THE EFFECT OF SOCIAL MEDIA ON HOTEL INDUSTRY CUSTOMER DECISIONS

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Media and hotel industry-How web information can influence customer decision

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ABSTRACT

This study examined the impact of social media on customer perceptions of marketing information. Traditional internet sources of marketing information were compared to web sources that included customer blogs.

Blogging is one of the most important social networking tools, and the Travel and Tourism Industry today has discovered that blogs have not only positive impacts but also negative ones if not managed properly. As blogs become more and more popular as a social media tool, knowing how the blogs can influence consumer decisions can definitely help the hotel managers make competent decisions regarding the use of social media in their marketing strategy.

The sample in this study consisted of faculty and staff members from a Midwest public university who responded to an invitation to participate. The entire accessible population of faculty and staff was randomly assigned to three survey groups, with each group receiving a different website to review before completing the survey (hotel web site, versus positive blog versus mixed blog). The result was a total of 98 responses. The hotel web site group consisted of 35 respondents (15 male, 20 female). The respondents previewed a website profiling a fictional hotel. The positive blog group was a total of 25 (7 male, 18 female).The positive blog group received the same web site, but also a fictional blog site with positive statements about the hotel. The mixed blog group consisted of 38 respondents (9 male, 29 female) who also received the hotel website, and also a fictional blog consisting of a mixed of positive and negative statements.

The survey was composed of three segments: a demographic section, perceptions of bias and trustworthiness section, and a likelihood of future use or referral to a friend

section. It was hypothesized that those who received positive blog information would perceive the profiled hotel more positively than the other two groups. Likewise, those who received mixed blog information would perceive the hotel more negatively than the other two groups.

The results of the study show that respondents perceived the hotel in the most favorable manner when neither a positive nor mixed blog was included. Findings suggested that hotel managers should be very cautious in providing blog opportunities, have a way to interact and clarify for the customer when negative comments or posts happen, have a plan of action, a mechanism for monitoring, and a professional approach to social media.

CHAPTER I

INTRODUCTION

Over the last few years, social media (SM) marketing has demonstrated huge growth, and gained significant attention in global-interest media. As example of the power that social media can carry, The New York Times (March, 2006) reported that a popular blog endorsement recently helped one company grow its sales from $100,000 to $4 million (Jaret, 2006). Advancements in technology have been a key part of recent growth in the potential to market through social media. Web 2.0 brought a great change in the online user's behavior. In the beginning, websites were mainly personal, static, and published by the website owner in a manner that only allowed visitors to view the web content. However, in web 2.0, websites are dynamic, interactive, and collaborative, and the users are actively participating in the generation or development of the content. This change in the user behavior forces companies to use a new tool to communicate with customers, namely social media (Chan & Guillet, 2011).

Even though social media is a relatively new media, its worldwide popularity is undeniable. According to comScore (2008, 2009a, 2009b), social media reached a penetration of 70.2%, 74.6%, and 60.6% in the United States, Europe, and Asia-Pacific respectively. Today, it is not a good idea to rely only on traditional media for marketing, nor is it acceptable for companies to just move offline sales materials to online. Companies should know how to utilize this interactive media to communicate with their customers. If used effectively, social media can be used as a tool to build brand loyalty within the community, develop relationship with consumers, and create an online distribution channel (Chan & Guillet, 2011). As a result of this growth, blogging and

other forms of social media have been embraced by many companies, yet to date marketing through SM has received surprisingly little academic attention (Colliander & Dahlen, 2011).

Social media marketing is full of potential branding opportunities. Without a doubt, social media marketing can assist as an instrument for building brand awareness, researching consumer opinion and crowd sourcing, detecting opinion leader, driving traffic to brand websites, spreading specific messages virally, developing a consumer database , instilling credibility and trust in a brand , and improving a brand image (Tuten, 2008).

Social Media Marketing and the Hotel Industry

One area where social media marketing has significant potential is the hotel industry. This may be especially true in regard to international markets where traditional media may be impeded by geographic or cultural barriers. It is easy for key information to get lost in translation between travel marketers and their consumers, especially for international jetsetters unfamiliar with the countries to which they are going. The most effective way to solve this cross-cultural gap has been direct response marketing employed through the use of social media and online platforms (Jones, 2010).

Lauren O'Reilly of Tablet Hotels says, "social media gives you an immediate doorway to your client" (p. 27), permitting you to get immediate and direct feedback from your customer, so you can serve them better. Instead of sending every client one blanket message, social media allows two-way communications with the potential consumer on a more personal level, or engages a group of consumers interested in a specific topic. This allows your consumers to interact with your brand (Jones, 2010).

