millions of daily active uses (Sina, 2014). The huge number of users makes them effective and the high-speed signal propagation. Companies, organizations, and even government offices start to use this kind of social media to create their own official account to get easier and faster information release, and promote quicker issue solutions (Gu, 2014).

Review of Related Literature

Nyoryung and Kannan (2014) concluded that the relationship of social media and customer activities are positive with social media. Customers are more willing to participate in branding, product reviewing, online rating, and/or interacting. In addition, customers are influenced by social media though their emotional changes, and this change may connected to their friends, relatives, business, and even other online users when making decisions (Sema, 2013). However, social media marketing may not be the only aspect that increases business value. A suitable market size, appropriate business environment, various mega events can also make a

significant difference. For hotel industry, where the hotel located and the number of tourists has a great impact (Zhang, Guillet, & Gao, 2012) on overall business performance.

According to the studies examined, involvement in the relationship of online rating system in choosing a hotel states that a good online rating system does affect the hotel substantially by retaining customers for a long time and also attracting new customers (Zhang, Yang, &Ye, 2012). Chan and Guillet (2011) indicate that in general, the hospital industry does not having good performance in using social media as a marketing tool. The major issue for hotels in doing social media marketing is about communication between hotel's business aspect and their customers (Chan, & Guillet, 2011). They also suggest that people who work in the hotel industry should fully understand the use of social media not only in order to use it as a promotional tool, and to get better profile of customers, but can also use it to learn more from their competitors. Thus, social media can be the main part of the marketing elements for business (Backer, 2012). In addition, there will be significant change of needs by changing customers' preference of choice behaviors (Fan, & Gordon, 2014).

With the development of technology, numbers of companies start to create and focus on their public account on social media. Their intention is to attract customers' satisfaction and new productions' promotion (Li, An, & Yang, 2008). Social Media offers a huge number of opportunities for hoteliers, as one of the variety kinds of social media, online reviews are playing an important role in hotel selections (Noone, McGuire, & Rohlfs, 2011). It provides real person feelings of the products or services to the customers who may never have experienced them before. This helps them in making decisions on hotel choice, which may get the same results as of advertising (Rosman, & Stuhura, 2013). As a type of promotional activity, the role of social

media is like a channel that can influence and drive customer's behavior of buying and image of

hotel branding (Noone, MacGuire, & Rohlfs, 2011). .

When compared with the 30% for Japan, 67% for United States, and 70% for South

Korea, 91% of Chinese survey respondents said that they had visited social media site in the past

six months (Millward, 2012). As the most-represented social media and social networking sites

in China, Sina Weibo and WeChat have attracted numbers of corporations, organizations, and

even government offices to join. Since Tencent released the function of public account platform

in August, 2012, there are 2 million subscription accounts users, and it keeps increasing at a rate

of about 8,000 new public accounts created every day (Tecent, 2013). This new kind of social

media is opening and leading Chinese people and businesses to a new information revolution

(Hou, 2014). Unlike WeChat, which is a kind of Mobile Instant Messaging application, Sina

Weibo is more like a Chinese style of Twitter that allows users uploading messages, reposting,

posting comments to others. According to the research did by Zhang and Rentina (2012), young

people in China are more willing to communicate with each other through social media, and

around 54.7% of Internet users in China own or visit blogs. They conclude that person's

behavior and motivation may significantly be influenced by Weibo usage.

Method

Research Instrument

The researchers wanted to get a more personalized result so there are two instruments

involved in this research, one is collecting data from the survey questionnaire, and another is

interviews with people who come from the hotel and tourism industry.

Since the target population is basically all the people in China, this survey was built upon

a Chinese professional questionnaire website written in Chinese and posted on the Internet. The

sample data was collected from the Chinese population (N=245). In general, the sample data were collected in two ways: either from the people who the researchers sent the questionnaire to or clicked into the survey by chance and/or volunteered to be involved in the study. The survey can be split into three parts, the first part are about basic questions related to the hotel, such as participants' hotel preference. The second part asks about the social media's influence when making decisions of hotel choice. The researchers wanted to observe whether people used social media as a reference for hotel choice or not. The last part of the survey are demographic features of the participants, which include gender and their age group.

Sampling and Data Collection

In total, the sample data that was collected by the questionnaire N = 245. Since the survey was posted online, all the samples are collected electronically. About 18% percent of the sample (n = 44) who volunteered to be involved in the study (click into the survey website by chance), and 82% of total sample (n = 201) were made by the people who received the link to the survey. Depending on their IP address, the participants were located all over China, most of them came from Anhui and Henan Provinces. Since this data was not collected randomly, there is more sample error and possible bias in the survey results.

Interview

For this research paper, five people who are working from different positions in hotel industry were invited for a personal interview. The main point of this interview was to find out the connection between social media and hospitality. This interview include five questions: Does their hotel or online tickets company own public account on Weibo or WeChat in China; how do they introduce new promotions to new customers; from the viewpoint of profit, how does the company use their public account in China; how do they handle the complaints which customers

post on their social media; and which part of the feedback that people chose a hotel by using

social media would they prefer (before customers check-in/check-out)?

