The Influence of Social Media Marketing on Vietnamese Traveller’s Purchase Intention in Tourism Industry in Ho Chi Minh City

Mai Ngoc Khuong and Tran Thi Huong

Abstract—The purpose of this research was to investigate the relationship among online communication including online ads, online communities and electronic word-of-mouth (e-WOM) to purchase intention of Vietnamese travellers toward tourism products in Ho Chi Minh City, Vietnam in order to create more effective strategies on social media platform to attract more customer’s attention. Basing on the previous theoretical studies, the proposal framework was constructed. As a result, the study showed the significant role of trust as mediating factor between independent variables and dependent variable. More specifically, e-WOM and online ads had directly effect on purchase intention and online ads, online communities indirectly impacted on purchase intention through trust. Therefore, tourism companies should pay more intention on online ads as it was the most significant factor which affected purchase intention to attract more potential customers.

Index Terms—Social media marketing, trust, purchases intention.

I. INTRODUCTION

As the advent of internet, Social media has rapidly risen in popularity in the 21th century as a new marketing platform that allows users to connect with one another and engage with brands in general. According to “The art of listening social media toolkit for non-profit” [1] in 2013 there are numerous of people who use Twitter and Facebook with over 500 million users and over 1.11 billion respectively, and these numbers are growing every second. Especially, in tourism industry the social media plays an important role to gain more customers’ involvement and increase their purchase intention because the products of tourism field has long relied largely on destination reputation, consumer opinion, spread of information, and positive word-of-mouth advertising. According to Michaela Stelznel [2] in “Social media marketing report” 97% marketers indicated they are participating in social media marketing in doing their business and a significant 92% of marketers said that social media was important to their businesses.

Moreover, Vietnam has been becoming a country with the increasing number of users using the internet and number of domain rank at 8th in Asia, 18th worldwide and 2nd in South East Asia. The statistical report of the Vietnam Internet Network Information Center (VNNIC) [3] the number of Internet users in Vietnam is over 31 million (35.4%) and tend to increase in future. In addition, [4] among internet users 98.79% people use Facebook, following after is Zing me (54.73%). Therefore, it is high demand to understand deeply the behavior of Vietnamese traveller on social media platforms to build more effective marketing campaigns.

This study examined the relationship between e-WOM, online ads, online communities to purchase intention as well as well as investigated the role of trust as mediating factor between independent variables and dependent variables of Vietnamese travellers toward tourism products. Thereby, from the results of the study, marketers can develop more practical strategies to improve customer’s purchase intention and finally lead to purchase decision.

II. LITERATURE REVIEW

A. Purchase Intention

Purchase intention referred to the subjective judgment by the consumers that is reflected after general evaluation to buy products or services [5]. Purchase intention is defined as an “individual’s readiness and willingness to purchase a certain product or service [6]. Moreover, Purchase intention means a consumer prefers to buy a product or service because he/she finds that he/she needs a particular product or service, or even attitude towards a product and perception of product. In other words, purchase intention means consumer will buy a product once again after she or he evaluates a product and finds out that the product worth buying. While consumers select one particular product, the final decision on accepting a product to buy or rejecting it depends on consumers’ intention. Also, a large number of external factors have been recognized, which can affect PI [7]. The study of [8], they indicate Purchase Intention was affected by online communities, online advertising and e-WOM and the respondents were interested in engaging and giving their feedback on product through social media marketing medium to increase purchase intention.

