

# THE INFLUENCE OF PERCEIVED BENEFITS ON YOUNG MALAYSIAN FACEBOOK USERS' HOMESTAY RESERVATION INTENTION

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## ABSTRACT

*Portrayed as a rural hospitality product with unique Malaysian appeal, consumers' intention to reserve a homestay could be very different from other lodging options. Unfortunately, empirical studies on homestay are insufficient, particularly in the Malaysian context. This paper aimed to examine how the Malaysian young adult's intention to make a homestay reservation via social media platform such as Facebook, is influenced by perceived benefits. Utilizing structural equation modeling, the findings supported the influences of perceived functional, hedonic, social and monetary benefits on homestay reservation intention. Interestingly, psychological benefit was found to have a significant but negative relationship with reservation intention. This could be attributed to the unique characteristics of homestay which require active participation from both the customers and the homestay hosts. Compared to similarity, belonging and affiliation, young consumers preferred uniqueness and differences in the hosts' cultures and lifestyles. The findings suggested the Facebook to be an effective tool for homestay operators. The promotional campaigns stress that the point of differences could be more effective and attractive to the young consumers.*

**Keywords:** Facebook; perceived benefits; reservation intention; young adults; homestay.

## INTRODUCTION

The merging trends in social media have created vast opportunities for customers and companies to engage in social interaction. Not limited to content creation and sharing (Kaplan & Haenlein, 2010; Xiang & Gretzel, 2010), social media offers easy, cost-effective access which allows users to connect regardless of time and geographical constraints (Harris & Rae, 2009). Highly popular and widely used social networking sites such as Facebook (Statista, 2016) have recorded monthly active users of more than 1.86 billion around the world (Facebook Newsroom, 2016). It now has the fastest growing communication technology,

by allowing not only interaction between customers and organization but also among customers (Xiang & Gretzel, 2010). It provides a lot of powerful information, especially the shared experiences among consumers (Xiang & Gretzel, 2008) which help to increase users' intimacy through continuous mutual communication on certain product or services (Saperstein & Hastings, 2010). It is hence expected to impose a great influence on consumers' information searching habits and buying intentions (Lun, 2012; Crnojevac, Gugiü & Karlovpan, 2010). This is critical to any business to reach its target market more effectively.

Malaysian Facebook users are reaching 10.4 million and rank 8th among the Asian countries in 2016, with an encouraging growth of 19% from two years ago. With 33.7% of them aged between 18-24 years old (Statista, 2016), the young Malaysian consumer group represents a huge and significant target market for consumer-based research. They are found to portray a distinct and different buying attitudes and behaviors from the older generations (e.g. Ketcham, Siedler, van Gemmert & Stelmach, 2002; Peters, Hess Vastfjall & Auman, 2007), especially in terms of media consumption and preferences (Fromm & Garton, 2013). Traditional media such as TV and newspapers are seen as obsolete, unattractive and a kind of distraction to them (Pinzas, Savulescu & Mitan, 2013; Rutsaert, Pieniak, Regan et al., 2014). Instead, in social media they share and discuss information (Best, Manktelow & Taylor, 2014; Moise & Crucecu, 2014), communicate and interact (Pew Research Internet Project, 2014) and create relationships (Safko & Brake, 2009).

The study of young consumers' purchase intentions hence represents a crucial part in marketing. Purchase intention is posited as more accurate in forecasting sales compared to time-series extrapolation of past sales trends (Armstrong, Morwitz, & Kumar, 2000). However, it was only in recent years that the service sectors (e.g. hospitality, tourism, travel, and banking industries) started to focus on examining consumers' online service buying intention, particularly via the social media platform (e.g. Aluri, Slevitch & Larzelere, 2016; Bigne, Andreu, Hernandez & Ruiz, 2016; Kim, Kim, Park & Park, 2017; Parra-López, Bulchand-Gidumal, Gutiérrez-Taño & Díaz-Armas, 2011). In the context of Malaysia, the empirical studies of young consumers who are the main target market for online buying are insufficient, especially in the context of service industry.

