

Impact of Social Media Marketing on Customer Purchase Intentions: A Survey on the Tourism Industry with Specific Reference to the Top 5 Hotel Groups within the Colombo District

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Purpose

The research problem identified within this study is that a majority of the leading hotel groups in Sri Lanka are not engaging actively in social media marketing. Thereby, these hotel groups gain a disadvantage as customers opt to visit hotels which are active online. Therefore, the main purpose of this research is to find out the 'Impact of social media marketing on customer purchase intentions for the top five hotel groups within the Colombo district.' Accordingly, the reason for selecting the five hotels is due to the fact that these hotel groups are not actively engaging in social media marketing regardless of being top hotel groups. Moreover, the background to the research helps identify that through the introduction of the internet in the 21st century, the use of social media has swiftly risen in popularity as an innovative platform of marketing that permits users of social media to connect and engage with brands and one another in general. Similarly, the tourism industry in Sri Lanka is a growing industry and since gaining independence, Sri Lanka has attracted many investors and tourists due the strategic location and its ability to draw visitors due to its natural beauty Furthermore, after a thorough analysis it is identified that this research will help address the literature gap which was identified in the literature through the research question. Likewise, the author identifies the research question as 'What is the impact that marketing through social media has on purchase intentions within the hotels in the tourism industry?' The independent variables identified in this research are online advertisements (using the internet to target and deliver marketing messages to the customer), electronic word of mouth (interaction which takes place electronically) and online communities (virtual community where members interact via the internet) while customer purchase intentions (person's ability and eagerness to pay for a particular product or service) is the dependent variable. Likewise, the sample size for the research was 300 questionnaires distributed among customers who have visited the hotel groups selected for this research. Finally, this research will be helpful for future researchers, marketers and others who engage in social media marketing.

Design/Methodology/Approach

530 questionnaires were distributed online and 300 questionnaires were received which shows a response rate of 56.6%. Moreover, the selected companies for this research were Jetwing Hotels, Aitken Spence Hotels, John Keells Hotels, Hayleys Hotels and Hemas Leisure PLC. Furthermore, interviews were conducted among two of the marketing heads of the selected hotels and one from a tourist visiting Sri Lanka. Likewise, the data analysis tools that were used in this research were interviews and questionnaires. Additionally, to analyze the findings of this research SPSS version 21.0 was used to find the reliability of the data set.

Findings

The author developed hypotheses for the three independent variables and it was identified that online advertisements, electronic word of mouth and online communities directly impact customer purchase intentions due to the strong Pearson Correlations of 0.814, 0.774 and 0.783 respectively. Moreover, hotel groups must pay attention to online advertisements on social media when marketing their services as it is the most significant factor affecting purchase intentions.

Correlation and regression equation

$$\text{Purchase Intentions} = 0.657 + (0.449 \times \text{online advertisements}) + (0.336 \times \text{electronic word of mouth}) + (0.041 \times \text{online communities})$$

Keywords: Social Media Marketing, Online Advertisements, Electronic Word of Mouth, Online Communities, Customer Purchase Intentions

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