The Influence of Social Media on Millennial’s Travel Decision Making Process

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Abstract

Millennials are some of the most influential sort after consumers by many marketers around the world. They are generally those individuals between the ages of 18 and 35 years. Unlike their parents, they prefer making purchases online and belong to a more experience driven segment, who have a higher percentage of travel per year.

Sri Lanka Tourism is one of the third highest foreign exchange earners to the country and are now looking into attracting more of this highly influential millennial market to the country. As the more traditional DMCs are only beginning to realize the importance of Social Media Marketing in increasing arrivals and bookings for their establishments. Therefore, this research aims at providing an insight to the Tourism Industry in Sri Lanka with regards to how Social Media influences millennials during the Travel Decision making Process.

The study was done using a quantitative deductive approach with the use of a questionnaire, handed out to 75 millennials in 3 randomly selected resort areas in the country. In this study the researcher will be testing usage of four independent variables namely, Social Media, trust of Social Media, Functionalities of Social Media and Traveler Motives of millennials against the Traveler Decision Making Process of the sample selected. Results from the survey have identified that Social Media does in fact does influence millennials in the Traveler Decision Making Process. All three predictors or independent variables tested in the hypothesis for this research were accepted thereby the researcher has recommended many suggestions for the stakeholders of Tourism and authorities.

Keywords: Millennial Generation, Social Media, Trust, Usage, Functionalities, Motives

Introduction

Introduce the Problem

Sri Lanka is one of the most popular destinations to travel to in the world and Tourism is one of the country’s main Foreign Exchange Earner’s and contributors to the GDP. Moreover, the government of Sri Lanka has chosen Tourism as one of the key development strategies, to assist the country achieve sustainable economic growth and has taken various efforts to boost the tourism industry (Gananapala,2017). The country, and the revenue generated has increased more than eight folds since the civil war (Blair, 2017).

According to CNN’s Executive Editor, Brekke Fletcher cited in Cassim (2017), Sri Lanka is a vibrant country, full of a rich heritage, culture, wild life, flora and fauna. It is also full
of warmth and connection between the tourists and locals. This therefore makes it a popular destination amongst the Millennial Travelers, looking for authentic experiences. According to Brekke cited in Cassim (2017), there is enormous opportunity for countries such as Sri Lanka, to capture this lucrative segment and future travelers through attractive images on Social Media channels such as Instagram which is highly popular amongst millennials and Travel (Brekke cited in Cassim, 2017).

More over as per Dias (2018) the Sri Lanka Tourism Promotions Bureau (SLPB), has requested for bids for a tourism campaign during the low season months for the industry that will attract the older millennials who have no kids but two jobs, commonly known as DINKs (Dual Income No Kids). This campaign has already got 5 bids that are being reviewed (Dias, 2018). Therefore, this indicates that the Government authorities have identified this market as an important and lucrative segment and are planning on how to target them in terms of marketing and promotions the same.

The highly sort after, experience driven millennials Travel Purchase Decision Making Process is greatly influenced by Social Media. This technology driven market have specific yet different motives in relation to communication and consumption of tourism products. The understanding of the latter by the Tourism and Hospitality industry stakeholders in Sri Lanka and the concept of Social Media Marketing is still very primitive. This lack of understanding has thereby resulted in poor Destination Marketing of the country through Social Media by Tourism Industry stakeholders. Hence limiting the opportunities of arrivals of this fast-growing tourist segment to the island. Based on the above factors this research paper developed the problem statement of “How does Social Media Influence Millennials Travel Purchase Decision to Sri Lanka?”

However as there is a lack of studies done on the millennials travelling patterns in Sri Lanka, this study will thereby be valuable to the Hospitality and Tourism industry in Sri Lanka with regards to increasing tourist arrivals from this influential millennial market to the country through Social Media.

*Literature Review*

According to United Nations Tourism Organization cited in Perera (2016), Tourism is the activities of persons travelling to and away from their home country and are in a foreign destination for a period less than 12 months for leisure, business and other purposes”.

Neto cited in Perera (2016), states that tourism is one of the largest and continuously growing industries in the world. Hence it is of great value to economies of developing countries as it is a source of income and employment. In the context of Sri Lanka, it is one of the highest and most important foreign exchange earners to the country’s economy.

