The Experiential Marketing on Blogs

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ABSTRACT

There has been a revolution in marketing, especially using new media, such as blogs. The purpose of this study is to determine how different types of information on the Internet can affect customers' motivation to take a vacation in a particular place. The analysis suggests that information provided in blogs can help customers experience a feeling about a particular place and influence their choice of vacation. The analysis also confirms two moderating relationships: (1) customers who browse travel information from blogs will have stronger purchase intentions than if they browse information about travel packages provide by tour operators; and (2) customers who browse travel information in blogs experience stronger feelings than if they browse information in travel packages.

1. INTRODUCTION

E-commerce web-site owners hope customers will become locked into on-line shopping malls [1][4]. Unfortunately, they do not really understand customers' needs, especially psychological factors, like their feelings, thoughts, and senses, or how customers choose an unfamiliar product or service. Traditional marketing research assumes that a consumer acts as a rational decision-maker. According to this concept, if consumers buy products or services from suppliers, they focus on the products' functions and effects that maximize their value. E-commerce researchers also follow this assumption, and their research results suggest that the owners of web sites should provide many kinds of products and services for customers.

The 1998-2000 marketing research priorities of the Marketing Science Institute set the goal of understanding customer experience as one of two important research topics [32]. Reber [22] defines experience, as any feelings that people have while they encounter events and activities in their daily lives. Holbrook & Hirschman [19] consider consumption as a primarily subjective state of consciousness with various symbolic meanings, hedonic responses, and esthetic criteria. Consumption experience, for example, could be behavior like pursuing fantasies and feelings and having fun. Experience is considered as a service and companies can create or even customize experiences to meet customers' individual needs. Although many studies in the literature focus on the real world, few focus on the virtual world.

In the list of 2006~2008 marketing research priorities [31], measurement of the impact of new media is one of top tier topics. A blog is the most famous new medium on the Web. Clyde [10] defines a blog as a web page that has brief and chronologically arranged items of information. Since a blog often combines text, photographs, videos and/or audio, and links to other blogs, it is a fluid and dynamic medium. Vuorinen [27] lists five features of a blog: it is written fairly frequently; it is free form and brief; it follows a reverse-chronological order; it is personal; and it links to other blogs. To date, very little research has been conducted on blogs. In fact, most of the literature consists of reports and essays on concepts and user behavior, and does not address the use of blogs for business purposes.

Schmitt [26] suggested that there has been a revolution in marketing, which he calls experiential marketing. According to Schmitt, we must change our deeply ingrained marketing ideas in favor of providing valuable experiences for customers. Experiential Marketing can satisfy customers' needs and desires and encourage them to become immersed in on-line shopping malls.

Can a blog be for an experiential web application? According to Gartner Research's [30] report about blog users' behavior, 52% of users are able to express themselves creatively, 37% can document personal experiences or share them with others, and 29% can motivate other people to action. Thus, a blog can be as an experiential application.

The blog has become an important experience for users for two reasons. First, an increasing number of people are writing blogs [24]. The Hong Kong Blogger Survey Report [18] found that bloggers want to express and even share their feelings and creativeness, so blogs are rich in content. Second, since blogs allow users to explain their feelings willingly and freely, people are attracted to this new medium.

In this paper, our purpose to investigate how blogs can be used as experiential web applications. We select two travel web sites: Realtravel in the U.S and ezTravel in Taiwan. The main difference between the web sites is that Realtravel has a lot of travel blogs written by tourists, whereas ezTravel only provides on-line ticketing and travel packages.

2. CONCEPTUAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Based on experiential marketing and consumer behavior literature, we develop a conceptual framework of experiential marketing, as shown in Figure 1. We believe

Figure 1. Our research model
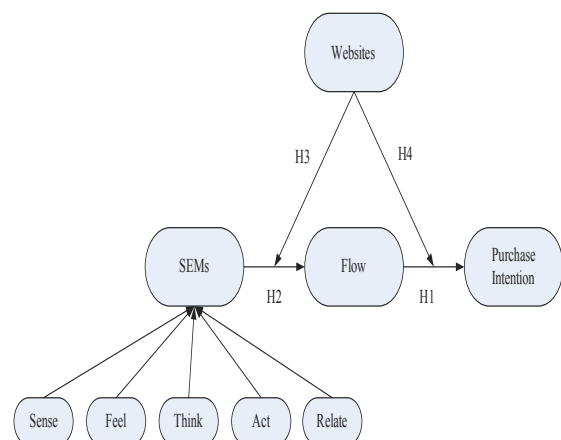
that consumer purchase intentions with respect to travel services are guided by a flow experience, such that users become immersed in playfulness and involvement, which triggers a new exploratory experience [17].

2.1. Flow Theory

According to Flow Theory, flow is a process of optimal experiences that are intrinsically enjoyable [11][7]. Flow is a temporary and subjective experience, and it is also the reason that people want to participate in particular activities [11].

Webster et al.'s [28] study of human-computer interaction established that flow is a subjective experience of human-computer interaction that is characterized by playfulness and exploratory behavior. When people interact with computers, they feel playful and involved, which triggers a new exploratory experience for them.