Chan and Guillet (2011) have noted that hotels have implemented extensive marketing efforts through Facebook, twitter, and other forms of social media to promote their services, and products offering discounts and specials to generate potential consumers. Other popular activities included responding to clients' reviews, handling complaints, and holding contests. Beside Facebook and Twitter, YouTube (38.8%), Flickr (26.9%), and Trip Advisor (23.9%) are among the social media sites used in the hotel industry. Hotels mostly used YouTube to display advertisements that show the company's distinctiveness as well as introduce the company's product and services to guests (Chan & Guillet, 2011). Many hotels used Flickr to show photos of the hotels interior. About 24% of hotels reply to customer reviews on Trip Advisor and 75% of these properties provided personalized responses (Chan & Guillet, 2011).

Negative Side of Social Media

Even though blogging is considered to be a significant social networking tool, today the Tourism Industry realizes that blogs could have a negative impacts as well as positive impacts if not managed carefully. As blogs becoming more and more popular as a social media tool, some implications develop. These implications consist of the increasing power of technology, increased influence of communities and decreased influences of institutions/marketers. It is true that blogs can be a powerful source of "word of mouth" but they can also be a source of negative influence from unhappy customers. The industry needs to start looking at blogs in a more serious way. The publisher may need to consider the question such as "What strategies need to be taken to deal with a new form of customer communication?" (Thevenot, 2007, p. 82).

Online Reviews

Tourism is one of the largest industries in the world, accounting for 11.7% of world GDP. Nowadays, the internet plays an important role in travel planning process and travel reviews are mainly popular. Sites like Trip Advisor, Travelocity, and Frommers permit customers to submit both qualitative and quantitative data feedback, on their travel experiences. Information from totaled to generate overall scores of satisfaction and quality scores. The growth of user-generated content on travel sites is persuading tourists' decision making and behavior. A study of electronic word-of-mouth reviews shows that participants feel that traveler reviews are less biased and easier to relate to than professional reviews (Thevenot, 2007).

In the past, the process of ranking and rating the tourism and hospitality sector has been the reserve of official administrations such as national tourist boards (e.g., Visit Britain), travel communities (e.g., Automobile Association), or travel guides (e.g., Frommers, Lonely Planet). Many hotel managers have been uncertain how to interpret or respond to online reviews. Hoteliers are losing control, and most of the concern is directed toward how potential consumers will interpret reviews; would one bad review mean that other travelers wouldn't chance a visit? According to Scott and Orlikowski (2010), online reviews have direct effects on business and management. Actually for some tourism and hospitality enterprises, these reviews can lead to profit or loss. Even though the owners of hotels are very frustrated with unfair reviews on Trip Advisor, they cannot deny the significance of this information source on their business. One hotel owner mentioned that 90% of bookings are now done online and that Trip Advisor is the

only way forward. The owner also noted that he stopped advertising in tour books; he is choosing to go online (Scott & Orlikowski, 2010).

Summary and Purpose

Social media marketing is a very important tool for building brand awareness, researching consumer opinion and crowd sourcing, and driving traffic to brand websites. Furthermore, social media marketing plays an important role in the tourism and hotel industry. Social media permits hotel managers to get immediate and direct feedback from their clients, so they can understand better their needs and wants. On the other hand, social media can have a negative effect too. A hotel owner has no control over the online review "blogs". A single bad review from an unhappy customer on Trip Advisor can hurt the business. The purpose of the current study was to examine if customers perceive social media based sources of marketing information differently than more traditional sources of internet-based marketing information.

The following research questions were examined:

Q1: To what extent does the inclusion of a customer blog impact perceptions of a hotel web site?

Q2: To what extent does the nature of the comments (positive or negative) within a customer blog impact perceptions of a hotel web site?

CHAPTER II

REVIEW OF LITTERTURE

Social Media

Social media refers to online communities that are conversational, fluid, and participatory. These kinds of communities give the member an opportunity to publish, control, rank, critique, produce, and interact with online content. Actually, social media is a phrase for virtual worlds, social news, book marketing sites, virtual world, forums, and opinion sites (Tutent, 2008).

Hotel brands are setting up shop on social media sites like Twitter and Facebook. Besides creating their own account, hotels and resorts are connecting into third-party sites, like Hotels.com and Trip Advisor, to refresh their reviews of customers as well as the competitive landscape. With more information available to business and leisure voyagers alike, potential consumers can find so many deals and really find what they are looking for without leaving their computer (Mckay, 2010).

The Impact of Social Media Marketing

The 2001 bursting of the web bubble caused a massive shift in how information is communicated. From being static, information boards, websites have become increasingly dynamic and interactive. According to comScore (2008, 2009a, 2009b), social media had a massive penetration of 70.2% in the US, 74.6% in Europe and 60.6% in Asia among internet users and thus cannot be ignored as a marketing tool.

