



# International Conference on Adaptive Science & Technology

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## **Customer Engagement in a Facebook brand community:**

An empirical study on Travel Industry in Vietnam

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## INTRODUCTION

- Vietnam get potentials for sight seeing and cultural tourism. In 2012, Vietnam greet 25m domestic tourists and 6.8m foreign tourists. In 2012, Vietnam sharing a 3.5 domestic tourists to overseas tours.
- Domestic tour operators facing the competition from foreign tour branches for domestic tourism activities from the time joining WTO.
- As tourism trend, tourists will evaluate choose their tours based on social media network (Vietnam National Administration of Tourism, 2013).
- Facebook gets almost 1bn people joining in the world. Vietnam gets 8.5m people engaged in Facebook, as the largest social media network in Vietnam.
- Travel Organizations in Vietnam have created communities to their brand by offering Facebook fan pages to their customers for the expectation to enhance the satisfaction and loyalty of tourists.

=> Real impact of Customer engagement through Tourism social media on Customer satisfaction and loyalty is not known yet

## Research Objectives

- Measuring effects of community and transaction behaviors to Satisfaction and Loyalty, mediating via Benefits in the context of Facebook community in Vietnam travel industry
- Suggest recommendations to Travel companies & National Tourism Administration to enhance the Satisfaction & Loyalty through social media.



## Research Scopes and Limitations

@ Research is made throughout travel brands in Domestic Travel Industry in Vietnam, including:

- \* National Tourism Brand
- \* Specific Domestic Tour Operator brand

@ Research limitation:

- Overseas tours is eliminated from this research.
- Sample only focuses on tourists who are using Facebook.



## Theoretical Backgrounds

### Customer engagement

- Customer engagement (CE) refers to the engagement of customers with one another, with a company or with a brand. The customer engagement could be happened both online or offline.

### Customer engagement behaviors (CEBs)

- Behaviors that go beyond transaction, and maybe specifically defined as a customer's behavioral that have a brand or firm focus, beyond purchase, resulting from motivation drivers. These concepts include an array of behaviors: word of mouth activities, recommendations, helping other customers, blogging, writing reviews and even engaging in legal actions. (Van Doorn, et al., 2010)

### Brand Community

- As “ a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand. (Muniz & O’guinn, 2001)

### Facebook brand Community

- A group of people engaging to a specific brand on Facebook, by clicking “Like” on the Facebook fan page (Gummerus, et al., 2012)

## Theoretical Backgrounds

Customer engagement in Facebook brand community

- Customer engagement leads to perceived relationships benefits of engaging to a brand. Their participation in brand communities affect loyalty positively and strengthens relationships (Gummerous, et al., 2012)

Facebook and Purchase Intention

- Consumer could buy either very inexpensive or very expensive items based on recommendations from people they would not consider “ opinion influencers or leaders” , that could influence the future purchase, perhaps, by encouraging their users to post on various form of social media (Forbes & Vespoli, 2013)

Facebook and customer relationships and Marketing

- Creating positive commercial and emotional relationships between companies and their current & potential customers, also helping to reduce costs of marketing and advertisement by creating libraries on Facebook (Romero, 2012).



## Related studies

Gummerous, et al., 2012

- *Customer Engagement in a Facebook brand Community*: Research is made on Game Online. Authors indicate that Customer Engagement Behaviors consists of two constructs: Community Engagement Behaviors (CEBs) and Transaction Engagement Behaviors (TEBs). Findings that customer satisfaction and loyalty is mediated throughout factors of CEBs and TEBs. Mediating constructs are Social Benefits, Entertainment Benefits, Economic Benefits.

Hoang & Swierczek.,  
2008

- *Internet Use, Customer relationships and loyalty in the Vietnamese Travel Industry*: Investigating the how small and medium sized travel agencies perceive benefits and barriers of Internet use relating to the development of a positive relationships and loyalty with their suppliers. Findings that major benefits of Internet Use were interactional and transactional benefits meanwhile barriers were organizational weakness, poor IT infrastructure, mistrust of Internet system.

