



The effects of online social networking on retail consumer dynamics in the attractions industry: The case of 'E-da' theme park, Taiwan



Anestis K. Fotiadis ^{a,*}, Nikolaos Stylos ^b

^a College of Communication & Media Sciences, Zayed University, P.O. Box 144534, Abu Dhabi, UAE

^b Department for Marketing, Innovation, Leisure and Enterprise, University of Wolverhampton Business School, MN Building, Nursery Street, City Campus Molineux (North), Wolverhampton WV1 1AD, UK

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ABSTRACT

Purpose of this study is to examine the trends in retail consumers' consumption dynamics and patterns of purchase behavior within this new-technology-mediated environment. A behavioral purchase model was developed and tested to understand the ways social networks influence the decision making of individuals planning to visit a theme park. In particular, the proposed model delineates how online social networking (OSN) experience factors affect actual use (AU) of social media for purchasing of theme park services through an assessment of perceived usefulness (PU) and perceived ease of use (PEOU). An electronic survey was conducted with members of a theme park's brand fan page on the Facebook social media site namely, the E-da World theme park in the southern Taiwanese city of Kaohsiung. Smart PLS 3, a partial least squares analysis, was employed to examine a series of eleven research hypotheses. The findings revealed a series of statistically significant influences from five exogenous variables on PU and PEOU, as well as the mediating role of PU on the PEOU–AU relationship. The results also provide important practical implications both for academics and practitioners by shedding light on the way social media works to encourage and support online purchasing of amusement services.

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1. Introduction

The start of the new millennium has been uniquely characterized by the rapid adoption of personal electronic communications, which through the extension to smartphones and tablet PCs has enabled consumers to share their behavior, feelings and experiences with other individuals and organizations via the Internet and social networking sites in particular (Popp and Woratschek, 2015). From those beginnings online communities that have developed that actually exhibit many aspects now characterized as contemporary social life (Jahn and Kunz, 2012). These communities now have great relevance to their members who may derive part of their own self-concept from “knowledge of their membership in a social group together with the value and emotional significance attached to that membership” (Tajfel, 1981, p. 255). Interactions within these online communities influence both members' and non-members' attitudes and behavior (Algesheimer et al., 2010) and may be instrumental in enhancing purchases in many consumer markets (Adjei et al., 2010). Along with extensive financial and business discussions many current academic investigations demonstrate that a wide mixture of retail services and products is now driven

by ‘smart’ electronic technologies (Roh et al., 2009; Theodoridis and Priporas, 2009, 2013), which have impacted on organizational processes and selling activities in a number of ways (Pantano and Timmermans, 2014): (i) providing new ways of collecting and transferring knowledge from and to consumers and managing information for developing new marketing strategies, (ii) creating smart partnerships with clients (who are actively involved in service co-creation), and (iii) supporting the emergence of new sources of competitive advantage within the social commerce sphere (Litvin et al., 2008). In addition there is evidence that they are changing the nature of contemporary society especially in their interaction with the commercial world where, for example social media communities related to a specific company or brand may contribute to the formation of hybrid retail channels that are alternatives to the ones traditionally offered for product distribution because the new generation of systems enriches organizational capabilities and management practices with innovative and cost-effective marketing options (Pantano, 2014).

Theme parks are a central feature of the amusement park and attractions industry (IAPPA, 2012) and contribute significantly to many Asian economies by generating both revenue and employment. Being at the forefront of modern technological and engineering applications for both operations and communications has always been a feature of the industry since the first theme park in its modern form appeared in the USA in 50s (Pais et al., 2001). Today, the modern theme

* Corresponding author.

E-mail addresses: anesfotiadis@isu.edu.tw (A.K. Fotiadis), n.stylos@wlv.ac.uk (N. Stylos).

park forms a unique retail environment in the ‘smart’ tourism context, with services and merchandise being sold to visitors both off-line and online (Rosen and Howard, 2000). In many cases, these entertainment centers are part of large retailing complexes (Feeny et al., 1996; Fotiadis, 2016). Themed retail stores, restaurants and food outlets are located inside the theme park and sales of a wide variety of merchandise are regularly taking place (Fotiadis and Vassiliadis, 2016). The unique retail environment of the theme park means that profits can be significantly increased because of these stores and their strong appeal to the retail consumer (Kumar and Reza, 2003). Today, smart consumer technologies, such as smartphone apps and online portals, have also become an indispensable component of leisure experience and have greatly influenced the visitors’ purchasing behavior (Wang et al., 2016). Smartphone apps of existing social networking platforms have increased penetration and extended awareness of products and services to the wider network of internet users due to their ubiquitous and flexible nature of communication (Kim and Lee, 2015; Persaud and Azhar, 2012; Wang et al., 2014). For instance, there are 24 theme parks operating in Taiwan and all of them have their own fan pages in Facebook. This seems to imply an understanding of the benefit that Flavian and Guinaliu (2006) noted – social media members seek comprehensive and direct information that assists in better evaluation of goods or services. However, in the Web 3.0 era, digital marketing communications not only play an important role in amplifying customers’ information exchange and awareness but also support direct purchase through an attraction’s retail service operations, reservation systems and customer relationships, thereby facilitating service, retail and associated goods sales (e.g. entertainment attractions, rides, and souvenirs) (Floyd et al., 2014).