According to the Central Bank of Sri Lanka (2015), there is in an increase in arrivals from 0.13 to 0.2 per cent of the Tourist Earning of the world in 2014 and hence has potential to keep growing as it has captured only a minute percent. Therefore, if tourism is developed to the correct markets through the right channels, it can begin to reap much more economic benefits that have yet to be earned.
At present Sri Lanka Tourism lies in the Exploration to Development stages in the Tourism Life Cycle introduced by Butler in 1980 (SLTDA, 2017). Currently the tourist arrivals are concentrated in clusters around Colombo, Southern Beaches, Kandy, The Hill Country, The Cultural Triangle and Yala National Park. After the three-decade civil war came to an end in 2009, the other parts of the island that were not accessible to tourists (e.g. Jaffna, Trincomalee, Mannar, Kalpitiya), gradually begun to develop but are still in the Exploration to Development stages. However, there are still many untapped locations that could benefit from Tourism that the government should develop. In order to do so there needs to be informed accurate and up-to-date data collection, asset mapping and analysis before development is done to ensure it is done with the least negative impacts to the environment and culture, which are two of the key most unique selling points, with relation to the much sort after travel experiences in Sri Lanka.

This study is focused on Millennial Travelers and the influence of Social Media to their Travel Purchase Decision. Therefore, it is very important to first understand this influential trending new traveler’s profile, in order to develop products that match their needs and channel them effectively to them. According to Bleedorn (Cited in Beham, 2015) Millennials are Children of Baby Boomers. There are several opinions as to when this generation was born. However, for the purpose of this study, the researcher has considered those born between the period of 1983 and 2000 (Bolton et al., 2012). This Generation have spent their whole lives in a digital environment and hence why their lives and work have been profoundly affected by information technology (Benetter et al. cited in Funde 2016).

1.2.1. Characteristics of Millennials

The Millennial Generation is suddenly a growing interest of travel marketers around the world as they are more interested to travelling abroad than older generations. They tend to yearn for experiences and hence love travelling to new destinations (Richard and Wilson, 2003). They generally take one or more trips a year and have double the spending power of the Baby Boomers and Generations X travelers (Richard and Wilson, 2003). The Millennials are known to be extremely tech-savvy, resourceful and spontaneous (Gananapala, 2017). It has been researched that this generation ensures they have more free time to travel and are likely to travel greater distances for longer periods of time. They are known to love exploring the unexplored and making a connection with the host country locals. This generation is said to be one of the most influential and soon to be the largest most powerful segment for the Tourism and Hospitality industry (Gananapala, 2017). Hence the importance of this study on this generation.

1.2.2. Role of Social Media in Travel and Tourism

According to Varkaris & Neufer (2017), social media has become an indispensable aspect of tourism. Consumer Behaviour has always been influenced by Information Technologies but with rise of Web 2.0 the way consumers plan, and travel has dramatically changed (Fotis et al. cited in Ranthonyi, 2012). Previous studies reveal that, Travel 2.0 which stems from Web 2.0 brings about a new type of traveller through social interactions online (Varkaris & Neufer, 2017). This in return has changed how people search, rank, evaluate,
purchase and consume travel and tourism products/services on the Web (Buhalis and Law cited in Varkaris & Neufeur, 2017). Social Media and Web 2.0 have helped consumers to reduce their risk and increase social trust through applications on Social Media such as customer ratings and reviews, and participation in Social Networking Sites (Hajli, 2014).

1.2.3. Consumer Behaviour

Consumer Behaviour is one of the key concepts in marketing and crucial part in understanding why people choose a certain destination and product (Terttunen, 2017). According to Swarbrooke & Horner (2007), it is important for marketing managers to understand what factors influence consumers to make decisions. However as consumer needs change continuously, during their decision-making process, due to internal and external factors, this becomes increasingly difficult to analyze.

1.2.4. Web 2.0 in Tourism

In the recent past, there has been an increased growth of User Generated Content (UGC) on the Internet through the use of social networking sites known as Web 2.0 (Sigala & Marindis cited in Lopez et al., 2011). User Generated Content is how consumers use web applications that allow them to create online content. Furthermore Cox et al. cited in Ghandor & Bakalova (2014), stated that when a consumer shared their own views of an experience of a product or service online it creates electronic word-of-mouth (eWOM).

1.2.5. User Generated Content on Social Media

As Hotel and Travel Products are intangible in nature it makes the buying decision highly emotional and hard to replicate (Kwon & Lennon, 2009). With the dawn of Web 2.0, Hotel providers and Travel agents are no longer the experts on the features and qualities of brands. Now online reviews and blogs play a significant role in assisting the contemporary consumers during their travel decision making process (Fotis, et.al. cited in Ranthonyi, 2012). This is based on the principal that consumers have the power to influence each other (Haywood cited in Varkaris & Neufeur, 2017).