Throughout the interview, all of companies were focused on their account's developing

social media at different degrees. This survey found out whether hotels or online tickets firms…

all of them had created their public accounts on social media such as Weibo or WeChat in China.

For example, Marriott, created their Weibo account and through the information they posted on it,

some of them celebrate that they have new hotel that will be opening soon, or when some is

festivals coming, like Valentine's Day, they will draw a lottery to give some rooms for free. Due

to the conclusion of this interview, all interviewees said their companies have more than one

public account on social media in China. They added their companies would like to post

promotions on social media because it is inexpensive, direct, and can disseminate quickly.

However, there are different viewpoints for different firms, where the emphasis on social media

is different. For example, Ya Fan, an associate who is working in an online tickets firm:

Yilong.com for department that handles complaints, said the firm will more focus on the guests'

feedback after they check-out. The reason is that sometimes a guest's complaint will not inform

them directly when it is the first time they learn to post it on the social media. Due to the

"butterfly effect", it will spread out rapidly and the loss that brings to the firm is difficult to

repair it. In addition, Tan Zhang, an associate who is working in Hilton, Wuhu, China, infers that

different department in hotels will focus on different parts about guests' satisfaction. The

department of reservation will more care about guests' impression and want to build a high

reputation for the brand equity. J.D. Power, a global marketing information services company,

which provides for performance improvement, social media and customer satisfaction insights

and solutions completed a study about North America Hotel Guest Satisfaction from 2012 to

2013 where the overall guest satisfaction have improved to 777 up 20 points. This study also found hotels should focus on guest's satisfaction for their quality and popularity.

In summary, researchers expect that this interview will really help this paper, specifically to show the importance for firm's public accounts on usage of social media. Moreover, the interviewee was able to give the preference and attitudes about guests for choosing a hotel.

Analysis and Results

Overall, from all the samples that researcher collected (N= 245), the demographic profile of the respondents' shows below as Table 1. There are 75 males (around 30.61% of the total samples) and 170 females (around 69.39% of the total samples) were participated in the study. In addition, most of people were come from the group of 21-30 years old (69.39%), about 7.35% of the participants are younger than 20 years old, 12.24% of sample belongs to 31-40 years old group, and 21 people come from the group of 41-50 years old which is 8.57% of total sample and only 2.45% of the respondents were older than 51 years old.

Table 1

Demographic Profile of the Respondents

Variable	Frequency	Percent
Gender		
Male	75	30.61%
Female	170	69.39%
Age group		
Younger than 20 years old	18	7.35%
21-30 years old	170	69.39%

31-40 years old	30	12.24%
41-50 years old	21	8.57%
Older than 51 years old	6	2.45%

The first section of the survey talks about the past hotel consumption, researchers wanted to know how frequently participants go to a hotel and what is the purpose for them to reside in a hotel. Table 2 below shows the result of the past hotel consumption. Following frequencies were always (16.33%), sometimes (80.82%), and never (2.86%). Within all 245 samples, 43 people (17.55%) lived in hotels because of business purpose, and 82.45% of total samples (202 people) chose to live in hotels for the entertainment reasons, such as traveling.

Table 2

Past hotel consumption

Variable	Frequency	Percent
Frequency of hotel consumption		
Always	40	16.33%
Sometimes	198	80.82%
Never	7	2.86%
Propose of hotel consumption in general		
Business	43	17.55%
Entertainment	202	82.45%

       Table 3 shows below displays the hotel preference, such as the type of hotel that people prefer and the elements that people believe influenced them the most. Both of these two questions are available to choose at most three of three answers. The type of hotel that most people are interested in are the economical hotel, which have 171 participants chose, which occupies 69.92% of the total sample. Since the large number of the people were interested in the economical hotel, the price of the hotel also become the most popular element that people felt influenced them when making hotel decision, which 71.84% of people to choose. Other than the economical hotel, special theme hotels had 42.04%, star hotels got 32.24%, and youth hotels had 17.96%. In addition, four people (1.63%) choose other hotels, and they indicated "other" as homestays. ***The top about three elements that influence decision making of hotel choice are: price (71.84%); location (68.16%); and online rating (33.06%).***

Table 3

Hotel Preference

Variable	Frequency	Percent
Hotel Type Preference		
Economical hotel	171	69.8%
Special theme hotel	103	42.04%
Star hotel	79	32.24%
Youth hotel	44	17.96%
Other	4	1.63%
Elements that influence decision		
Price	176	71.84%

Location	167	68.16%
Online rating	81	33.06%
Hotel reputation	73	29.8%
Past experience	65	26.53%
Friends' recommendation	40	16.33%
Promotion/discount	11	4.49%
Loyalty Rewards	7	2.86%
Other	5	2.04%

Hotel booking is one of the best ways to show whether a hotel is popular or not. According to the result of the survey past hotel experience displays as Table 4. Online website booking (64.49%) is the most popular choice for people, and other ways related to social media have high percentages as well: such as book through official website (29.8%), and mobile phone applications (29.8%). From the media that people got hotel information from, most of them got information from a web booking agency (72.65%), such as Yilong (one of the booking agency online, similar to the Expedia in United States). Moreover, other social media such as the official website (33.47%), mobile phone applications (19.18%), and Sina Weibo/aWeChat official account (15.1%) also play important rolls in transferring hotel information to customers.