It should be noted that up until now most research regarding the contribution of online social networking to the marketing of theme parks has focused on the role of electronic word of mouth communication and its effect on the formation of positive attitudes (Hsu, 2012; Murray and Waller, 2007; Weber, 2009). These studies examined the impact of social networks on people’s interactions and information exchange, e.g. sharing of common interests, goals, activities, comments, thoughts, and opinions before-during-after theme park visits (Boyd and Ellison, 2007; Kim et al., 2010). However, Huang and Benyoucef (2015) demonstrated that a gap in these investigations is the lack of a systematic model that delineates and operationalizes the relationships among the various antecedents of perceived usefulness (PU) of social networking and actual use (AU) of social media in the context of the entertainment industry and theme parks in particular. In addition there is limited research about how those antecedents of social networks involvement in general (and Facebook in particular) are able to boost theme parks’ sales revenues from entrance tickets, souvenirs and other memorabilia.

Addressing these issues, this study sets out to investigate how the use of social networking platforms influences actual online purchase behavior of individuals. In particular, the effects of the five online social networking (OSN) experience factors remain uncertain (Agarwal and Karahanna, 2000; Kim and Lee, 2007; Kim et al., 2008; Kwon and Wen, 2010) and knowledge of the use of social media in purchase decision making (AU) and how it operates through two dimensions of usefulness – PU and PEOU (Davis, 1989) – is required. To do so, a modified version of Technology Acceptance Model (TAM) originally developed by Davis (1989) is applied to the attractions industry using the views provided by Srite and Karahanna (2006) and additions suggested by Turner et al. (2010). The applicability of this set of the five OSN factors was confirmed on the basis of a broad literature review as factors relevant to social networking and include: social identity (Kwon and Wen, 2010; Mittal and Pani, 2010), interaction (Seol et al., 2016; Srivastava and Kaul, 2014; Wang and Yu, 2015), information (Cheung et al., 2011; Hsu, 2012), structure (Czerwinski and Larson, 2002; Tan and Wei, 2006) and recognition (Blackshaw and Nazzaro, 2006; Kim et al., 2014).

The primary objective of this study is to unravel the nature of those factors associated with the importance of social networking platforms in selecting and purchasing theme park services that are over and above the idea of information sharing (Boyd and Ellison, 2007; Kim et al., 2010). The second objective aims at highlighting the pivotal roles of use and perception (both PU and PEOU) in an explanatory mechanism for understanding the relationship between the five OSN experience factors and the AU of social media as a precursor to online purchasing of theme park services.

This research makes important theoretical and practical contributions to the area of retail consumer dynamics within a leisure industry context. Theoretically, it sheds light on the complexity of relationships between the online experience factors and OSN users’ perceptions, which may ultimately influence the actual use of OSN for online retail purchases (Constantinides et al., 2009; Xu-Priour et al., 2014). From a practical viewpoint, this study draws attention to the antecedents of online users’ buying behaviour that might serve as a basis for creating well targeted OSN communication activities to support the online retailing of goods and services in the amusement and leisure industry (Rose et al., 2011; Sotiriadis and van Zyl, 2013; Toñita Perea y et al., 2004).

2. Literature review

2.1. Social media, retailing and theme park services

Operating in a consumption-driven society, organizations are actively seeking ways to differentiate their brands by promoting memorable experiences, rather than just specific product attributes (Hollenbeck et al., 2008). For example most organizations in the attractions industry have already made their websites available in mobile device formats and use online social networking actively as a channel for most of their marketing and sales-related promotions in an effort to respond to visitors’ demand for online services mobility (Funk, 2007; Larivière et al., 2013). As Laroche et al. (2012, p. 1763) noted “brand communities established on social media enhance feelings of community among members and contribute to creating value for both members and the company” where the members of these online communities feel intrinsically connected because they share similar interests, values, thoughts and even philosophies of life (Muniz and O’Guinn, 2001; Zaglia, 2013).

Renko and Druzijanic (2014) indicate that retail managers now predict that social media will be one of the technologies with the most significant impact on the current and future retailing. Chung et al. (2016) move one step further suggesting a segmentation of consumer clusters based on the relationship with social media and promotional activities in retail environment, i.e. social observers, active contributors, social connectors, and moderate contributors. Addressing the impact of social media on retailing directly, Echchakoui (2015) postulates that social media affects direct retail sales of goods and services through social network marketing communication by creating value for customers through firm/sales promotion, reducing customers’ risk, and promoting sales trustworthiness. Hence, online social networking sites, dominated by Facebook (Waters et al., 2009) offer much more than just additional opportunities for socializing, information transmission, exchange of ideas, personal interaction, sharing interests and exploring activities – they are an exciting new emerging vehicle linked to the actual buying process for goods and services retailing (Constantinides et al., 2009; Kwon and Wen, 2010). Specifically, a successful social media retail campaign would potentially offer an integrated social commerce platform allowing opportunities for self-creation, creating mass visibility, converting prospects to customers and increasing spending of existing customers (Chung et al., 2016; Kumar et al., 2010). Going even further, Andzulis et al. (2012) note that social media sites can undergo a transformation process toward functioning as complementary sales channels or in some cases even taking over as the primary distribution channel. The same researchers

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