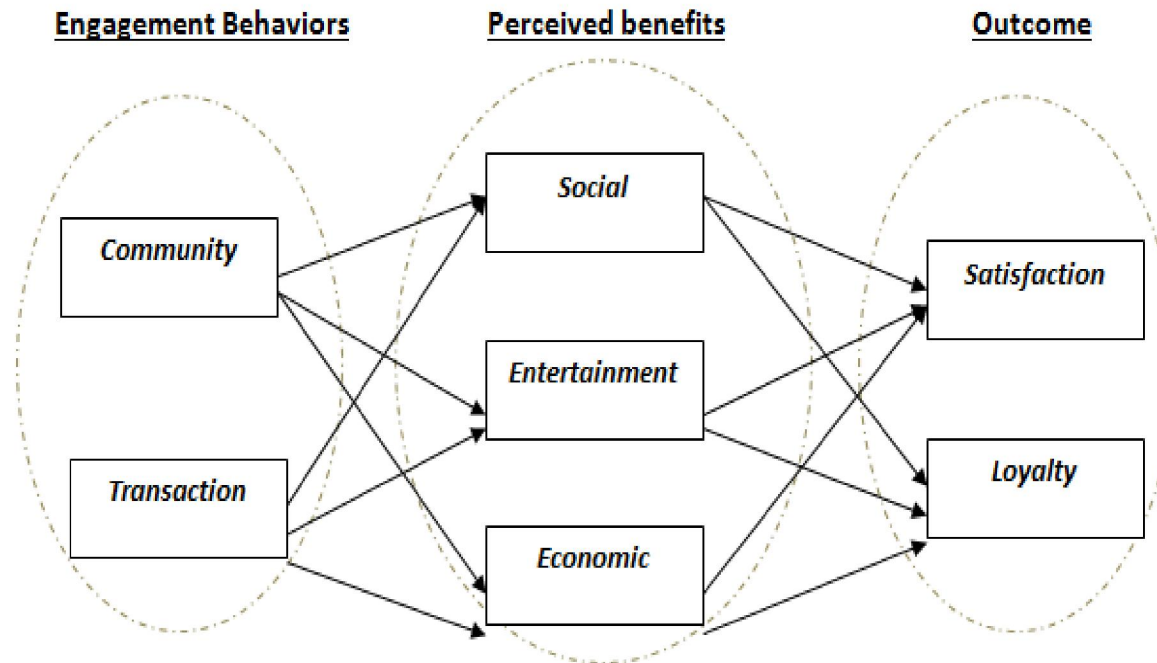
Bui, et al., 2011

- *Vietnamese Domestic Tourism: An Investigation of Travel Motivations*: Findings that main factors of motivations: Employer's sponsorships. A surprising findings is that tourist get tour information via introduction from friends with high ratio at 40%.



# Research Model

Based on previous studies, the model of Gummerous et al. (2012) is reused for testing the impact of customer engagement on loyalty and satisfaction of tourists through Facebook's Tourism fan-page in Vietnam.



Source: (Gummerus, Lijander, Weman, & Pihlstrom, 2012)

## **Hypothesis states:**

H1: Community Engagement behavior has positive relationship with Social benefit

H2: Community Engagement behavior has positive relationship with Entertainment benefit

H3: Community Engagement behavior has positive relationship with Economic benefit

H4: Transaction Engagement behavior has positive relationship with Social benefit

H5: Community Engagement behavior has positive relationship with Entertainment benefit

H6: Community Engagement behavior has positive relationship with Economic benefit

H7: Social benefit has positive relationship with Satisfaction

H8: Social benefit has positive relationship with Loyalty

H9: Entertainment benefit has positive relationship with Satisfaction

H10: Entertainment benefit has positive relationship with Loyalty

H11: Economic benefit has positive relationship with Satisfaction

H12: Economic benefit has positive relationship with Loyalty

## Research Method

- General approach: Qualitative and Quantitative
- Qualitative research: Interview experts and tourists to modify the questionnaires.
- Quantitative research: Data collection & analysis (EFA,CFA,SEM).

## Sampling & Data collection

- Minimum size of the sample:  $n \geq 125$  (5 x no. questions in questionnaire)
- Data will be collected by posting questionnaires in the travel fan page of two companies and an travel organization, and the questionnaire is also shared through personal Facebook wall.