Table 4

Past hotel experience

Variable	Frequency	Percent
Booking through (in general)		

Online website	158	64.49%
Call	81	33.06%
Official website	73	29.8%
Mobile phone APPs	73	29.8%
No booking, directly go to hotel	63	25.71%
Travel Agency	30	12.24%
Other	3	1.22%
Ways to get hotel information (in general)		
Booking web agency (Eg: Yilong)	178	72.65%
Friends	103	42.04%
Official website	82	33.47%
Mobile phone APPs	47	19.18%
Weibo/WeChat official account	37	15.1%
Others	17	6.94%

Since this study is focused on the relationship between social media and the hotel industry, the most important section in the questionnaire survey is about the social media background of the participants. Table 5 reveals that almost all the participants use Weibo/WeChat, the most common durations that people spent on Weibo/WeChat are 1-3 hours per day (42.45%), and only 1.63% of them neither use Weibo nor WeChat. However, almost half of the participants never followed a hotel official account or downloaded hotel mobile applications on their phone (46.12%). Other than that, people who followed official hotel

accounts or downloaded hotel applications are mostly by friends' recommendation (23.27%),

hotel events (20.82%), and past experiences of check-in (20%).

Table 5

Social media background (focus on Sina Weibo and WeChat)

Variable	Frequency	Percent
Duration on Weibo/WeChat per day		
Less than 1 hour	45	18.37%
1-3 hours	104	42.45%
3-5 hours	53	21.63%
More than 5 hours	39	15.92%
Never use before	4	1.63%
If follow/download an official Weibo/WeChat account of hotel/official hotel apps on mobile phone, and how long have you followed		
Yes, less than 6 months	42	17.14%
Yes, 6 months-1 year	49	20%
Yes, 1-2 years	22	8.98%
Yes, more than 2 years	19	7.76%
No, never follow/download	113	46.12%
Reason of follow/download hotel's official social media account/APPs		
Friends recommendation	57	23.27%
Hotel events	51	20.82%

Last time check-in experience	49	20%
Directly search	44	17.96%
Online blog	40	16.33%
Hotel posters/flyers	14	5.71%
Never follow/download	113	46.12%
Other	12	4.9%

From all the results above, we found that the social media does play an important role in the hotel industry by sending out hotel information before people booked it, and then helped people to book it. However, this study is focused on the hotel industry in China, which means the population is basically all the Chinese, which is around 1.3 billion people. The huge number of the population makes this study became extremely difficult to be properly surveyed. As "infinity" number of the population, and non-random sample size of 245 makes this study got around ±6.3% sample error.

Recommendations and Conclusions

From the study of the relationship between social media and the hotel industry in China, (although this study does not prove a positive relationship between them), we can still notice that social media does play an important roll in hotel industry in China. From the survey results, Table 6 below, about 71.02% of the participants are interested in the "push promotion" and discount from the hotel's official social media account or mobile applications. Also, the hotel booking function (60.41%) and product's introduction (35.1%) show more interest from respondents.

Table 6

Interest of hotel's official social media account/mobile apps functions

Variable	Frequency	Percent
Most interested function of hotel's official social media account/mobile APPs		
Push promotion/discount	174	71.02%
Hotel booking	148	60.41%
Product's introduction	86	35.1%
Membership information search	33	13.47%
Members registration	30	12.24%
Other	5	2.04%

In the future, if hotel companies in China want to promote their firm, they should not only put advertisement on media, but also pay attention on the social medias such as Sina Weibo, WeChat, and mobile phone applications that people regularly use, and pay attention to the functions that people care about (see Table 6).

The results of this survey indicates there is not a large difference in the performance of guest choice in hotel industry. The research in this study focused on how's guests' preferences and attitudes for choosing a hotel, and what is the key point that can influence a traveler to make the choice about a hotel in which to stay. Although, the survey failed to reject the significance between the relationship with optional hotels and customer's feedback, however, using social media is also important during people's lives due the development of a living standard in the hotel industry. Most of hotel and online tickets firms have already created their public accounts on social media, and focus on handling guest complaints in order to get high guest satisfaction.

In summary, this study may have many limitations, such as "infinity" number of population (large target population); flaws of the survey makes the 245 sample have much sample error, some of the questions are available for multiple answers, which may confound the survey data since some people may choose only one response and some other participant may choose multiple responses. Another element that may affect the accuracy of the study in this survey is online posts, which means the people who participated in this survey defaulted as people who use the Internet, but there are still a large number in the population who do not use the Internet. Social Media is naturally based on Internet, but online marketing could not represent all the social media (Chan, & Guillet, 2011). If there is a chance to make this study more accurate, the first thing that researcher needs to do is increase the sample size and have more variety in the sample (heterogeneous sampling). Then, try to be more rigorous and unambiguous in the questionnaire content, possibly employ experts in the hotel industry to establish the content validity.

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