In Hong Kong a region whose 29.5 million visitors in 2008 generated revenue of approximately $159 billion (Hong Kong Tourism Board, 2008), social media marketing has had a mixed response (Chan & Guillet, 2011). While some companies are proactive

in using social media as a marketing tool, others are still a bit restrained in their approach to implementing such tools. Chan and Guillet (2011) pointed out that several e-marketing strategies have been proposed by industry experts ranging from integration of e marketing plans with different functional areas of the organization, to an ever evolving, dedicated e- marketing division. To assess how these were being used in Hong Kong, Chan and Guillet (2011) studied various elements of social media including blogs and micro blogs, social networking sites, virtual worlds, collaborative projects, and content community sites.

The authors selected 67 hotels based on their corporation and brand and then evaluated their websites and their availability on social media. Twitter with 56.7% was the most used by the industry followed closely by Facebook at 53.7%. However, Facebook is a preferred option by hotels possibly because micro blogging allows limited word usage and functions. The biggest use of these websites is to advertise special discounts being offered by the hotel. YouTube, Flickr, and Trip Advisor follow twitter and Facebook in usage by hotels at 38.8%, 26.9%, and 23.9%, respectively. The primary function of YouTube is to show commercials of the hotel properties and their unique characteristics, while Flickr is used for posting pictures of the hotel interiors. Hotels also rely on Trip Advisor for customer feedback and 75%of the hotels provide personalized responses to the reviews posted. The other forms of social media are largely untouched (Chan & Guillet, 2011).

Social media marketing has been categorized in five phases, namely- attracting, engaging, retaining, learning and relating. The major hurdles being faced in implementing social media marketing are lack of interaction between customers and

hotels, lack of commitment, access problems, and unresponsiveness to guests, inability to use social media, inaccurate content lack of communication between different levels (Chan & Guillet, 2011).

Effectiveness of Blogs versus Online Magazines

With a rapidly growing number of internet users across the globe, social media is gaining ground as a mass marketing medium. In 2007, Thevenot noted that four out of the top 10 entertainment sites were blogs; OMG, TMZ, Asylum, and PerezHilton. To assess the impact on marketing blogs, Thevenot (2007) studied the popularity of blogs versus online magazines by evaluating the response received for the same piece of work. Specifically, Thevenot tested on:

1. Blogs will generate greater social interaction than online magazines.
2. Brand attitude is higher after exposure to a positive story about a brand on a blog compared to the same article in an online magazine.
3. Purchase intention is higher after exposure to a positive story about a brand on a blog compared to the same article in an online magazine.
4. The perceived writer/brand relationship has a greater effect on publicity effectiveness on readers of blogs than readers of magazines.
5. In terms of effectively placed publicity, writer credibility is more important on blogs than it is in online magazines.

All an online questionnaire, 374 replies were received, with 69% of the respondents being women and the average age of the audience being 27 years. The results supported all hypotheses. The popularity of blogs can be attributed to the formation of a spontaneous relationship between the blogger and readers compared to a more formal

framework of an online magazine. Any opinions expressed in a blog are perceived as personal and hence are adopted more openly while in online magazines the same opinions seem biased. Marketers should choose to go with blogs with established credibility to generate the right kind of publicity and reach their target audience (Thevenot, 2007).

Social Media as Purchasing Power

The evolution of social media has developed as a purchasing power. The article "Role of social media in online travel information search" suggests that there are more than 3 million New Zealanders online; the chance for brands and companies to engage into social media is higher. People always want to be connected, and the internet gives them so many opportunities that were impossible before. Now companies are trying to use social media for brand exposure and direct contact with consumers. The invention of internet-connected mobile devices and the increase of broadband connections are helping New Zealanders' evolve in social media (Xiang & Gretzel, 2010).

The Nielsen New Zealand 2010 Social Media Report revealed that 44% respondents have published opinions specifically about products, services and brands, while nearly two million New Zealanders wanted their fellow internet users' opinions and information about products, services and brands. The most important thing, 37% declared that they made a purchase based on these online opinions. For marketers, New Zealanders' interaction with online word-of mouth communication is going to rise in coming years since social media plays an important role in decision making process. Furthermore, Nielsen's 2011 Online Retail Report demonstrates the impact social media is having in product and service purchasing online, with 1.5 million adults now shopping

online and 46% of them aged 18+. The consumers who already shop online are now purchasing more items. They also begin to shop online more frequently, as they become comfortable with the process and outcomes (Xiang & Gretzel, 2010).

The power of Social Media as a Branding Tool

Hotels.com has recognized the power of blogging to promote the cost-effectiveness of booking travel independently rather than buying the package deal. People in Brazil still prefer package deals, so the company partnered with popular travel blogger Ricardo Freiré and used him as its spokesperson in Brazil. Hotel.com says that after Ricardo goes to a destination and demonstrates the benefits of buying flights and hotel separately and the good deals you can get, they had about a million hits on YouTube for a series called Unpacking (Smith, 2011).