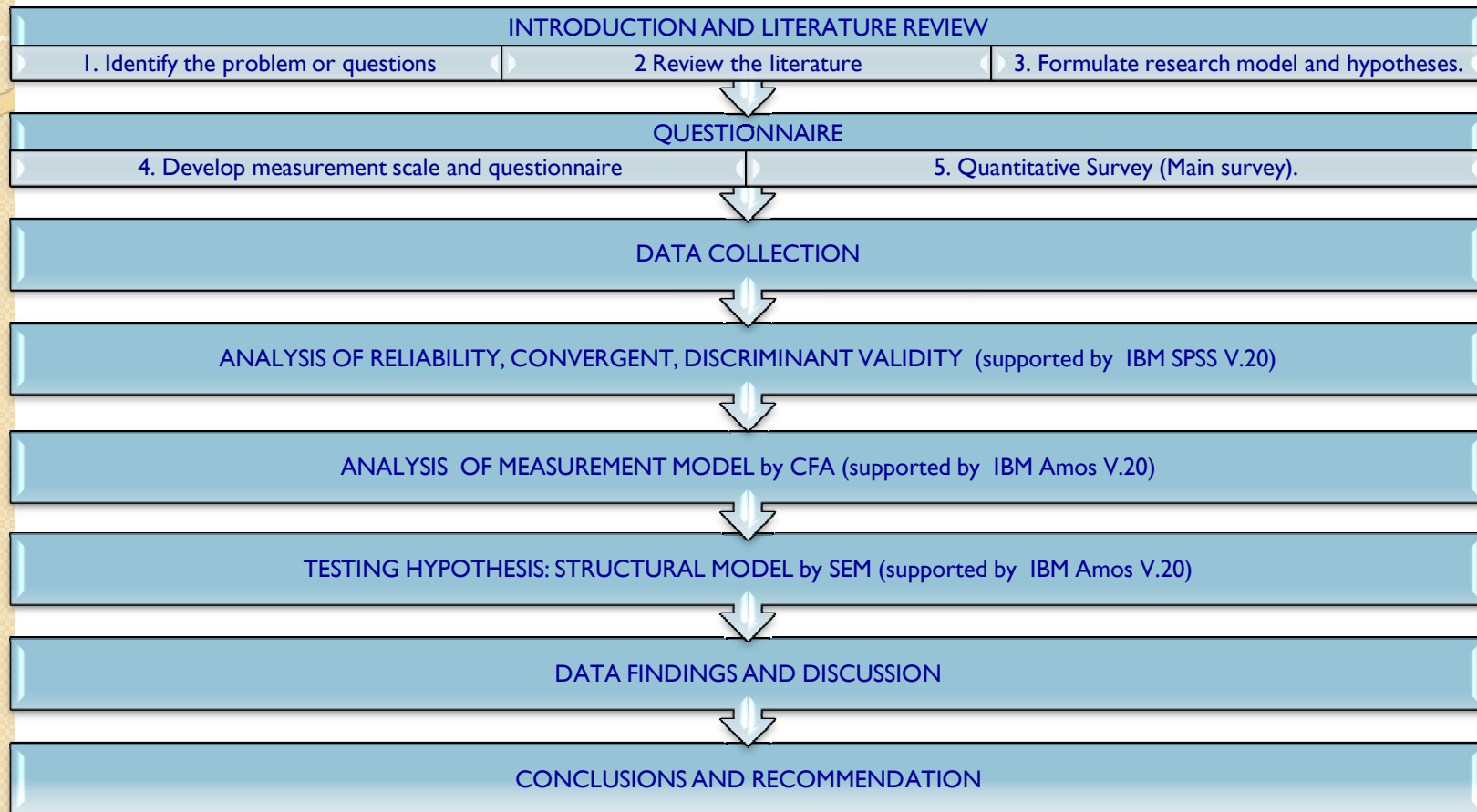
## **Modified Scale measurement**

Scales as observed variables are made in 24 questions to measure 7 factors in the model. Scales are modified based on the research of (Gummerus, et al., 2012)

## **Data processing and method of analysis**

1. Frequency and Descriptive statistics are used for screening
2. Exploratory Factor Analysis (EFA) is for refinement of measurement scales
3. Confirmation Factor Analysis is for model measurement analysis
4. Structural model with SEM for testing hypothesis