B. Trust

Trust is defined as the positive expectation on tourism products or services without having prior experience about those after consumer’s awareness is exposed to product information which is likely perceived to be credible [9]. According to [10] essentials of trust includes 5 characteristics and definition. Especially in tourism industry, he clarified the definition of trust mainly about the relationship among users. They are “Trust is reliance, and belief that such reliance on others will result in rewarding relationships, Trust is a
reflexive relationship of engagement that lasts over time. Trust is natural. The ‘cunning of trust’ presents itself when trustworthiness is conspicuously displayed in the presence of a third party, and Social power is a key threat to a trusting relationship, turning trust into conflict or negotiation". Furthermore, [11] they indicated that trust as a mediating factor which affected their traveller intention. Customers generated the information on media and they perceived whether it trustworthiness or not before making any decision. [12]. Consumers generally used social media during the research phase of their travel planning process; and trustworthiness was a key antecedent in determining their decision on using information on social media to lead to the purchase intention. In addition, [13] found out the role of electronic Word-of-Mouth and trust effect on purchase intention which trust played as a mediating factor between.

C. Online Communities

Online communities consist of individuals with congruent social needs. Personal relationships confirm the feeling of engagement that is a base for the certain level of loyalty to the community. Member’s contributions to the community consist of the information content they produce i.e. comments, feedback, attitudes and beliefs as well as informative needs [14]. Forum are online communities formed around a specific interest and are usually divided into specific topic areas [15]. The study of [16] proved that online communities had positive impact on purchase intention and members of online brand communities had high purchase rates and were likely to recommend the brand to friends. Moreover, the role of trust on online communities that provides the information in order to determine the customer’s intention to follow the advices toward tourism products was examined in [17].

D. Online Advertising

Online advertising, also called online marketing or Internet advertising is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. It includes email marketing, search engine marketing (SEM), social media marketing, many types of display advertising (including web banner advertising), and mobile advertising. [18]. [19] concluded the significant impact online advertising on purchase intention.

E. Electronic Word of Mouth (e-WOM)

According to [20] define electronic Word of Mouth as being: “Any positive or negative statement made by potential, actual, or former customers about the product or company which is made available to a multitude of people and institutions via the internet”. Explaining by [21] “e-WOM was found to play a very important role on purchase intentions. Furthermore, this study found that positive e-WOM is positively related to purchase intentions and has a greater effect on purchase intentions than ads”. The result from the study of [8], [13] also concluded that e-WOM affected directly and indirectly to purchase intention.

F. The Proposed Hypothetical Model

Fig. 1 illustrates the hypothetical causal model of this study, which was applied from previous studies.

H1: E-WOM positively and directly affects trust
H2: Online advertising positively and directly affects trust
H3: Online communities positively and directly affect trust
H4: E-WOM positively and directly affects traveller’s purchase intention.
H5: Online advertising, positively and directly affects traveller’s purchase intention.
H6: Online community positively and directly affects traveller’s purchase intention.
H7: Trust positively and directly affects traveller’s purchase intention.
H8: E-WOM positively and indirectly affects traveller’s purchase intention through trust
H9: Online advertising, positively and indirectly affects traveller’s purchase intention through trust
H10: Online community positively and indirectly affects traveller’s purchase intention through trust

III. METHODOLOGY

A. Questionnaire Design and Data Collection

Quantitative method was mainly applied with primary data collected by using paper questionnaires. All items of dependent and independent variables were measured by using five-point Likert scale, ranging from 1 is “strongly disagreed” to 5 is “strongly agreed”.

The target population was mainly young officers who had high demand for traveling and highly engaged with social media marketing. The questionnaires were distributed directly to respondents in the center of Ho Chi Minh city (HCMC) which had numerous of big offices such as the area of district 1 and district 3.

The pilot test N=20 was also conducted to ensure the completely understanding questionnaire from respondents. After collecting the feedback and modification, the final questionnaires were directly sent to and filled by 286 qualified respondents in HCMC.

B. Data Analysis

The study used SPSS (Statistical Package for the Social Sciences) version 21.0 to analyze the data. Exploratory Factor Analysis (EFA) and Reliability Test were conducted firstly to identify the interrelationships among a set of variables and to ensure the reliability and validity as well. After that, multiple regression and path analysis were also tested to investigate the causal relationship between independent variables and dependent variable.

