Understanding e-WOM Influence using Social Location Based Services: Qualitative Evidence from Service Encounters

Ben Lucas, University of Newcastle, Ben.Lucas@newcastle.edu.au*
Jamie Carlson, University of Newcastle, Jamie.Carlson@newcastle.edu.au

Abstract

The purpose of this paper is to attempt to shed light on perceptions and motivations by consumers receiving electronic word of mouth (eWOM) communication via social location based services on the Facebook platform. This new form of social media technology enables users to share their location with their friends by 'checking-in' from a smartphone device at a particularly service provider (e.g. restaurants, gyms, airports) where they can attach eWOM comments about service experiences to their social network. The qualitative findings of the study offer important insights on how Facebook users perceive these eWOM messages regarding service providers attached to check-in posts on Facebook by their friends, as well as the individuals making these posts through this form of social media.

Introduction

Popular social networking site Facebook, has 955 million monthly active users as at June 2012 with 543 million monthly active Facebook mobile users (Facebook, 2012). With the recent advances in GPS technology and adoption of mobile Internet-enabled devices, the use of Facebook's mobile 'check-in' feature, has emerged in the marketplace which allows users to share their current location with their friends via the social media platform. This feature reportedly has 200 million monthly active users generating 2 billion location tagged Facebook posts a month (InsideFacebook, 2012). This form of mobile social media technology, known as social location based services, has now enabled users to share everyday experiences to their social network with mobile devices in real time. This behaviour has entered into consumption settings where consumers are now posting 'check-in' information regarding the service provider they are currently visiting (e.g. a bar, café, restaurant, hotel, tourism attraction), as well as passing judgment on positive (or negative) service experiences that they encounter. In Australia, popular service firm locations with Facebook check-in users include The Sydney Opera House (454 162 check-ins on the official Facebook page) and Crown Casino in Melbourne (399 050 check-ins on the official Facebook page). Overseas, Los Angeles International Airport (USA) has achieved 2 138 012 check-ins, whereas, Hartsfield-Jackson Airport in Atlanta (USA) has achieved 1 505 086 check-ins. Subsequently, this information can be viewed by a potentially sizeable audience through the customer's social network on the Facebook platform. As such, smartphone equipped consumers now wield very significant power within the service encounter by way of their word of mouth influence.

Since the use of social location based services via mobile devices at the time of service consumption is a phenomenon still emerging in the marketplace, little is known in the marketing literature regarding consumer perceptions of those that originate the 'check-in' communication, nor of those members of the person's social network that receive the information. Such research questions that warrant investigation include, what type of service providers (e.g. restaurants, bars, sporting events, gyms, airports) do people see their friends on Facebook 'check-in' at? What do people think of their friends that 'check-in' at these service providers? What are people's views on using the 'check-in' feature on Facebook? And, how do people describe the type of person that 'checks-in' on Facebook? This information is

required to understand the impact that these new social media technologies have on influencing consumer perception and behavior towards service providers. To this end, this paper is structured as follows: First, reviews of the word of mouth and relevant consumer behavior literatures respectively are presented followed by an explanation of the methodology employed in this study, results, a discussion of the results and implications and finally limitations and future research opportunities emerging from this study.

Literature Review: E-Word-of-Mouth on Social Networking Sites

Offline inter-customer word of mouth (WOM) communication plays a significant role in influencing customers buying decisions because the message and its sender is seen by consumers as more trustworthy and unbiased than firm driven, commercial communication (Richins and Root-Shaffer, 1988; Hennig-Thurau, Gwinner, Walsh and Gremler, 2004). Notably, Martin and Leug (2011) found that when consumers put to use WOM information they have received (e.g. a recommendation from a friend) in the purchase decision process, this has a strong influence on attitude toward products. However, over the past decade, the proliferation of electronic word-of-mouth (eWOM) via multiple mediums (e.g. online brand communities, and social media), warrants marketing interest because this technology-enabled word of mouth communication between consumers is highly accessible, visible and pervasive (Martin and Leug, 2011). This is because the internet provides customers with new ways to easily access product information produced by other consumers which they perceive as unbiased as compared to firm generated information (Hennig-Thurau et al., 2004). As such, Hennig-Thurau et al. (2004) defines eWOM "as any positive or negative statement made by potential, actual or former customers about a product or company, which is made available to a multitude of people and institutions via the internet" (p. 39).