Hoffman & Novak [17] proposed a model of network navigation for hypermedia that involves two kinds of browsing experience: goal-directed behavior and experiential behavior. When users' behavior is goal-directed, they have a specific goal and make an optimal decision about browsing for information. On the other hand, when users' behavior is experiential, they focus on processes, not on a specific goal. According to Hoffman & Novak's model, four consequences flow from network navigation, namely, increased learning, increased perceived behavioral control, increased exploratory and participatory behavior, and positive subjective experiences. Hoffman & Novak also posited that increased exploration can derive better information, especially when making purchasing decisions. We believe that the same concept can be applied to the use of blogs because they motivate people to search for more information. Thus, we propose the following hypothesis:

H1: Flow experiences positively influence purchase intentions.

2.2. Experiential Marketing

Pine and Gilmore [25] advanced the concept of experience economy, and divided the progression of economic value into four stages: commodities, goods, services, and experience. Experience economy means that enterprises must regard service as a stage and create an attractive consumption situation that immerses the consumer in a consumption experience. Traditional marketing and business concepts offer hardly any guidance on how to capitalize on the emerging experiential economy, because such concepts were developed in response to the industrial age, not today's information, branding, and communications revolution [26].

Schmitt [26] takes issue with the features and benefits approach of traditional marketing. In the traditional model, consumers are thought to go through a considered decision-making process, where each feature or characteristic of a particular product or service is seen to convey certain benefits, and these are all assessed by the potential purchaser (either consciously or unconsciously). However, for Schmitt, this is far too limited a way of viewing purchase decisions, with its excessive emphasis on the rational and logical elements of the decision, and not enough (or any) on the emotional and irrational aspects involved in the purchase. The alternative framework that Schmitt proposes is based on two elements: strategic experience modules (SEMs), which are different types of experiences, and ExPros (short for experience producers), which are the various agencies that deliver these experiences. Experiential marketing is the discipline of creating products and services that consider all elements of this framework.

Since blogs aggregate people who have similar interests, blogging portals give readers the opportunity to interact with other bloggers [27]. Schmitt [26] identifies five different types of experience, which we use to describe the features of blogging behavior. Here, we briefly consider Schmitt's five SEMs in terms of blogging.

(1) SENSE: Sense experiences help motivate potential consumers and immediately creating a sense of value in their minds. In addition to the sense of sight aroused by travel pictures, bloggers can also set regional music to touch off the readers' sense of hearing.

(2) FEEL: When trying to influence the purchase intentions of consumers, their feelings toward a product should not be ignored. By considering the abundant pictures usually shown in travel blogs and the accompanying literary compositions, it is possible to understand the feelings of the travelers more easily.

(3) THINK: Thinking experiences can persuade consumers to engage in creative thinking, which may prompt them to re-evaluate a product. The mechanisms of blogs, such as blog scroll, backtracking, and comments, help users search

for more innovative and diversified travel information outside their own small, closed social network [13][14][5].

(4) ACT: Active experiences focus on changing the long-term behavior and habits of consumers toward a particular product. When influenced by other bloggers' travel ideas, an individual may decide he/she wants to travel to the same place.

(5) RELATE: People tend to relate to a broader social or cultural context. In reality, social ties in blogs are shown by hyperlinks, which can help an individual get in touch with numerous travelers and join an extensive community of like-minded people who are interested in traveling.

Furthermore, Hoffman & Novak [17] suggested that focused attention is one of the four primary antecedents that motivate users so that the flow experience can occur. Schmitt's five types of experience can motivate users to focus their attention. Therefore, we advance the following hypothesis:

H2: The experiences defined by Schmitt's SEMs positively influence flow experiences.

2.3. The Difference Between Travel Websites

We consider two travel websites, Realtravel and ezTravel. Realtravel is actually a blog website that provides information to people who wish to travel, so people can compose some travel journals, share experiences, communicate via blogs with people who have common interests all over the world, and even form a community. On the strength of tourist blogs in Realtravel, people can search for more information about traveling, including the descriptions of places and photographs. In addition, Realtravel offers information about tickets, hotels, and transportation so that a consumer can arrange a trip that correlates with a blog immediately.

EzTravel is the leading on-line travel service provider in Taiwan with 1.7 million members. The company offers package trips, including group trips, backpacker trips, and train, bus and flight bookings. Consumers can just browse the webpage of EzTravel when they want to plan a trip.

It is claimed that the presentation format of information display boards affects decision-making [6][23]. A recent study by Widing and Talarzyk [29] tested these theories in the on-line environment. The results support their hypotheses that the information display capabilities of these new services alter users' decision-making processes. Given this conclusion, we put forward the following hypotheses:

H3: The relationship between Schmitt's SEMs and flow experience is stronger in travel blogs than in travel packages.

H4: The relationship between flow experience and purchase intention is stronger in travel blogs than in travel packages.

3. METHODOLOGY

We designed our study to gather information about two kinds of travel decisions. Our focus is on students who want to arrange a package for their graduation trip. In this section, we describe sample and data collection, and instrument development.