C. Factor Analysis and Reliability

Two exploratory factor analysis (EFA) were tested with Kaiser-Meyer-Olkin and Bartlett’s test of sphericity, and
Varimax Rotation of 28 items of independent variables and 15 items of dependent variables. The KMO measure of sampling adequacy for both groups of Independent (KMO=.826) and dependent variables (KMO=.827) were greater than the minimum value for a good factor analysis .60 [22]. In addition, Bartlett’s test of sphericity was significant (Sig. =.000), indicating the sufficient correlation between the variables.

TABLE I: SUMMARY OF INDEPENDENT VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. Items</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Online Communities (ONLICO)</td>
<td>7</td>
<td>.782</td>
</tr>
<tr>
<td>Online advertising (ONLIAD)</td>
<td>4</td>
<td>.674</td>
</tr>
<tr>
<td>Electronic word of mouth (E-WOM)</td>
<td>3</td>
<td>.631</td>
</tr>
</tbody>
</table>

TABLE II: SUMMARY OF DEPENDENT VARIABLES

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. Items</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intention (PURINTE)</td>
<td>6</td>
<td>809</td>
</tr>
<tr>
<td>Trust (TRUST)</td>
<td>5</td>
<td>690</td>
</tr>
</tbody>
</table>

TABLE III: PERSONAL INFORMATION (#=286)

<table>
<thead>
<tr>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>121</td>
<td>42.3</td>
</tr>
<tr>
<td>Female</td>
<td>165</td>
<td>57.7</td>
</tr>
<tr>
<td>Age group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18-25</td>
<td>123</td>
<td>43</td>
</tr>
<tr>
<td>25-35</td>
<td>162</td>
<td>56.6</td>
</tr>
<tr>
<td>35-45</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>High School</td>
<td>4</td>
<td>1.4</td>
</tr>
<tr>
<td>Vocational School</td>
<td>7</td>
<td>2.4</td>
</tr>
<tr>
<td>College</td>
<td>90</td>
<td>31.5</td>
</tr>
<tr>
<td>University</td>
<td>184</td>
<td>64.3</td>
</tr>
<tr>
<td>Postgraduate</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 mil VND</td>
<td>180</td>
<td>62.9</td>
</tr>
<tr>
<td>5-10 mil VND</td>
<td>84</td>
<td>29.4</td>
</tr>
<tr>
<td>10-15 mil VND</td>
<td>11</td>
<td>3.8</td>
</tr>
<tr>
<td>15-20 mil VND</td>
<td>4</td>
<td>1.4</td>
</tr>
<tr>
<td>&gt; 20 mil VND</td>
<td>7</td>
<td>2.4</td>
</tr>
<tr>
<td>Social Media Type</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facebook</td>
<td>225</td>
<td>78.7</td>
</tr>
<tr>
<td>You tube</td>
<td>104</td>
<td>36.4</td>
</tr>
<tr>
<td>Zing me</td>
<td>26</td>
<td>9.1</td>
</tr>
<tr>
<td>Trip Advisor</td>
<td>73</td>
<td>25.5</td>
</tr>
<tr>
<td>Cong Dong Du Lich</td>
<td>60</td>
<td>21</td>
</tr>
<tr>
<td>Blogs</td>
<td>7</td>
<td>2.4</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Read review</td>
<td>174</td>
<td>60.8</td>
</tr>
<tr>
<td>Watch Online ads</td>
<td>155</td>
<td>54.4</td>
</tr>
<tr>
<td>Find Information</td>
<td>145</td>
<td>50.7</td>
</tr>
<tr>
<td>Other activities</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Table I represents the results of EFA test of independent variables including online ads, online communities and e-WOM which divided into three groups as the same as proposal model. All of the factor loadings of remaining items satisfy the minimum requirements .5 [23] which range from .560 to .793. Moreover, The Cronbach’s alpha values that used to estimate the internal consistency between items in each factor online communities, online advertising, e-WOM were .782, .674, .631 respectively. Those number considered acceptable (above 0.6) while the more acceptable value should exceed .70 [24].