Hotels.com's sister company Trip Advisor (both owned by Expédia) is the world's largest travel community, visited by 32 million users every month. It began using social media in 2007 when it launched its Facebook application "Cities I've Visited" and an interactive travel map that has been used by 30 million people worldwide. In 2010, it built on this demand, using the application Facebook Connect on the TripAdvisor sites to deliver TripAdvisor Trip Friends. By connecting TripAdvisor and Facebook accounts the person can use his/her social network to see which friends have been to each city and could offer a recommendation or share a review. For more than 10 years, TripAdvisor has been providing travel tips and advice from the knowledge of the travelers. Social media has added opportunity find ways to improve that advice with the knowledge of friends and techniques to make receiving and sharing that advice even easier (Smith, 2011).

Although SM is being used, there is limited research on the impact of blog content on likelihood to study in a hotel, to evaluate this, the following hypotheses can be offered:

H1: Web site viewers will indicate a higher willingness to stay in a profiled hotel after exposure to a positive story about it on a blog.

H2: Web site viewers more likely to trust a positive story from a blog

H3: Web site viewers will indicate less willingness to stay in a hotel after exposure to a negative story about it in a blog.

CHAPTER III

METHODS

Population

The target population selected for this study is the average middle class American. The accessible population consisted of employees of a university in the mid-west region of the United States. The university was located in a rural community with the population of roughly 10,000 people, both faculty and staff included, the campus consists of approximately 7,225 students. Total faculty on campus was 247, and total staff was 503.

Sample

Participants in the study consisted of both faculty and staff members who received an invitation to participate. The entire accessible population, 750 people, were randomly sampled and assigned to three survey groups, with each group receiving a different web-site to review before completing the survey (hotel website, positive blog and mixed blog). The result was a total sample of 98 responses. The hotel web site group consisted of 35 respondents (15 male, 20 female) .The positive blog group was a total of 25 (7 male, 18 female).The mixeded blog group consisted of 38 respondents (9 male, 29 female). Age, income, and educational levels of respondents can be seen in Table 1.

Table1

Groups' gender, age, educational levels, household members, and income

	Hotel site only	Blog positive	Blog mixed
Gender	Male: 42.9%	Male: 28.0%	Male: 23.7%
	Female:57.1%	Female: 72.0%	Female: 76.3%
Age	22-29: 8.6%	22-29: 16.0%	22-29: 10.5%
	30-39: 14.3%	30-39: 25.0%	30-39: 21.1%
	40-49: 14.3%	40-49: 4.2%	40-49: 44.7%
	50-59: 42.9%	50-59: 41.7%	50-59: 10.5%
	60 and above: 20.0%	60 and above: 12.5%	60 and above: 13.2%
Education	Bachelor: 28.1%	Bachelor: 34.8%	Bachelor: 35.1%
	Master: 40.6%	Master: 47.8%	Master: 37.8%
	Doctorate: 25.0%	Doctorate: 13.0%	Doctorate: 18.9%
	Professional: 6.3%	Professional: 4.3%	Professional: 8.1%
Household	1: 20.0%	1: 16.0%	1: 21.1%
members	2: 60.0%	2: 44.0%	2: 26.3%
	3 or more: 20.0%	3 or more: 40.0%	3 or more: 52.6%

Household income	$10,000-$19,999: 0.0%	$10,000-$19,999: 0.0%	$10,000-$19,999: 0.0%
	$20,000-$29,999: 5.9%	$20,000-$29,999: 4.2%	$20,000-$29,999: 5.3%
	$30,000-$39,999: 0.0%	$30,000-$39,999: 8.3%	$30,000-$39,999: 5.3%
	$40,000-$49,999: 2.9%	$40,000-$49,999: 4.2%	$40,000-$49,999: 13.2%
	$50,000-$74,999: 35.3%	$50,000-$74,999: 33.3%	$50,000-$74,999: 36.8%
	$75,000-$99,999: 38.2%	$75,000-$99,999: 16.7%	$75,000-$99,999: 15.8%
	$100,000-$150,000: 14.7%	$100,000-$150,000: 25%	$100,000-$150,000: 21%
	Over 150,000: 2.9%	Over 150,000: 8.3%	Over 150,000: 2.6%

Instrumentation

There were three segments for the composed survey: a demographic section, a perception of bias and trustworthiness section, and a likelihood of future use or referral to a friend section. The demographic section consisted of five questions related to gender, age, education, number of family members and household income. Factors influencing perceptions consisted of six questions (price, cleanliness, location convenience, previous experience, amenities). These questions were measured on a 5-point rating scale (“1” for extremely helpful to “5” for not helpful at all).