After much extensive research it has been agreed that Social Media plays a key role before, during and after the trip but it has been further studied that Social Media plays its most critical role in the pre-travel stage, whereby consumers search for information before the Decision Making Stage (Cox et al. cited in Varkaris & Neufeur, 2017).

Furthermore, Cox et al. (2009) study highlighted that almost 80% of users, use social media for searching for destinations, accommodation with majority browsing many travel review websites such as Tripadvisor (Murphy and Chen, 2014). Therefore it is evident that social media platforms is used to support Decision Making Process (Zeng, cited in Varkaris & Neufeur, 2017).

Modern day consumers belonging to the iGeneration, are found out to trust material from other travelers on social media, hence User Generated Content (UGC) is considered to be more trustworthy than information provided by traditional Travel Agents, (Del Chiappa citiden in Varkaris & Neufeur, 2017).
1.2.6 Hypothesis and Research Objective

The research questions stated below will be utilized for the hypothesis formed and tested in order to achieve the objectives of this report.

- What is the relationship between Social Media Usage and Millennials Travel Decision Making Process?
- What is the relationship of Social Media on Millennials Travel Decision Making Process?
- How do the functionalities of Social Media influence Millennial’s Travel Decision Making Process?
- How do Millennial Travelers motivations influence their Travel Decision Making Process?

1.3.1. Research Objectives

Primary Objective

- To evaluate how Social Media influences Millennials Travel Decision Making Process to Sri Lanka.

Secondary Objective

- To evaluate the impact of the predictor factors of this study with the Traveler Decision Making Process
- To evaluate the relationship and impact between Travel Motives of the Millennial Traveler and their Travel Decision Making Process to Sri Lanka

1.3.2. Research Hypothesis

- H1: There is a relationship on the Usage of Social Media (USM) and Millennials Travel Decision Making Process (TDMP)
- H2: There is a relationship between Trust in Social Media (TSM) and Millennials Travel Decision Making Process (TDMP)
- H3: There is a relationship Functionalities of Social Media (FSM) on the Millennial’s Travel Decision Making Process (TDMP)
- H4: There is a relationship between Travel Motives (TM) and Millennial’s Travel Decision Making Process (TDMP)
Method
This study has been conducted using the deductive approach, whereby the relationship between theory and social research is studied (Byman, 2011). This approach is the more frequently used approach, whereby hypotheses including both dependent and independent variables are developed from the literature review and then tested through analysis the findings of the data collected (Bryman cited in Fundae, 2016).

Moreover, a positive paradigm is often used in quantitative research studies as it is based on empirical evidence which allows the researcher to explain the hypothesis being tested by the numbered data statistically collected there by it provides an objective appraisal of reality (Funde, 2016). Henceforth the researcher uses this method to establish the correlation between the four independent variables in this study and the dependent variable.

The population for this study is the foreign millennial tourists within the ages of 18-35 years vacationing in Sri Lanka during the time period of 27th July to 16th August 2018, during which the data was collected through a survey. The researcher was physically present whilst the respondents filled their survey, hence the answers collected were therefore very accurate as any questions or clarifications regarding the questions were clarified by the researcher. Therefore, the margin of error when answering questions was minimized.

The sample size for this study was 75 and was selected with the use of a probability sampling method called multi stage sampling which is a subset of simple random sampling but is used for those studies that do not have a list of the population and has less time and money involved in the research.

Thereafter a pilot study was conducted to test the validity and reliability of the questionnaires used. After having met the necessary criteria to confirm that measurement instrument (i.e. questionnaire) was suitable to be used for this study, the main study was carried out as the survey amongst the 75 sample selected. Even though this sample was comparatively low compared to the population, the researcher, who was facing resource and time constraints, has justified this using G power software.

Results
The data collected through the questionnaire has been analyzed with the use of the SPSS Software (Statistical Tool for Social Sciences). The descriptive statistics of the independent and dependent variable have been interpreted accordingly. Thereafter the Normality and Multi-collinearity tests were conducted before hypotheses were tested using correlation analysis discussed below.