This paper aims to examine the young Malaysians' online reservation intention in the context of homestay. With less than forty years of history in Malaysia, homestay is a rural hospitality product which has a unique Malaysian appeal and is packaged with local tradition and cultural elements as well as natural heritage (Intan et al., 2011; Ibrahim & Rasid, 2009 in Pusiran & Xiao, 2013). Though both are service based, a home stay experience is different from a hotel stay as it requires active

participation from both the customers and hosts, allowing for social interactions among the customers in which the business is operated in a different form and nature from that of a hotel stay. It is an alternative for the guests coming to stay with the host family and interacting with the local community (Amran, 2010).

However, empirical researches on Malaysian homestay scenario is limited and the generalization of the existing lodging and online travel community literature to homestay could be inappropriate. Most importantly, there is a lack of existing homestay literature focusing on assessing young Malaysian consumers' attitude and behavioral intention, even though they represent a significant target market.

Benefit factors are among the main reasons why people participate in social media interaction (Wang & Fesenmaier, 2004). Previous research on online travel community integrated the benefits of social media participation among online communities to include functional, social, psychological and hedonic benefits (Wang & Fesenmaier, 2004). Other researchers such as Kang (2011) argue that monetary benefits are an important consideration in hotel and restaurant online community. These existing studies concentrated on the perceived benefits the social media had on online community participation (Wang & Fesenmaier, 2004; Kang, 2011; Song and Yoo, 2015). As young consumers portray a distinct and different buying attitudes and behaviors from the older generations (e.g. Ketcham, et al., 2002; Peters et al., 2007), they could have considered a different set of perceived benefits. However, the existing literature did not highlight young adult consumers, especially in relevance to the perceived benefits of a particular social media type, particularly in a homestay reservation context.

Looking into the significance of perceived benefits, social media influences and young adult consumers as well as the lack of homestay related empirical research, this study aimed to predict Malaysian young adults' intention to make a homestay reservation via Facebook, by proposing perceived benefits as a five-dimensional variable to include functional, social, psychological, hedonic and monetary benefits.

## **LITERATURE REVIEW**

In general, consumers use online communities and other media to receive benefits (Grace-Farfaglia, Dekkers, Sundararajan, Peters & Parks, 2006). The earlier perceived benefit literature found that functional, hedonic and social-psychological benefits positively influenced hotel members' community participation (Wang & Fesenmaier, 2004). The Functional benefits can be obtained through Facebook to fulfill consumers' specific needs, including searching for updated information (Arsal, Backman & Baldwin, 2008) and easy access to information in which there

is no time and geographical limits (Armstrong & Hagel, 1996). An immediate access to vast amount of information shared on social media leads to efficient information exchange (Wang, Yu & Fesenmaier, 2002).

For example, in the case of consumers who plan a last minute vacation, looking for a homestay can gather information such as facilities or room rates shared by others on Facebook conveniently. These efficient interactions through social media among consumers could facilitate the reservation intention (Armstrong & Hagel, 1996). This study proposes the following hypothesis:

H1: Functional benefit of Facebook has a positive relationship with consumers' intention to make a homestay reservation.

Apart from functional benefits, Facebook users also gain social benefits from others' responses (Derlega et al., 1993). Social benefits refer to any kind of help and support that can be obtained from other consumers on social media (Wang & Fesenmaier, 2004). The interactive Facebook functions such as "like", "comment" and "share" allow users to respond to other's comments "*in a timely manner; extending tangible or intangible assistance to those in need of help*" (Gray, Ellison, Vitak, & Lampe, 2013 in Zhang, 2017, p. 529). Consumers tend to spend more time on social media when they share mutual interest with others (Hwang & Cho, 2005) and get involved in terms of time and effort. They even get a sense of identification with a particular Facebook community which provides a platform to make decisions to a certain extent. In the case of online homestay reservation, this involves communication activities such as discussing and exchanging of ideas (Preece, 2000) among users on a particular home stay. Through Facebook, users establish and maintain contact with other people such as social support, friendship, and intimacy (Cheung, Chiu & Lee, 2011, p. 1338). It is hence assumed that social benefits of Facebook may impact consumers' decision to make a homestay reservation (Xiang & Gretzel, 2010), which leads to the following hypothesis:

H2: Social benefit of Facebook has a positive relationship with consumers' intention to make a homestay reservation.