Perceptions of bias and trustworthiness section and the likelihood of future use or referral to a friend section both consisted of two questions each. They both were scored on a 5-point rating scale (“1” for strongly disagree to “5” for strongly agree). The researcher developed the questionnaire, and then it was pilot tested on several university students to ensure clarity. Minor changes were made to the questionnaire based on the resulting feedback.

Procedures

After receiving approval from the University Review Board, the researcher acquired employee emails from the university assessment office. The questionnaire was emailed to three different randomly assigned groups, with an invitation to participated in the study. Although the content of presented websites was not real (fictitious), participants were not told that the hotel and blogs were fabricated. The data was collected for 5 days after sending the emails. This process resulted in response rate of 13%.

Research Design and Data Analysis

This descriptive project utilized the survey technique to examine research questions and associated hypotheses. Analysis of variance (ANOVA) was used to examine the relationship between the nature of social media (website only, positive blog and mixed blog) and participant perceptions toward the provided information and hotel. Specifically, items related to demographic section, a perception of bias and trustworthiness and a likelihood of future use or referral to a friend were compared across all three groups. Item 6, which was about price, amenities, location cleanness, and previous was not analyzed due to a formatting error that occurred when creating the online survey. The clarity and validity of item 6 was compromised and the decision was made to exclude it from analysis. Hypotheses tests were judged to be significant when probability was $< .05$

CHAPTER IV

RESULTS

Descriptive Statistics

Examining means and standard deviations is useful in describing the general nature of responses to questions pertaining to the research hypothesis. Survey questions pertaining to the biased nature of media content, the trustworthiness of media content, the likelihood of staying at the profiled hotel, and the likelihood of recommending the hotel to a friend were directly related to the research hypothesis in this study and are profiled in Table 2. In regard to bias, the website only group reported the strongest perception of bias with a mean of 3.54 *(S* = 1.34*)* on a 1 to 5 rating scale (5 indicating agreement that the site was biased). The mixed blog group had a mean of 3.00 *(S* = 1.23*)*, whereas the positive blog group had the lowest bias rating at 2.86 *(S* = 1.24*)*.

When responding to the statement "I trust the information presented in this website", the most favorably scored group was the hotel website *(M* = 3.29, *S* = 35*)*, followed by mixed blog (*M*= 2.80, *S*= 1.04) and then positive blog (*M* = 2.52, *S* = 1.19; see table 2)

For questions pertaining to whether or not the respondent would choose to stay in this hotel, the most favorably scored group was the hotel website (*M* = 3.29, *S* = 1.28), followed by mixed blog (*M* = 2.13, *S* = 1.07) and then positive blog (*M* = 2.08, *S* = 1.22; see table 2)

Questions pertaining to whether or not respondents would recommend the hotel to a friend, the most favorably scored group was the hotel website (*M* = 3.03, S= *1.31*),

followed by mixed blog (*M* = 1.89, *S* = 0.99) and then positive blog (*M* = 1.80, *S* = .91; see table 2).

Hypothesis Tests

To determine if the observed comparisons were significant, Analysis of variance was used to compare the three groups on each of the four questions. Results indicated that groups did not differ significantly in regard to ratings of biased content (F = 2.5, p = .09). There was, however, a significant difference between groups on the trustworthiness item (F = 4.09 p = .02; see Table 3). Scheffe's post hoc test indicated that the website only group provided a trustworthiness rating that was significantly higher than the positive blog group (see Table 4). The mixed blog group was not significantly different from either of the other two groups.

On the intention to stay question, there was a significant difference between groups (F= 0.94, p <0.01; see Table 3). There was also a significant difference between groups for recommendation to friend question (F= 13.09, p. < 0.01; see table 3).

Table 2

Means and Std. Deviation for Bias, Trustworthiness, Future Use, and Recommendation

Variable		Mean	Std. Deviation	N
Bias	Hotel site only	3.54	1.35	35
	Blog positive	2.88	1.24	25
	Blog mixed	3.00	1.23	38
Trustworthiness	Hotel site only	3.29	0.89	35
	Blog positive	2.52	1.19	25
	Blog mixed	2.8	1.04	38
Future Use	Hotel site only	3.29	1.28	35
	Blog positive	2.08	1.22	25
	Bog mixed	2.13	1.07	38
Recommend	Hotel site only	3.03	1.31	35
	Blog positive	1.80	0.91	25
	Blog mixed	1.89	0.99	38

Table 3

Analysis of variable Results for Bias, Trustworthiness, Future Use, and Recommendation

Source	SS	Df	MS	F	P
			Bias		
Between G	8.06	2	4.03	2.50	0.09
Within G	153.32	95	1.61		
Total	161.38	97			
			Trustworthiness		
Between G	8.77	2	4.38	4.09	0.02
Within G	101.72	95	1.07		
Total	110.500	97			
			Future Use		
Between G	28.136	2	14.07	9.94	<0.01
Within G	134.35	95	1.41		
Total	162.49	97			
			Recommendation		
Between G	31.79	2	15.89	13.09	<0.01
Within	115.31	95	1.21		
Total	147.10	97			