The descriptive data of the gender of the 75 respondents are calculated to be 36 males and 39 females. Thereby it can be observed that almost an equal number of both male and females have been surveyed, which ensures no gender bias in the results. From the 75 respondents we can observe from the above-mentioned table that a significant 46.7 percent which was a total of 35 respondents had full time jobs, 33.3 percent which came to a tale
of 25 were students, 13.3 percent which was only 10 of them were self-employed or entrepreneurs and the balance 6.7 percent which was only 5 were part timers/ worked freelance. Therefore, it is evident that majority have full time jobs.

A significant number of 41 respondents have booked through an online travel agent. 18 respondents have booked through a tour operator from their home country and the balance 16 had booked directly to hotels and suppliers. From this result we can conclude that most respondents prefer an online platform that offers competitive rates to book their holiday to Sri Lanka. As generally tour operators and hotel websites are both more expensive than online travel agents such as Expedia, Booking.com, Agoda etc. Furthermore, online travel agents provide more feedback from clients and are more interactive and also can be accessed through a mobile application.

It has been observed that majority of the respondents were females, travelling with their boyfriends or with friends, in their late twenties or mid -thirties (i.e. Older Millenials). Majority of the sample also seem to be well educated, work full times jobs and travelling more than twice a year and mostly on leisure.

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variable</th>
<th>Correlation Coefficient</th>
<th>Hypothesis Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>TDM</td>
<td>USM</td>
<td>0.530</td>
<td>H1 can be accepted</td>
</tr>
<tr>
<td></td>
<td>TSM</td>
<td>0.540</td>
<td>H2 can be accepted</td>
</tr>
<tr>
<td></td>
<td>FSM</td>
<td>0.290</td>
<td>H3 can be accepted</td>
</tr>
<tr>
<td></td>
<td>TM</td>
<td>0.513</td>
<td>H4 can be accepted</td>
</tr>
</tbody>
</table>

From the findings above we can state that there is a strong positive relationship between the two variables. It is positive because when one variable increases the other increases. Therefore, we can accept Hypothesis 1 which states that there is a relationship between Travel Decision Making Process and Social Media Usage

We can also state that there is a strong positive relationship between the two variables, as per the findings above. It is positive because when one variable increases the other increases. Therefore, we can accept Hypothesis 2 which states that there is a relationship between Travel Decision Making Process and Trust in Social Media

The findings above also show that there is a strong positive relationship between the two variables. It is positive because when one variable increases the other increases. Therefore, we can accept Hypothesis 3 which states that there is a relationship between Travel Decision Making Process and Functionalities of Social Media.

From the findings above we can state that there is a strong positive relationship between the two variables. It is positive because when one variable increases the other increases. Therefore, we can accept Hypothesis 4 which states that there is a relationship between Travel Decision Making Process and Travel Motives.
The objectives of the research were achieved by testing all hypothesis explained in chapter one. Based on the results of the hypothesis testing done by using Pearson’s Correlation all four Hypotheses were accepted. Therefore, it is safe to say that Social Media Usage, Trust in Social Media and Functionalities in Social Media all had a relationship with Millennials Travel Decision Making Process, Furthermore Travel Motives also had a relationship with Millennials Travel Purchase Decision.

Discussion

4.1. Recommendations derived from H1: Usage of Social Media

As per the results of the study we can observe that the H1 can be accepted and thereby we can state that there is indeed a positive relationship between social media usage and Millennials travel decision making process. As per the data collected, 21 respondents seem to be between 27-29 years and another 18 respondents seem to belong to the 30-35 years age group, thereafter another 13 respondents seem to belong to both the 18-20 years age group and also the 24-26 years age group and the remaining respondents seem to belong to the 21-23 years age group. We can analyze from this that majority of the respondents seem to be in the older Millennial age group.

4.1.1 Recommendations to Hotels and Travel Agents

The result of H1 proves that it is indeed important for all hotels and travels agents in Sri Lanka to closely monitor the social media (namely Facebook and Instagram) accounts they have. The respondents of this sample felt strongly about online communities and they seemed to trust the content from such travel communities and trip advisor more than they would trust a tour operator. Therefore, traditional travel agents, Hotels need to be more tech-savvy and constantly on social media. Posts too need to be attractive and personal. As many respondents seemed to think the posts already on Facebook and Instagram etc. on Sri Lanka were attractive, travel agents and Hotels could choose such mostly viewed influential local celebrities with a large following and ask them to be their brand ambassador. This way the Hotel/ Travel agency can get more likes/ members and leads through their Social Media.