Research has begun to explore eWOM communication processes in the context of social networking sites (e.g. de Vries, Gensler, Leeflang, 2012; Patterson, 2012). However, no research to date has explored the influence of eWOM diffused via social location based services such as Facebook places which have been generated at a service provider (e.g. restaurants, gyms, airports). Furthermore, little is known on the motives and perceptions by others of the information shared by Facebook users about their service experiences. Based on this discussion centering on the impact of WOM communication emanating from mobile social media interactions in service encounters, research is needed to better understand this emerging phenomenon to inform marketing decision making and contribute to advancing marketing theory. To help understand this phenomenon, areas have been identified in the marketing literature to form the basis of the qualitative study. These areas are detailed in the coding template in Table 1.

Methodology

This research employs an inductive, grounded qualitative approach (Round and Roper, 2012; Bryman and Bell, 2007). This being the case, an open ended survey was administered to a convenience sample of 100 university students. Given the demographic, socio-economic and technological adoption and usage profiles of the actual consumers of geo location-based services via smartphones, a student sample is an ideal source for drawing inference about the characteristics of the key target market. This approach is consistent with Mort and Drennan (2007) who examined a student sample in the investigation of mobile commerce adoption. Following a screening question, the survey was administered to users of Facebook who receive check-in messages from friends in a service encounter on their Facebook page. Participants were asked to respond to four open ended questions;

1. What type of service providers (e.g. restaurants, bars, sporting events, gyms, airports) do you see your friends on Facebook 'check-in' at?
2. Why do you think your friends 'check-in' at these service providers? Please state your thoughts for each place you have listed specifically.
3. What are your views on using the 'check-in' feature on Facebook? Do you think it is useful, entertaining etc?
4. How would you describe the type of person that 'checks-in' on Facebook?

An initial thematic coding template was developed to analyze the comments from the survey (Round and Roper, 2012). Key themes were informed by the literature detailed in Table 1. The choice of themes is based on those from the literature that are best to represent the broad reasons the Facebook audience will state for others using the check-in feature either because of their role in driving use of other social networking technology (e.g. Lin and Lu, 2011) or their importance in explaining consumer behavior in service settings (e.g. Grace and O'Cass 2004). As support for key themes is identified in the surveys (i.e. participant quotes), the supporting material is grouped according to the template which comprises the areas covered in the literature review. For example, a respondent stating they feel people who use Facebook check-in are highly social would be grouped around the *social needs* theme. Material is also grouped around broad ancillary themes (e.g. positive, negative, neutral, functional), detailed in the results section.

Table 1. Coding Template

Social Needs	Status
Hennig-Thurau, Gwinner, Walsh and Gremler, 2004	**Eastman, Goldsmith, Flynn, 1999**
Found that the social benefits that customers feel they will gain from participating in online opinion platforms drive online word-of-mouth behaviour.	Argued that "Consumers acquire, own, use and display certain goods and services to enhance their sense of self, to present an image of what they are like, to represent what they feel and think and to bring about the types of social relationships they wish to have"
Rosenberg and Egbert, 2011	**Onkvist and Shaw, 1993**
Conceptualised social networking sites as being dedicated to engaging in relational maintenance and relationship-seeking behaviours.	Argued that products can be used by individuals as vehicles for self-enhancement
Service Brand Attitude and Self-Brand Image Congruency	**Image and Self Enhancement**
Grace and O'Cass, 2004	**Gentile, Twenge, Freeman and Campbell, 2012**
Argued that brand attitudes are a good indicator of a consumer's holistic assessment of a service provider and are sound predictors of behavioural intentions.	Found that social networking sites are regularly used for self-focused activities such as building and maintaining ones positive self-views and self-esteem
Enjoyment	**Emotions**
Chtourou and Souiden, 2010	**Jayanti, 1995**
Found fun to be an important driver of positive attitude toward the use of mobile devices for internet browsing.	Contend that in the absence of physical cues, feelings are likely an important consideration in terms of evaluating the service experience.
Lin and Lu, 2011	**Jang and Namkung, 2009**
Found that enjoyment has a direct positive effect on continued intention to use social networking sites.	Showed that environmental stimuli have an influence on the emotional state of consumers in the service context.