3.1. Sample & Data Collection

The study was conducted at a large public university in Taiwan. Students of two classes volunteered to choose a journey for their graduation trip. They chose a trip to Phuket, and browsed for information about the trip in two ways: one was a travel package provided by ezTravel and the other was Realtravel, which contained blogs provided by people who had traveled to Phuket. To avoid browsing bias, we provided three travel blogs and one trip, which were selected by six graduate students. After the students had browsed the travel websites, they answered two questionnaires on the differences between the two travel website providers. A total of 52 surveys were distributed, and we received 50 useable responses (96 percent).

3.2. Variable Measurement

The dependent variable of intention to purchase has been employed in previous TAM research (e.g., [12]) and in marketing studies of user behavior (e.g., [3]).

Each experience under Schmitt's SEMs was developed and validated as part of this research. Schmitt's five experiential activities were consistent with perceived intrinsic motivation [26]. We adopt the Flow scale developed by Luna et al. [20] and Hoffman & Novak [17]. To ensure that the English and Chinese versions of the questionnaires were consistent in meaning, all the scales used in this study were examined by experts to ensure that the items were comprehensible and unambivalent to Chinese respondents. The respondents assessed all the items via a 7-point scale ranging from strongly disagree to strongly agree.

4. DATA ANALYSIS AND RESULTS

We used PLS (partial least squares), which is considered an appropriate analytical approach, to (1) model latent constructs as either formative or reflective, and (2) assess the psychometric properties of the constructs (the measurement model) within a theoretical context (the structural model) [21]. Unlike other structural equation modeling techniques, PLS uses a relatively lean sample size to validate a model [8][9]. A sample size of 30 would be a reasonable starting point for the three-construct model [9]. Following Anderson and Gerbing [2] and Hair et al. [16], the models were tested with a two-stage structural equation model. First, we conducted Confirmatory Factor Analysis (CFA) to assess the constructs' validity in terms of convergent and discriminant validity. Second, we performed structural equation model analysis to test the research hypotheses empirically.

4.1. Measurement Model

The model contains one second-order variable (SEMs). We also created a second-order construct using the factor scores from the first-order construct.

With respect to the quality of the measurement model for the full sample, three types of validity were assessed: content validity, convergent validity, and discriminant validity. We assessed the convergent validity by examining the average variance extracted (AVE), since each construct has an AVE of at least 0.7 [8]. Finally, we verified the discriminant validity by examining the value of the square root of the AVE to determine whether it was consistently greater than the off-diagonal correlations [15]. As shown in Table 1, the composite reliability values range from 0.928 to 0.972, which are above the acceptability value; the average variance extracted by our measure ranges from 0.722 to 0.896, which is also above the acceptability value of convergent validity; and the square root of the average variance extracted for each construct is greater than the off-diagonal correlations. All our multi-item constructs meet these criteria, thus confirming the constructs' validity.

4.2. Assessing the Structural Model

To test the moderating effect of the type of travel website, we used three structural models in the PLS-Graph: the full sample, the sub-sample of the Realtravel website, and the sup-sample of the ezTravel website. We also tested for differences between all three models by using a bootstrapping technique to derive the path estimates and t-value, which were used to test the hypotheses. The results of the structural model test are shown in Table 2.

Hypothesis 1 suggests that flow experiences positively influence purchase intention. From the structural equation modeling results and standardized path coefficient (SPC) of 0.67 (p< 0.001), this contention is strongly supported. Our analysis of the results also shows that SEMs positively influence flow experience (SPC = 0.734, p<0.001), providing support for H2. Hypotheses 3 and 4 propose that travel blogs and travel packages moderate the relationship between flow experience and purchase intention and between SEMs and flow experience. The result shows that the standardized path coefficient of the Realtravel website is greater than that of the ezTravel website, thus proving that proving that travel blogs can strengthen the intention to purchase.

5. DISCUSSION AND CONCLUSION

The objectives of the study are twofold: (1) to verify that customers' experiences strengthen purchase intentions; and (2) to examine two types of travel website to determine how they affect users' purchase intentions.

Our results suggest that users who obtain information about travel packages from blogs may have positive experiences so that they become immersed in the flow scenario. This results in increased purchase intentions, no matter whether the sample is a full sample or one of the two sub-samples, which is the same as the result based on information search theory. In the travel industry, travel websites should provide more information and combine more types of media about trips, which would increase customers' intention to purchase.

The analysis also confirms two moderating relationships: (1) customers who browse travel information in blogs will have stronger purchase intentions than if they browse travel packages provided by tour operator; and (2) customers who browse travel information in blogs have deeper experiences than those who browse travel packages. Therefore, customers who browse information in blogs have more experiences and stronger purchase intentions.

Our study has two potential limitations. First, the sampling was limited to students of an undergraduate class. Hence, there exists the possibility of sampling bias. Second, the sample sizes were about 50, which may be considered small; however, as noted earlier, PLS uses a sample size of 30 as a reasonable starting point [9].

In summary, blogs represent a fundamentally different on-line environment for marketing activities compared to travel package websites. The results of this study suggests that consumers can obtain richer information from blogs. The opportunity for customers to browse for information on the Internet can be realized in numerous ways and website owners should therefore provide new media to lock in their customers.

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