Table II shows the results of EFA of dependent variables (Trust, purchase intention). The factor loadings of remaining items from .536 to .735 which are satisfied the requirement.

In addition, the Cronbach’s alpha of trust and purchase intention after EFA test were .690 and .809 respectively (above 0.6)

These results implied the reasonable internal consistency among items in each factor.

IV. RESEARCH FINDINGS

A. Profile of Sample

The summary of personal information is showed in the table III including demography and few questions about how travellers use social media platform.

B. Factors Affecting Trust and Purchase Intention

In order to test the research hypotheses, two multiple regression analyses were employed. The first multiple regression was conducted to find the effects of ONLIAD, ONLICO, and E-WOM on TRUST. The second one was conducted to identify the effects of the three dependent variables and TRUST on PURINTEN.

From the result of table IV, three factors were positively correlated with TRUST. Specifically, the correlation value of each factor respectively equals to \(r= .309\), \(p<.05\) for online advertising, \(r= .441\), \(p<.05\) for online communities and \(r= .131\), \(p<.05\) for electronic word of mouth. However, there were only two of three factors have significant direct effects on TRUST according the multiple regression test. They were online communities and online advertising with \(\beta= .390\) and \(\beta= .193\) respectively . The Pearson correlation analysis results also showed that four factors had positive associations with purchase intention. The strongest correlation to the lowest correlation are online advertising, trust, e-WOM, online communities with \(r= .356\), \(r=.337\), \(r=.279\) respectively. However, there were three variables out of four had significantly direct effects on purchase intention including trust, online advertising, electronic words of mouth with the significant level lower than .05. The strongest contribution to purchase intention among variables was online advertising with \(\beta= .294\), \(p<.000\) and followed after were trust and e-WOM with \(\beta= .257\), \(p= .000\) and \(\beta= .193\), \(p=.001\) respectively. The \(R^2= .279\) implied that four factors could explain 27.9\% the variation of purchase intention.

C. Indirect Effects of Return Intention

The indirect effect of an independent variable on the dependent variable through the mediate one is the total
product of the effect of that independent variable on the
mediate variable and the effect of the mediate variable on the
dependent variable [25].

As mentioned, trust was positively affected by two factors
including online communities ($\beta=.390$, $p=.000$) and online
advertising ($\beta=.183$, $p=.000$). These two factors directly
impacted on trust and then trust also had directly affected on
purchase intention with $\beta=.257$, $p=.000$. In other word,
online communities and online advertising had indirectly
influence on purchase intention through trust which was
mediating factor between independent variables and
dependent variable. In conclusion, the more travellers trust
on online advertising and online communities, the higher
they intend to purchase products.

D. Significance of the Indirect Effects

Table V shows the results of the bootstrapping method
recommended by [25] to test the significance of indirect
effects or mediations. The output provided the bootstrapped
confidence intervals (at the 95%). If there is a ZERO (0) lies
within the interval range between the lower boundary (LL) and
the upper boundary (UL), then we can conclude that,
with 95% confidence, there is no mediation or indirect effect.
On the other hand, if zero does not occur between the LL and
the UL, then we can conclude that, with 95% confidence, the
mediation or indirect effect is significant [26]. It is obvious
that the indirect effects of online communities, online ads and
e-WOM on PI through trust were estimated to lie between
.0548 (LL) and .1514 (UL), .0237 (LL) and .1006
(UL) and -.0365 (LL) and .0109(UL) with 95% confidence,
respectively. Because zero is not in the 95% confidence
interval of two factors including online communities and
online ads, we can conclude that the indirect effects of these
two factors on PI were indeed significantly different from
zero at $p < .05$ (two tailed) and the mediation of trust in this
study was true.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Causal Effects</th>
<th>LL</th>
<th>UL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Direct</td>
<td>Indirect</td>
<td>Total</td>
</tr>
<tr>
<td>ONLICO</td>
<td>---</td>
<td>.100</td>
<td>.100</td>
</tr>
<tr>
<td>ONLIAD</td>
<td>.294</td>
<td>.047</td>
<td>.341</td>
</tr>
<tr>
<td>e-WOM</td>
<td>.193</td>
<td>---</td>
<td>.193</td>
</tr>
<tr>
<td>TRUST</td>
<td>.257</td>
<td>---</td>
<td>.257</td>
</tr>
<tr>
<td>TOTAL</td>
<td>.744</td>
<td>.147</td>
<td>.891</td>
</tr>
</tbody>
</table>