Results

The survey received 91 useable responses, with 44 male and 47 female. The average age of respondents was 21.58 years. 93% of respondents stated that they sign in to Facebook at least once daily from a desktop computer. Respondents saw friends check-in most regularly at restaurants and cafes (24%), university (18%), bars pubs and nightclubs (13%), airports (9%),

sport venues (7%), gyms (5%) and a number of other service providers (24%). When asked why they think other Facebook users check-in at particular service providers, the following responses were gathered: 44 % – functional reasons (e.g. to meet up with others), 17% – stated mixed opinions of the behaviour (e.g. I think it is sometimes useful and sometimes pointless) 16% – described its value as a positive social tool, 12 per cent – stated its use as a means of boasting (negative comments), and 11 per cent had no specific point of view. When asked to detail their views on others checking-in at service providers, the following was gathered: 32% – positive views, 31% – negative view, 29% negative and positive views and 8% neutral views. When asked to describe the type of person that checks-in, the following was gathered: 35% – Negative comments, 34% – positive comments, 18% – neutral descriptive comments and 13% mixed comments (negative and positive). An analysis of the comments indicated themes related to social needs, status seeking, service brand attitudes, image building, enjoyment, emotions and situational involvement as key factors they believe compel others to use the Facebook check-in feature at a service provider. This is exhibited in Table 2, which shows a sample of respondent verbatim and the survey questions asked, grouped according to these themes.

Table 2. Theme Groupings

Social Needs	Status
Why do you think your friends 'check-in' at these service providers? *"Part of a social outing with friends and people want others to know that they have a good social life"* *"To keep people up to date with what you do. It may be to see friends at the places you're at"* *"The main reason people check-in I believe is centered around popularity and social status"* **What are you views on using the 'check-in' feature on Facebook? Do you think it is useful, entertaining etc?** *"It's more of a social tool than a necessity"* *"Depending where the check-in occurs. If it is at a club it is useful because I can then go there and meet up with them"* *"Useful – to know when friends are in your area so you can catch up etc"* **How would you describe the type of person that 'checks-in' on Facebook?** *"Highly social", "Outer-directed", "Outgoing, very social"*	**Why do you think your friends 'check-in' at these service providers?** *"To let other people know that they have been to a fancy place, to start a communication with friends. They are waiting for a reaction of friends"* *"When it is a prestigious place such as a nice restaurant, airport lounge etc. I think it is to 'show off' (let your friends know you live an exciting life)"* *"Airports: to broadcast their travel plans / make friends jealous"* *"Bars: project image of sophistication"* *"To brag"* **How would you describe the type of person that 'checks-in' on Facebook?** *"The type that needs to rub in where they are or let people know how exciting their life is"* *"Boring, too concerned with their image in terms of Facebook friends rather than the view of those they are with"*
Service Brand Attitude & Self-Brand Image Congruency	**Image and Self Enhancement**
Why do you think your friends 'check-in' at these service providers? *"To be connected with that service / place, to have an affiliation with that place"* **How would you describe the type of person that 'checks-in' on Facebook?** *"Sometimes is useful to get to know good restaurants because they usually also tell if they like it"* *"Keen to associate with a certain place"*	**Why do you think your friends 'check-in' at these service providers?** *"Gyms: possibly to project an image of healthy living"* *"Cause it makes you look busy and fun"* **How would you describe the type of person that 'checks-in' on Facebook?** *"There are those people that check in once a twice a week to show others that maybe they aren't boring people and they do get out"*
Enjoyment	**Emotions**
How would you describe the type of person that 'checks-in' on Facebook? *"Tech-savvy, confident, up to date with social media technology, young"* *"Very into social media, probably uses other forms such as Twitter and Foursquare"* *"Loves everybody to be interested in what they're doing. Maybe a 'busy body'"*	**Why do you think your friends 'check-in' at these service providers?** *"Airports: because they wish to express excitement about a holiday"* *"Hospitals: because they want attention and sympathy"*