Consumers' buying decision is influenced by psychological factors such as motivation, perception, learning and beliefs, and attitude (Armstrong & Kotler, 2000). These psychological aspects create positive feelings toward the Facebook interactions and hence encourage consumers to increase their buying intention. The psychological benefit consists of identity expression (Walther, 1996), sense of belonging and affiliation (Rheingold, 1993). Identity is expressed through social interactions and relationship with others. How they want to present themselves and how they want to be perceived by others depend on the consumers (Walther,

1996). Consumers with social anxiety are more interested in using social media to satisfy their need for affiliation (McKenna, Green & Gleason, 2002). A homestay Facebook page will encourage the consumer to express him/herself to others and increase his/her intention to make a reservation. Hence,

H3: Psychological benefit of Facebook has a positive relationship with consumers' intention to make a homestay reservation.

Hedonic consumption experience on social media forms creative simulation and emotions that are associated with feeling good, enjoyment, excitement and enthusiasm (Wang & Fesenmaier, 2004). Through social media, consumers are not only provided with extrinsic but also intrinsic value (Wang & Fesenmaier, 2004) as they are amused and entertained (Armsrong & Hagel, 1995). The positive emotions and stimulations are found to correlate positively with consumers' information searching (Liao, Fei & Chen, 2007) as well as purchase intention, especially in the context of online shopping (Wang & Fesenmaier, 2004). Fard, Tamam, Hassan, Waheed and Zarremohzzabieh (2016) also found hedonic factor as one of the main factors to influence Malaysian students' purchase intention via social media. Hence,

H4: Hedonic benefit of Facebook has a positive relationship with consumers' intention to make a homestay reservation.

Kang (2011) later added the monetary factor into the context of hospitality (hotel and restaurant) online community. He argued on the importance of monetary benefit based on consumers' desire to save money (Haris, O'Malley & Patterson, 2003) and anticipated to earn economic advantage from their relationship with the service provider (Gwinner, Gremler & Bitner, 1998). Past research indicated that monetary benefits create a positive effect on consumers' purchase intention (Kang, 2011). It works well to attract new customers (Treadaway & Smith, 2010) and consumers with budget constraints but who still insist on spending for their family. Many companies have realized social media benefits and make use of it as their social media strategy (Shankar, Inman, Mantrala, Kelley & Rizley, 2011). The common monetary rewards are free coupons, price discounts or special deals (Wang & Fesenmaier, 2004). In other words, monetary benefits (special deal) increase consumers' intention to reserve a homestay. Hence,

H5: Monetary benefit of social media has a positive relationship with consumer intention to reserve a homestay through Facebook.

## **METHODOLOGY**

This study aimed to examine the causal relationship among the five constructs of Facebook's perceived benefits and consumers' intention to make a homestay reservation by using a cross-sectional survey design. A self-administered questionnaire was distributed by hand (200 sets) and also via Facebook and WhatsApp (200 sets). Due to the multi-lingual nature of the Malaysian society, back translation technique was adopted to improve the translation accuracy and usability (Shigenobu, 2007).

Respondents were first screened for Facebook user status, age and experience (both direct and indirect) with any of the homestay's Facebook page or a fan. To prevent irrelevancy of data, only those who had confirmed that they had a Facebook account, aged 18 or above and had been exposed to any of the Homestay's Facebook page or a fan were eligible. Based on the previous argument, the young consumers were also viewed as most suitable as they were well exposed to online services (Goldsmith & Goldsmith, 2002) and represented 33.7% of Malaysian Facebook users (Statista, 2016).

As aforementioned, Wang and Feseienmaier (2004) measured perceived benefits by taking into consideration the functional, social, psychological and hedonic benefits. However, Kang (2011) argued that the monetary benefit was an important aspect in benefit perception. The current paper hence extended the studies of Wang and Feseienmaier (2004) and Kang (2011) to provide a comprehensive assessment of perceived benefits. The measurement items for all five dimensions of perceived benefits were adapted from Wang and Feseienmaier (2004) and Kang (2011). Meanwhile the 5 items of consumers' intention were adapted from Shim (2012) and Huang and Chen (2006), which are consistent with the context of study. A statistical power analysis was performed for sample size estimation using the G\*Power program. The effect size ( $f^2$ ) of 0.15 was considered being medium using Cohen's (1988) criteria. With an alpha = 0.05 and power 0.95, the projected sample size needed with this effect size was approximately  $N = 132$ . From a total of 400 sets distributed, only 258 valid questionnaires were collected.