# Research Process



## Descriptive Statistic

	<i>Item</i>	<i>Frequency</i>	<i>Percent</i>
<b>Gender</b>	Female	100	59.9
	Male	67	40.1
	<i>Total</i>	<i>167</i>	<i>100.0</i>
<b>Location</b>	America	2	1.2
	Asia and Australia	6	3.6
	Europe	7	4.2
	Vietnam	152	91.0
	<i>Total</i>	<i>167</i>	<i>100.0</i>
<b>Age</b>	Under 18 years old	1	0.6
	18-30 years old	129	77.2
	31-45 years old	33	19.8
	46-60 years old	3	1.8
	Over 60 years old	1	0.6
	<i>Total</i>	<i>167</i>	<i>100.0</i>
<b>Position</b>	Director/Owner	10	6.0
	Senior Manager	22	13.2
	Junior level	7	4.2
	Staff level	80	47.9
	Home works	2	1.2
	Others	46	27.5
	<i>Total</i>	<i>167</i>	<i>100.0</i>
<b>Income</b>	Below Usd250	65	38.9
	Usd251-Usd500	57	34.1
	Usd501-Usd1000	18	10.8
	Usd1001-Usd1500	16	9.6
	Over Usd1500	11	6.6
	<i>Total</i>	<i>167</i>	<i>100.0</i>

## Reliability analysis (Cronbach Alpha)

Constructs/Items	Corrected Item-Total Correlation	Eigen value	% Variance Extracted	Cronbach Alpha
<b>Community Engagement</b>		4.01	68.5	0.765
Commun1	0.537			
Commun2	0.655			
Commun3	0.603			
<b>Transaction Engagement</b>		3.29	86.4	0.841
Transac5	0.727			
Transac6	0.727			
<b>Social Benefits</b>		6.2	52.7	0.816
Social7	0.665			
Social8	0.68			
Social9	0.634			
Social10	0.492			
Social11	0.621			
Social12	0.398			

Constructs/Items	Corrected Item-Total Correlation	Eigen value	% Variance Extracted	Cronbach Alpha
<b>Economic Benefits</b>		6.4	63.9	0.81
Econom16	0.55			
Econom17	0.685			
Econom18	0.678			
Econom19	0.606			
<b>Satisfaction</b>		2.7	63.9	0.71
Satisf20	0.559			
Satisf21	0.623			
Satisf22	0.427			
<b>Loyalty</b>		3.8	73.7	0.82
Loyalt23	0.584			
Loyalt24	0.742			
Loyalt25	0.711			