E. The Causal Effects of Return Intention

Fig. 2 shows all the significantly direct effects toward
purchase intention. In addition, table VI represents the total
effect of independent variables including indirect effect,
direct effect and mediating variable on PI. From this table, it
was obvious that online ads had the strongest effect on
purchase intention with total effect equal .341 and $\beta=.294$.
Following after that were e-WOM and online communities
with $\beta=.193$ and $\beta=.035$ respectively. In addition, the total
effect of these factors on PI was .891 which total direct effect
(online ads, online communities, e-WOM, and trust)
accounted for more than 80% and the rest was indirect effect
with nearly 20%.

V. DISCUSSIONS AND RECOMMENDATIONS

A. Discussions

The result of this study supported the proposal model in
some extents, which not only proved the relationship among
variables but also found out the significant role of trust as
mediating factors between independent variables and
dependent variable. More specifically, online ads and
e-WOM had the direct effect on PI and online ads and online
communities affected PI through trust. In other word, the
more travellers trust the information which they perceived on
online communities and online ads, the higher they intend to
purchase products.

Many researchers investigated the role of these online
communications on purchase intention. The study of [8]
found that the online marketing communication, especially
online advertising, online communities and e-WOM have
directly effective effect on purchase intention through
company’s website and social media platform. However, the
result of study is slightly difference. Among three
independent variables, there are two variables that have
directly effect on purchase intention including online
advertising and e-WOM. Online communities have indirectly
effect on purchase intention through trust. The reasonable
explanation for this result is that due to the huge information
comes from the members on online communities who are
mostly stranger to each other, therefore travellers need to a
process to assess whether it trustworthy or not before they
associate with the high intent of purchasing and trust is
considered a mediate factor which is influenced by online
communities.

The study of [18] found that online advertising has
positively and directly effects on purchase intention and in
term of online advertising characteristic, location of ads is the
most important factor that attack customers’ attention. Another
study of [19] also supported that the online advertising
including advertising design, advertising content and
advertising attitude has significant effect on purchase
intention. Besides, the result from the previous studies, the
contribution of this study is examined that online advertising
also have important impact on purchase intention indirectly
through trust.

Regarding to the e-WOM, the study of [13] found that the
direct impact of e-WOM to purchase intention and the
indirect influence of e-WOM to purchase intention through
trust. However, this study is investigated the only direct
influence of e-WOM to purchase intention, there is no role
for mediate factor as trust.

In conclusion, the results of this study are summarized and
presented in Table VI below. All hypothesis are clarified which provides for marketers better understanding and insight about social media marketing in Vietnam tourism context to create more efficient campaigns to increase customer’s purchase intention.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Beta</th>
<th>Sig.</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: E-WOM -&gt; Trust</td>
<td>-.044</td>
<td>.406</td>
<td>Rejected</td>
</tr>
<tr>
<td>H2: OnlineLIAD -&gt; Trust</td>
<td>.183</td>
<td>.001</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: OnlineICO -&gt; Trust</td>
<td>.390</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: E-WOM -&gt; PI</td>
<td>.193</td>
<td>.001</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5: OnlineLIAD -&gt; PI</td>
<td>.294</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6: OnlineICO -&gt; PI</td>
<td>.035</td>
<td>.599</td>
<td>Rejected</td>
</tr>
<tr>
<td>H7: Trust -&gt; PI</td>
<td>.257</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H8: E-WOM -&gt; Trust</td>
<td>-.047</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H9: OnlineLIAD -&gt; PI</td>
<td>-.043</td>
<td>.000</td>
<td>Accepted</td>
</tr>
<tr>
<td>H10: OnlineICO -&gt; Trust</td>
<td>.1</td>
<td>.000</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