Table 4

Scheffe Post Hoc Test for Trustworthiness

Paired Groups	Mean Differences	Standard Error	P
Hotel only – Pos Blog	0.76	0.27	.022
Hotel only – Neg Blog	0.41	0.24	.233
Neg Blog – Pos Blog	0.35	0.27	.429

Table 5

Scheffe Post Hoc Test for Future Use

Paired Groups	Mean Differences	Standard Error	P
Hotel only – Pos Blog	1.15*	0.31	.022
Hotel only – Neg Blog	1.09*	0.28	.001
Positive Blog+ Neg Blog	-0.51	0.30	.986

Table 6

Scheffe Post Hoc Test for Recommendation

Paired Groups	Mean Differences	Standard Error	P
Hotel only – Post Blog	1.23*	0.28	<0.001
Hotel only – Neg Blog	1.16*	0.26	<0.001
Positive Blog+ Neg Blog	-0.07	0.28	0.971

CHAPTER V

DISCUSSION

The overall findings of this study indicate that the "hotel website" group reported the strongest perception of bias with mean of 3.54, followed by the mixed blog group with mean of 3.00, and the positive group had the lowest bias rating mean of 2.86. For the statement "I trust the information presented in this website" the hotel website scored the most followed by the mixed blog and then the positive blog. This result does not support the hypothesis "A traveler is more likely to trust a positive story from a blog". The findings of this study suggest that blogs have a potentially negative impact on the perceptions, even when statements are positive.

Also the finding did not support the hypothesis "Web site viewers will indicate less willingness to stay in a hotel after exposure to a negative story about it in a blog." Since the most favorable scored group was the hotel website, followed by blog mixed and then blog positive. For this finding perhaps the participants didn't trust the blogs because of their quality and look.

For the question about recommending the hotel to a friend, the hotel website scored the most, followed by blog mixed and blog positive. It appears like consumers don't really trust a positive story on the website, they might think it could be manipulated by the hotel, but again it could be the quality of the blogs that influenced the participants' responses.

The results of the study are interesting when compared to previous research. It was found by Thevenot (2007) that any opinions expressed in a blog are perceived as personal and hence are adopted more openly. But in the present research the participants

did not trust the positive reviews. Also the results of this study did not match with the finding of Xiang and Gretzel (2010) who found that 37% of New Zealanders declared that they made a purchase based on these online opinions. The Nielsen New Zealand 2010 Social media Report revealed that 44% New Zealanders have published opinions specifically about products, services and brands, while nearly two million New Zealanders wanted their fellow internet users' opinions and information about products, services and brands. In contrast in this study, the participants did not completely trust the reviews in the blogs, they were perceived with a suspicious mind in this case.

Limitations

One major limitation in this study was that the quality of the website and blog were not considered. Furthermore, another limitation was the source of the blog. Since the participants did not know the source of the blog, they might be suspicious about them. Clients would react differently if the blogs are from a popular source. Also the customers will have more trust in popular review websites like Trip Advisor. It may also be that the type of product being viewed makes a difference as well. In addition, using Midwest/middle aged individuals in the study could have affect the results, other as other populations may be more or less receptive to blog sources.

In addition, the blog format and the unusual solicitation to view the website for research may have impacted the trustworthiness of the source. Several respondents actually followed up with the researcher to make sure the email was legitimate and not some type of scam. Those who did not follow up may still have been suspicious. Another would be that the study did not consider actual behaviors, just survey responses. Considering actual purchasing behavior would be a more direct indicator of effectiveness.

Recommendations for Research

Future research should be done on factors that might impact the trustworthiness of a blog. For example, a recognized company's blog may be more trustworthy than a blog from an unknown company. In addition, a blog by an independent party may be more trustworthy. These factors are critical in helping hotel managers make good decisions about how and when to use blogs or other social media.

Recommendations for Practice

Based on the finding and literature reviews, it is recommended that users be cautious and closely monitor how their business is impacted by Social Media. Results of the study demonstrate that hotels need to follow the advice of past research and be sure that they have a way to interact and clarify for the customer when negative comments or posts happen. This includes having a plan of action, a mechanism for monitoring, and a professional approach to Social Media.

Conclusion

According to the study and the literature reviews, costumers are more likely to trust a hotel website if it's design is attractive and professional. The travelers could be very suspicious of reviews posted in unknown blogs (positive or mixed). Also people tend to trust negative reviews more than positive ones. Studies show that people like to know internet users' opinions and information about products, services and brands, especially from famous blogs and website like Trip Advisor.