# EFA Analysis

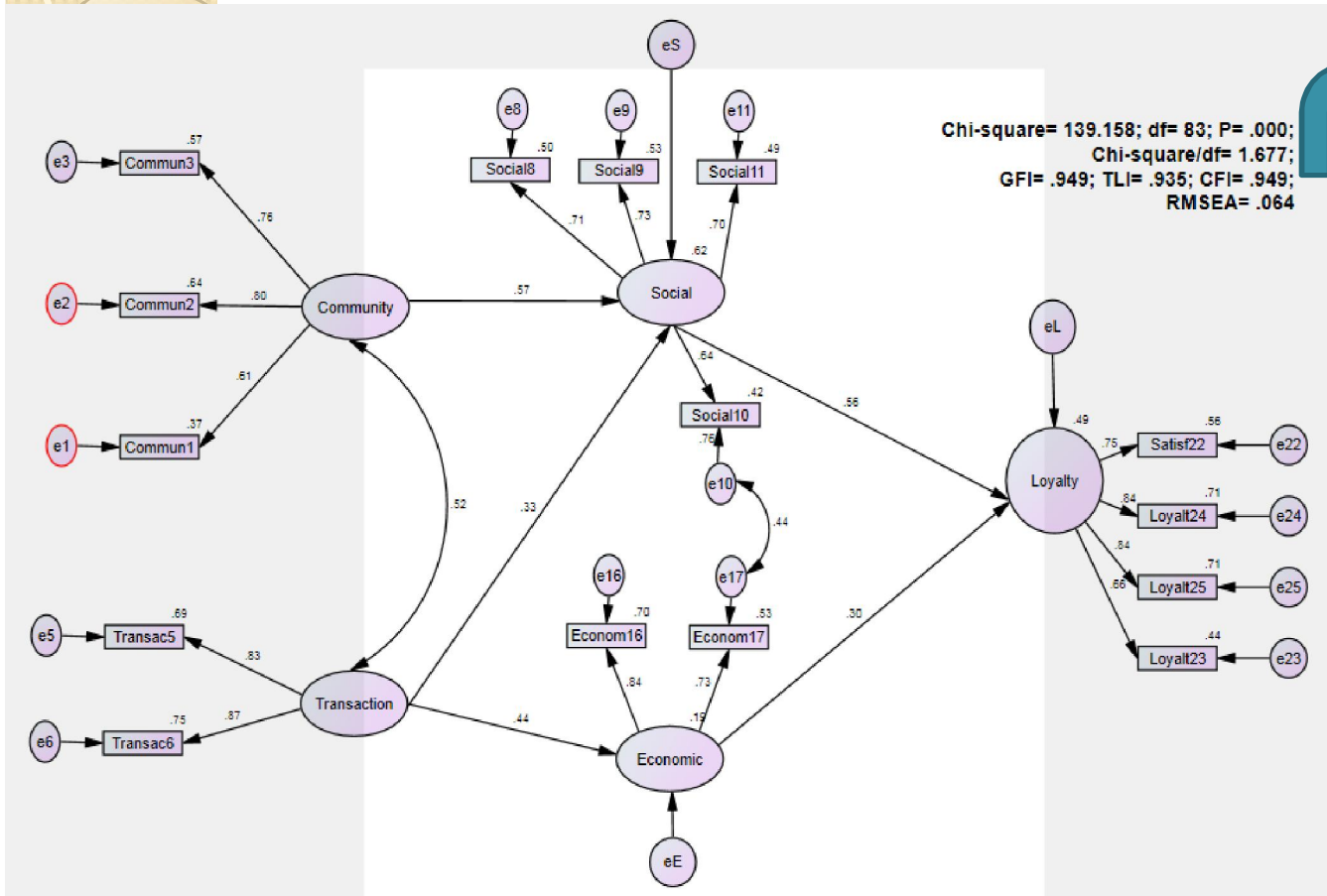
Items	Factor					
	Community	Transaction	Social	Economic	Entertainment	Loyalty
Commun2	.866					
Commun3	.698					
Commun1	.578					
Transac6		.890				
Transac5		.804				
Social11			.763			
Social10			.732			
Social8			.639			
Social9			.618			
Econom16				.799		
Econom17				.752		
Entert15					.651	
Social12					.592	
Satisf22						.886
Loyalt23						.867
Loyalt24						.830
Loyalt25						.763



# CFA Analysis

			Estimates	r <sup>2</sup>	S.E	C.R	p-value
Community	<-->	Loyalty	0.533	0.284089	0.06587	7.089724	0.000000
Community	<-->	Transaction	0.516	0.266256	0.066685	7.257968	0.000000
Community	<-->	Economic	0.208	0.043264	0.076147	10.4009	0.000000
Community	<-->	Social	0.713	0.508369	0.054586	5.257802	0.000004
Community	<-->	Entertainment	0.506	0.256036	0.067148	7.356868	0.000000
Loyalty	<-->	Transaction	0.655	0.429025	0.058826	5.864791	0.000000
Loyalty	<-->	Economic	0.473	0.223729	0.068591	7.683267	0.000000
Loyalty	<-->	Social	0.606	0.367236	0.061927	6.362346	0.000000
Loyalty	<-->	Entertainment	0.471	0.221841	0.068674	7.703063	0.000000
Transaction	<-->	Economic	0.379	0.143641	0.072042	8.619968	0.000000
Transaction	<-->	Social	0.549	0.301401	0.065069	6.931138	0.000000
Transaction	<-->	Entertainment	0.413	0.170569	0.0709	8.27923	0.000000
Economic	<-->	Social	0.491	0.241081	0.06782	7.505196	0.000000
Economic	<-->	Entertainment	0.149	0.022201	0.076981	11.05469	0.000000
Social	<-->	Entertainment	0.481	0.231361	0.068253	7.604105	0.000000