B. Recommendation for Tourism Company

The findings of this research proposed some recommendations for Tourism Company in Ho Chi Minh City in specific and in Vietnam in general.

Firstly, online advertising also has stronger impact on purchase intention than e-WOM. Therefore, it is crucial to take into account on online advertising on social media platform. According to [18] among the characteristics of advertising, the location was the most important factor which contributed to attract attention from customers. In addition, the result was found by [27] on the determinants of online advertising effectiveness, he indicated that the bigger advertisements are the more effective in attracting attention and hence more likely to response. It is reasonable because before customers evaluating the quality of the content and the trustworthiness of all information they receive, the first step they have to do is click on the advertising, therefore the appearance as well as the location of advertising is significant importance. The effort of advertising campaign is failed if customers do not click on the advertising. Therefore, marketers should take into account to online advertising and post it more on Facebook as the highest percentage of engagement of Vietnamese travellers (78%). More importantly, they can use the advertising option which is offered from Facebook. For example, sponsor boost is popular among the advertising options that is expanded the target potential customers for companies because not only the people who see the advertising but also their friends in their list can see this advertising too however, as the discussion in the previous section, the location and the size of the advertising is considered carefully to attract more potential customers.

Secondly, more and more people tend to review the feedback of the other people before making any decisions due to the huge information which they receive on the internet. Therefore, it is necessary for companies to encourage the current customers giving their good feedback on Trip Advisor (25.5% Vietnamese use it) and in return, giving rewards to customers who posted their feedback on Trip Advisor by offering the discount or vouchers for them. It is not only maintain the close relationship with current customers but also it is good way to prove to potential customers that the services of companies are worthy to spend money on and it is illustrated by experiences of previous customers therefore potential customers are more positive about the companies and the rate of purchase intention is higher.

Thirdly, marketing campaign of any companies could be problematic without understanding clearly the insight of customers. According to [28] found that travel consumers would develop purchase intention if they perceive the outcome of consumption to be similar to their past positive consumption experiences. Self-identification while reading the travel stories would also lead to intention to consume the products. It other words, it is fundamental to know the customer’s opinion. Therefore, it is necessary to create the website for customer’s feedback. There are two reasons to support this idea. Frist, customers can feedback through email of the company or others online communication, however by creating the new website for the feedback only it show how the professional company is and how the company appreciate the suggestion from customers. Moreover they will get more detail feedbacks from customers to gain the better insight and from that point the marketers can develop the marketing campaign on social media platform to attract potential customer and end with the high intent of purchasing.

Finally, in term of online communities and e-WOM, customers can give both negative and positive feedback and according to [29] suggested that negative e-WOM could have an overwhelming impact on a destination image and can ruin the brand of the companies. Therefore, companies should instantly offer an explanation and demonstrate how they are attempting to recover a service failure to unsatisfied customers immediately if there is a problem on products, service, or operation and never try to hide the negative feedback from customers because it is the fastest way to ruin the reputation of companies.

VI. CONCLUSION

The study successfully investigated the causal relationship between three independent variables including e-WOM, online ads and online communities to purchase intention by indirect and direct effect through trust. Especially online advertising had the most significant effect to purchase intention of Vietnamese travellers so marketers should take it into account to create more effective campaigns. However, there were still some different results from previous study due to the different context in Viet Nam.

The results of this study can be considered as valuable sources for further research in Viet Nam about behavior of travellers and how they are affected by social media marketing.

REFERENCE