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Appendix 1: Survey Questions

1. Are you male or female?

- Male
- Female

2. What is your age?

- 20-29
- 30-39
- 40-49
- 50-59
- 60 and above

3. What is the highest level of education you have completed?

- Bachelor's degree
- Master’s degree
- Doctoral degree
- Professional degree (MD, JD, etc.)
- Other

4. Number of household members

- 1
- 2
- 3 or more

5. What is your current annual household income?

- $10,000 - $19,999
- $20,000 - $29,999

- $30,000 - $39,999
- $40,000 - $49,999
- $50,000 - $74,999
- $75,000 - $99,999
- $100,000 - $150,000
- Over $150,000

6. On scale 1 to 5, how helpful was the provided information in making your decision?

- Price
- Cleanness
- Location Convenience
- Previous experience
- Amenities

7. On a scale of 1 to 5, indicate the extent to which you agree or disagree with the following statements regarding the presented website

- The information in this website is likely to be biased
- I trust the information presented in this website

8. On a scale of 1 to 5, indicate the extent to which you agree or disagree with the following statements regarding the presented website.

- Based on the presented information, I would choose to stay in this hotel
- I would be likely to recommend this hotel to a friend

Appendix 2: Positive Blog

Customer Reviews

John " The hotel was modern and stylish" Feb1, 2012 **Rating : 4.9** We stayed here for 2 nights as the start of our honeymoon. It was my second visit to New York so I knew that most hotels are small. This place offered a pleasant surprise. The hotel was modern and stylish with a decent sized room and bathroom. In terms of the room and facilities I can have no complaints at all. The staffs were also friendly and helpful. Anything that we needed they were more than happy to help with. I would recommend this hotel whole heartedly and would happily stay here next time I'm going to New York.

Adam " We had a great experience" Feb30, 2012 **Rating : 5/5**

We stay here every time we are in NYC and we go once a year. This time was no exception...we had a great experience. Our first room was on the 8th floor and we asked if we could be on the first (save time and energy). They didn't have any trouble moving us and it was the second time we stayed in that room. It was like coming home. We will be back and thanks for the chocolates.

Alex " We really like this hotel" Jan 1, 2011 **Rating : 4.8/5**

We really like this hotel. The staff here is really friendly and helpful. We ordered room service this morning (classic breakfast on the menu) and it was delicious. They kept a bottle of champagne that we purchased at the liquor store down the street, cold for us over night and delivered it in the morning with our breakfast. I thought that was really nice of them considering they have a full service bar in their restaurant that is located in the lobby.

Sam "We would not get better service" Dec 28, 2011 **Rating :4.2/5**

Do you think the days of excellent customer service have gone by and are forgotten? Not so at this hotel. We have not yet arrived and the staff has gone out of their way to help us with our accommodations. The manager, Blake Augustus, helped us personally with a obstacle we encountered in our travel plans and our comfort level was her goal. We would not get better service at a five star, this I am certain. I look forward to our stay with them and will write a glowing review after our stay, I am sure!

Alice "just a few minutes' walk from Times Square" Dec 10,2011 **Rating : 3.8/5**

This hotel is just a few minutes' walk from Times Square, and yet the rooms are so quiet you can hear a pin drop! The staff were extremely courteous and friendly. I also loved the extra little touches that made me think I was staying in a luxury hotel, but paying less than half what a luxury hotel would charge. The next time I visit New York; this is where I'm staying!

Jack "Loving it" Nov 28,2011 **Rating: 4.5/5**

Loving it, writing from my wonderful Majorelle room. It is a delightful hotel, details are all ever present. The incredible renovation deco style. The lamps, the quality of the bed. The small touches, great products in the bathroom finally two pairs of men sandals in the room

Lisa "Service was excellent" Nov 20,2011 **Rating : 4.9/5**

We had a meal in the restaurant before the theater and service was excellent. The burger was cooked perfectly and salads were fresh.Staff was helpful and friendly.This was my first stay here since they finished renovations, and I have to say I really liked the

result!

Ann " The room was nice and pretty large" Jan 10,2011 **Rating : 3.9/5**

Arrived the hotel early at 10 am in the morning, and did not expect to be able to check in so early, but the hotel had a room ready, and I was upgraded from a Grand King room to a Grand Deluxe King, staff in the reception was very friendly. The room was nice and pretty large by New York standard, and everything was clean.Late check-out was also not a problem, had the room until 2 pm.Overall it was an excellent stay, to bad it was 0nly for one night. Will defiantly be back here next time I am in New York!

Kathleen " Simply the best hotel" Jan 10,2011 **Rating : 4.5/5**

No need to look any further!! Simply the best hotel I've stayed in newyork.... Sits on top of grand central station 5-10 walk to time square and buses to the airports are only 1 block on 41st, I payed 115 dollars for a taxi in but only 32 dollars back out, runs every 15 mins. Just shop around for the best price

Mary " Fantastic hotel" Jan 8,2011 **Rating:5/5**

Fantastic hotel if your staying in manhattan this is the hotel to be in, with it's own entrance to grand central station. All the staff are friendly and the hotel and the room could not be cleaner.