# SEM Analysis (fixed model)



**The Model is fixed with Reality:**

Chi-square/df = 1.677 < 2  
 GFI = 0.949 > 0.9  
 TLI = 0.936 > 0.9  
 CFI = 0.949 > 0.9  
 RMSEA = 0.064 < 0.08

# Hypothesis Test

H	Structural Relationships	Standardized Regression Coefficient	p-value	Hypothesis test
H1	Community --> Social	0.658	***	Supported
H2	Community --> Entertainment	not available	n.a	Rejected
H3	Community --> Economic	not available	n.a	Rejected
H4	Transaction --> Social	0.328	***	Supported
H5	Transaction --> Entertainment	not available	n.a	Rejected
H6	Transaction --> Economic	0.44	***	Supported
H7	Social --> Satisfaction	not available	n.a	Rejected
H8	Social --> Loyalty	0.56	***	Supported
H9	Entertainment --> Satisfaction	not available	n.a	Rejected
H10	Entertainment --> Loyalty	not available	n.a	Rejected
H11	Economic --> Satisfaction	not available	n.a	Rejected
H12	Economic --> Loyalty	0.298	***	Supported



## Research Findings & Discussions

Model Fix

- Refined model is fixed with empirical data for both measurement model and structural model.
- Entertainment is eliminated from the model. That could be understood that Entertainment does not play important role in travel industry, which is different with that of in gaming industry.
- Community does not have direct causal relationships with Economic Benefits. Instead, Community affect to Economic benefits mediating via Transaction evidenced by strong covariance between Community and Transaction.

Factor Causal relationships

- Community and Transaction have positive affect to Loyalty, mediating via Social benefits and Economic Benefits.
  - *Community* → *Loyalty*:  $\beta = 0.318$
  - *Transaction* → *Loyalty*:  $\beta = 0.315$
  - *Economic* → *Loyalty*:  $\beta = 0.298$
  - *Social* → *Loyalty*:  $\beta = 0.56$

## Extended Findings & Discussions

Items weight  
LOYALTY

Explain for which Items of Engagements mostly cause to Loyalty

- *Transac6* = 0.008 (*Buy travel kits*)
- *Transac5* = 0.007 (*Using souvenirs*)
- *Commun2* = 0.007 (*"Like" the post*)
- *Commun3* = 0.006 (*"Write" comments after the post*)

Items weight  
BENEFITS

Explain for why people engage into:

- *By Social Benefits*
  - *Social8* = 0.019 (*Help people*)
  - *Social11* = 0.018 (*Share ideas with others*)
- *By Economic Benefits*
  - *Econom16* = 0.021 (*Get vouchers*)
  - *Econom17* = 0.008 (*Join tour promotion*)

# Managerial Implication for Tourism Company

## 1- Activities enhance Community Engagement for Loyalty

- 1.1) Increase the content quality, outline → Increase Liker and commenters ( item\_commun2, commun3)
- 1.2) Create open topics to encourage people comments, sharing → Social Benefits ( Item\_social11)
- 1.3) Offer free souvenirs, vouchers... to active commenters, likers to encourage them to comment
- 1.4) Organize social activities to engage Community to Social benefits: offline parties, trips...

## 2- Activities enhance Transaction Engagement for Loyalty

→ Issue souvenirs, travel kits with good quality to engage the Transaction for Loyalty and put these programs on the fan page.





## Managerial Implication for Government Policy

- Use Facebook as a tool to promote Vietnam as a destination for travel
- In branding, maximize domestic tourism from Vietnamese tourists
- Via activities of community engagement and transaction to create the loyalty of tourists



## Conclusions

- This research confirmed positive impacts of Community, Transaction Engagement to Loyalty of tourists in Vietnam, mediating via Social Benefits of using Facebook fan-page.
- It show its own values in differentiation with former researches, especially the customer behaviors between industries.
- It gives good implications to Tourism Businesses to use Facebook as a marketing tool to enhance the Loyalty of tourists.



## Limitations

- Limitation of sampling method
- Limitation of respondents (who joint Facebook fan-page, domestic tours only)

## Future researches

- Find other new factors arisen from residuals
- Review for the causal relationship between Community & Transaction
- That could be extended for other researches for other industries in Vietnam and elsewhere.

**Thank you so much for your attention!**

**Q & A**