Discussion and Implications

The findings of this study provide an initial understanding of the emerging trend of Facebook mobile check-ins initiated within physical service encounters, and how audiences perceive this eWOM in this fashion. The main themes emerging from the present study, particularly the prevalence of social and personal related motives perceived as the drivers of check-in use by the audience of the users, highlight a need for marketing academics and practitioners to consider how much of the eWOM traffic on social networking sites is being driven by genuine connections with, and positive attitudes toward the firm, and how much is driven by factors beyond the control of the firm such as consumers seeking to satisfy social needs and attain status. However, if audiences perceive individuals to be checking-in at a service provider on the basis of social or personal motives, this is likely to be of value for the firm, as positive comments attached to the check-in post should remain within the classification of unbiased and more trustworthy (Richins and Root-Shaffer, 1988; Hennig-Thurau et al., 2004) versus firm initiated communications as the receiving audience perceives them to be driven by their friend acting on the basis of a social need as opposed to a firm operating on the basis of commercial imperative. The key is for service providers to ensure flawless service delivery in the age of smartphones and checking-in and to highlight the social appeal for users to check-in and spread positive eWOM about their businesses. Bansal and Voyer (2000) support this perspective, outlining the strength of WOM influence in the services context. As services are intangible, prospective customers are likely to trust previous users, especially those who are friends to us (Krishnamurthy, 2001). The identification of service brand attitude and emotions as other key themes reinforces the long held idea of the importance of engineering quality service delivery systems to ensure high levels of service quality and that customers have high quality service experiences and feel compelled to spread positive eWOM when they check-in (Ng, David and Dagger 2011).

Limitations and Future Research Opportunities

Firstly, this study has only examined one side of the Facebook eWOM equation, namely those that receive the check-in message from friends in their social network. Future research will ideally incorporate both the motives of individuals to check-in on Facebook as well as the perceptions of the audience receiving the eWOM messages attached to Facebook check-in posts, and how this affects their future behaviours in relation to the service provider the check-in user has checked-in at. Relatedly, de Vries et al (2012) stated as a future research direction the exploration of social contagion (i.e. influence spreading from one brand fan to others) as it drives individuals to 'like' and comment on brand posts on Facebook. Along these lines, the findings from this study provide a starting point to explore specifically how the perceptions of the eWOM check-in audience identified in this study affect their subsequent purchase decisions in relation to various service providers. Secondly, Facebook has a large global user base and the external validity of the findings should be considered; future research should consider different demographic and cultural groups to further enrich the findings. Thirdly, as technology is involved and changes rapidly, practitioners when using the results should consider the timeliness of the findings. Finally, although the participants have been chosen as representative of the population of interest, the sample size is limited by the convenience sampling approach. Future studies should use larger samples to reduce sample bias and to improve the generalisation capacity of the findings (O'Reilly and Marx, 2011).

References

Bansal, H.S. & Voyer, P.A. 2000. Word of Mouth Processes within a Services Purchase Decision Context. *Journal of Service Research, 3,* (2), 166-177.

Bryman, A., Bell, E. 2007. *Business Research Methods.* (3rd ed.). Oxford University Press, (Chapter 22).

Chtourou, M.S., Souiden, N. 2010. Rethinking the TAM Model: Time to Consider Fun. *Journal of Consumer Marketing, 27,* (4), 336-344.

de Vries, L., Gensler, S. & Leeflang, P. 2012. Popularity of Brand Posts on Brand Fan Pages: An Investigation of the Effects of Social Media Marketing. *Journal of Interactive Marketing, 26,* (2), 83-91.