Courtney "would definitely go back" Jan 1,2011 **Rating:4/5**

I love this place, stayed a few times and would definitely go back.Staff is warm and friendly (maybe cause I was in the diamond line!) but overall no issues. Location is perfect, Grand Central Station is 50 feet away, would be perfect if you plan to tour the city!

We had a standard room which was very nice and clean, we were very impressed with the room until that first night, we heard an awful banging noise. At first i thought it was someone at the door, but realised it was coming from the bathroom, only to realise that it was the ventilater in the bathroom making the noise. So my husband and I didn't have a good nights sleep as it was constantly making this noise every 10 minutes.

So in the morning, we went to inform the reception of this and they were very apologetic and offered to move us to another room. So we changed rooms without any hassle and quickly. The room was even bigger as it was for a wheelchair user. The customer service there is superb. I will definately stay there again

Appendix 3: Mixed Blog

Customer Reviews

John "The rooms are tiny and dirty " Feb1, 2012 **Rating : 1.5/5**

Worst Hotel in NYC: The rooms are tiny, dirty don't have any furniture for storage and we made them move us to 3 different rooms before we found 1 that was worth staying in. Even the European backpackers who are used to staying in hostels were complaining about how nasty this hotel was. The picture on the website are only the front 3 rooms, the rest look nothing like that. So I'm guessing all the positive review must be from people that stayed in those rooms

Adam "we had a great experience" Feb28, 2012 **Rating :3.5/5**

We stay here every time we are in NYC and we go once a year. This time was no exception we had a great experience. Our first room was on the 8th floor and we asked if we could be on the first (save time and energy). They didn't have any trouble moving us and it was the second time we stayed in that room. It was like coming home. We will be back and thanks for the chocolates.

Alex "Massively overpriced" Jan 1, 2011 **Rating : 2.8/5**

Massively overpriced for what you get. beds were hard, showers dirty, rooms were extremely hot (the hotels idea of fixing the heat problem was telling us to open the window- in the middle of winter) We had 2 double beds in the room and there was not enough room for us to put our luggage on the floor. The stairs are very steep and not suitable for elderly people or young kids. In our week there we saw 2 people have bad falls on steps. Great location but not impressed at all.

Lisa "Service was excellent" Nov 20,2011 **Rating : 3.9/5**

We had a meal in the restaurant before the theater and service was excellent. The burger was cooked perfectly and salads were fresh.Staff was helpful and friendly.This was my first stay here since they finished renovations, and I have to say I really liked the result!

Anissa "The elevator which was the size of a small closet" Oct 11,2011**Rating : 2.9/5**

So we checked into this hotel first going into the elevator which was the size of a small closet barely fitting 2 people. We went up to our room where the floor stunk like an old Indian kitchen, going into the room was a very small sized place with 2 twin beds. The bathroom was also size of a closet and the bed sheets had stains. As soon as we checked in we knew we didn't feel comfortable staying there so we asked expedia if they can change our hotel. The hotel declined to give us the refund and did not care at all. We checked out early, let them keep the money and we went to another hotel. Hilton in Times square, it was 10000 times better.

Sarah " quality of this hotel is bad" Sep11,2011 **Rating : 1.8/5**

The quality of this hotel is bad. Not so clean, either in the bedroom or in the bathroom. Bad service. The price is too expensive for this quality of hotel. Very bad for a family trip. Excellent location, in the area of orchard road.

Alice "Just a few minutes' walk from Times Square" Dec 10,2011 **Rating : 4.8/5**

This hotel is just a few minutes' walk from Times Square, and yet the rooms are so quiet you can hear a pin drop! The staff were extremely courteous and friendly. I also loved the extra little touches that made me think I was staying in a luxury hotel, but paying

less than half what a luxury hotel would charge. The next time I visit New York; this is where I'm staying!

Jack "Loving it" Nov 28,2011 **Rating: 3/5**

Loving it, writing from my wonderful Majorelle room. It is a delightful hotel, details are all ever present. The incredible renovation deco style. The lamps, the quality of the bed. The small touches, great products in the bathroom finally two pairs of men sandals in the room.

Anissa "Expensive for what it is" Jan 12, 2010 **Rating: 2.3/5**

Really expensive for what it is! The staff is not nice and helpful at all. Complete lack of service during breakfast (the tables where not set at all). The room are ok but not anything special.

Adil "Terrible" Jan 10,2010 **Rating: 1.5/5**

This is just terrible. I dont even know how to write a review. bad service, no towels for 6 hours, and bad food. enfroyable, terrivel, terrible.