4.1.2. Recommendations to the Tourism Authority and Governments

Similarly, the Destination Marketing team at the Sri Lanka Tourism Authority should look into ways of improving their Facebook, YouTube and Instagram pages. It can be observed that the government website is still more of a web1.0 site and not as interactive as it should be to attract Millennial Market. As you see from the study above many Millennials just want to relax and disconnect from their busy lives. Hence the SLTDA should look into ways of making their website more user friendly on the mobile and also more interactive. The SLTDA could look into ways of also creating awareness of increasing this generation and providing the correct service they require.
4.2. Recommendations derived from H2: Trust in Social Media

As per the results of the study we can observe that the H2 can be accepted and thereby we can state that there is indeed a positive relationship between the trust in Social Media and Millennials travel decision making process.

4.2.1. Recommendations to Hotels and Travel Agents

As per the results from the study Hotels and Travel agents need to improve the content on their websites and social media. Even though most say it is informative and interesting, they do not find it very valuable. However, as the Hypothesis test for this variable did come out positive, it can be said that the more close relationships a Hotel or Travel agency builds with their future clients and past clients the more trustworthy they become. As visual imagery has a high impact on Millennials, Hotels and websites could include more videos from travelers as feedback rather than written reviews. They need to update their blogs and begin an online community forum that is active on Facebook or Instagram to keep future clients aware of all interesting and important facts.

4.2.2. Recommendations to the Tourism Authority

As for the Tourism authorities, they could do more promotions for guest to increase Youtube videos of their journeys. Moreover, they could make this into a competition and also have a customer service person who is always available on real time to speak with the tourists needs regarding visa and travel etc.

4.3. Recommendations derived from H3: Functionalities of Social Media

As per the results of the study we can observe that the H3 can be accepted and thereby we can state that there is indeed a positive relationship between the functionalities of Social Media and Millennials Travel Decision Making Process.

4.3.1 Recommendations for the Tourism Authority and Hotels/ Travel Agents

As this Hypothesis also confirmed to be positive, we suggest ability for clients to speak on real time with their travel executives or sales personnel making the booking. Websites also need to be mobile friendly as Millennials are more likely to use Social Media from their smart phones rather than the computer/ laptop. Travel agents and Hotels should ensure their websites include links to the social media through hashtags. Furthermore, travel agents and Hotels should also increase the number of ‘stories’ they post on Instagram and Facebook as it seems to be highly popular in capturing more Millennial clients. This is due to the fact that travel is intangible and such videos would help especially young parents who are Millennials. It would help them get a better understanding of the destination they are about / would like to visit.

4.4. Recommendations derived from H4: Travel Motives

As per the results of the study we can observe that the H4 can be accepted and thereby we can state that there is indeed a positive relationship between the travel motives and Millennials Travel Decision Making Process.
4.4.1. Recommendations for Hotels /Travel Agents

Given the results for H4 we can recommend travel agents and Hotels to ensure that they are offering Millennials not only a beach escape and culture but one that helps them to connect with the country and its local people. As per literature above on the profile of the Millennials, they are the type longing for experiences. And as per the study it is observed that most Millennials who visit Sri Lanka are in their late twenties or thirties, well educated, not married yet doing full time jobs. We could assume that this means they are on a good salary and that even though these Millennials may seem like they are cost sensitive, they are able to pay a premium price if it is value for money. Value meaning, the lessons learnt, the experiences gained from every adventure throughout the island. Further research on the motives of different age groups of these Millennials could be done to get a better understanding on how to develop products that match their ever-changing needs.

4.4.2. Recommendations for the Tourism Authority

Sri Lanka Tourism authority can have more tourist zones throughout the country as now the tourist zones are concentrated to a few heavily visited areas. As the Millennial generation seem to prefer those off the beaten track adventures it is important that the authorities started developing the roads and towns in these areas but keeping in mind to always keep it authentic and not too commercial as it is Sri Lanka’s natural beauty that has motivated these travelers to want to escape to it. Moreover, these such experiences should be thereby promoted on Social Media platforms by the Sri Lanka Tourism authority, rather than using the video done for the destination over 10 years ago.

4.5. Recommendations for Future Research

As there aren’t any other studies done in Sri Lanka with regards to this topic of Social Media and Millennial Travelers it is good if more experts could research on this topic and carry out a larger more in-depth study that focuses on both the young and old Millennials, This study was not able to differentiate the two but results showed that there are more older Millennials visiting the country. It would also be beneficial to find out if the tourism products offered are matching these older Millennials or still catering to the younger backpacker type Millennials.
Reference


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