Eastman, J.K., Goldsmith, R.E. & Flynn, L.R. 1999. Status Consumption in Consumer Behaviour: Scale Development and Validation. *Journal of Marketing Theory and Practice, 7,* (3), 41-52.

Facebook. 2012. Facebook Official Statistics / Newsroom. Accessed at: http://newsroom.fb.com/content/default.aspx?NewsAreaId=22

Gentile, B., Twenge, J.M., Freeman, E.C. & Campbell, K.W. 2012. The Effect of Social Networking Websites on Positive Self-Views: An Experimental Investigation. *Computers in Human Behaviour,* Article in press.

Grace, D. & O'Cass, A. 2004. Examining Service Experiences and Post-Consumption Evaluations. *Journal of Services Marketing, 18,* (6), 450-461.

Hennig-Thurau, T., Gwinner, K.P., Walsh, G. & Gremler, D.D. 2004. Electronic Word-of-Mouth Via Consumer-Opinion Platforms: What Motivates Consumers to Articulate Themselves on The Internet?, *Journal of Interactive Marketing, 18,* (1), 38-52.

Hennig-Thurau,T., Malthouse,E.C., Friege, C., Gensler,S., Lobschat,L., Rangaswamy, A., & Skiera, B. 2010. The Impact of New Media on Customer Relationships. *Journal of Service Research, 13,* (3), 311-330.

Inside Facebook. 2010. Facebook Places. Accessed at: http://www.insidefacebook.com/category/places/

Jang, S. & Namkung, Y. 2009. Perceived Quality, Emotions and Behavioural Intentions: Application of an Extended Mehrabian-Russell Model to Restaurants. *Journal of Business Research, 62,* (4), 451-460.

Jayanti, R. 1995. The Impact of Affective Responses on Physician Evaluations: An Exploratory Study. *Health Marketing Quarterly, 12,* (3), 49-62.

Krishnamurthy, S. 2001. Viral Marketing: What it is and Why Every Service Marketer Should Care?. *The Journal of Services Marketing, 15,* (6), 422-424.

Lin, K-Y. & Lu, H-P. 2011. Why People Use Social Networking Sites: An Empirical Study Integrating Network Externalities and Motivation Theory. *Computers in Human Behaviour, 27,* (3), 1152-1161.

Martin, W.C. & Leug, J.E. 2011. Modeling Word-of-Mouth Usage. *Journal of Business Research,* Article in press.

Mort, G.S. & Drennan, J. 2007. Mobile Communications: A Study of Factors Influencing Consumer Use of M-Services. *Journal of Advertising Research, 47,* (3), 1-9.

Ng, S., David, M.E. & Dagger, T.S. 2011. Generating Positive Word-of-Mouth in the Service Experience. *Managing Service Quality, 21,* (2), 133-151.

Onkvist, S. & Shaw, J. 1993. Self-Concept and Image Congruence: Some Research and Managerial Implications. *Journal of Consumer Marketing, 4,* (1), 13-23.

O'Reilly, K., & Marx, S. 2011. How Young, Technical Consumers Assess Online WOM Credibility. *Qualitative Market Research: An International Journal, 14,* (4), pp. 330-359.

Patterson, A. 2012. Social-Networkers of the World Unite and Take Over: A Meta-Introspective Perspective on the Facebook Brand. *Journal of Business Research, 65,* (4), 527-534.

Richins, M.L. & Root-Shaffer, T. 1988. The Role of Involvement and Opinion Leadership in Consumer Word-of-Mouth: An Implicit Model Made Explicit. *Advances in Consumer Research, 15,* 32-36.

Rosenberg, J. & Egbert, N. 2011. Online Impression Management: Personality Traits and Concerns for Secondary Goals as Predictors of Self-Presentation Tactics on Facebook. *Journal of Computer Mediated Communication, 17,* (1), 1-18.

Round, D. & Roper, S. 2012. Exploring Consumer Brand Name Equity: Gaining Insight Through the Investigation of Response to Name Change. *European Journal of Marketing, 47,* (7), 4-16.