## **FINDINGS AND DISCUSSION**

The majority of the respondents were single (68.6%) female (53.9%) aged between 18 and 25 years old (48.1%) with a Bachelor degree (55.4%). They were either self-employed, students or worked for the private sector (47.3%). They had actively spent an average of 1-2 hours daily on Facebook for the past five years (82.6%). The findings of the current study were consistent with Euromonitor (2013)'s report that most respondents preferred to access Facebook via the mobile phone (86.4%) due to perceived convenience.

The data was first assessed for internal consistency. Table 1 summarizes the Cronbach's alpha coefficients and composite reliability (CR) which represent the conservative measure of internal consistency reliability. The Cronbach's alpha coefficients for all five perceived benefit dimensions were found to be all well above 0.60 levels, which indicated acceptable internal consistency (Nunnally & Bernstein, 1994). CR for all five dimensions of perceived benefits were all well above 0.70 showing an adequate internal consistency (Gefen, Straub & Boudreau, 2000). In other words, the internal consistency reliability of the measures is considered to be sufficient.

Convergent validity testing which is "*the extent to which measure correlates positively with alternative measures of the same constructs*" (Hair et al., 2016, p.102) was presented in Table 1. The outer loadings for all dimensions were well over 0.60 or higher (Hair et al., 2016, p.102). Next, the AVE values were assessed and all five dimensions were well above the minimum level of 0.50 (Bagozzi & Yi, 1988). In other words, sufficient convergent validity is found in this study.

**Table 1:** Results Summary for Measurement Model

<b>Construct</b>	<b>Items</b>	<b>Loading</b>	<b>Cronbach <math>\alpha</math></b>	<b>CR<sup>2</sup></b>	<b>AVE<sup>b</sup></b>
Functional Benefit	Fconvenient	0.853826	0.8095	0.8748	0.6369
	Fefficient	0.718163			
	Finfo	0.810779			
	Fshare	0.803295			
Hedonic Benefit	Hamusement	0.841958	0.9101	0.9368	0.7878
	Henjoyment	0.892903			
	Hentertainment	0.902188			
	Hfun	0.911545			
Monetary Benefit	Mcoupon	0.908233	0.9301	0.9502	0.8268
	Mfood	0.887232			
	Mprice	0.92039			
	Mspecial	0.920966			
Psychological Benefit	Paffiliation	0.862023	0.8824	0.9187	0.7390
	Pbelonging	0.888457			
	Pestablish	0.897945			
	Pmaintain	0.785576			
Reservation Intention	RIddecision	0.894591	0.8412	0.9042	0.7589
	Rirecommend	0.873652			
	Rirely	0.844418			
Social Benefit	Sidentification	0.833426	0.8642	0.9079	0.7118
	Sinvolvement	0.884428			
	Ssocial	0.871483			
	Sstrust	0.781655			

*a* Composite reliability = (Square of the summation of the factor loadings) / (Square of the summation of the error variances)

*b* Average Variance Extracted = (Summation of squared factor loadings) / (Summation of error variance)



Discriminant validity testing which measured “*the extent to which a construct is truly distinct from other constructs by empirical standards*” (Hair et al., 2016, p.104) is presented in Table 2. The Fornell and Larcker (1981) criterion and the cross loadings were examined. First of all, the results in Table 2 indicated that the square root values of AVE for all five dimensions of perceived benefits were higher than their correlation with other constructs in the path model.

**Table 2:** Discriminant Validity of Constructs

<b>Construct</b>	<b>Functional Benefit</b>	<b>Hedonic Benefit</b>	<b>Monetary Benefit</b>	<b>Psychological Benefit</b>	<b>Reservation Intention</b>	<b>Social Benefit</b>
Functional Benefit	<b>0.7980</b>					
Hedonic Benefit	0.4115	<b>0.8876</b>				
Monetary Benefit	0.5827	0.3636	<b>0.9093</b>			
Psychological Benefit	0.6376	0.6608	0.6119	<b>0.8596</b>		
Reservation Intention	0.6820	0.6038	0.6937	0.6651	<b>0.8711</b>	
Social Benefit	0.6861	0.6135	0.6125	0.8433	0.7632	<b>0.8437</b>

*Note: Diagonals (in bold) represent the AVE while the other entries represent the squared correlations.*

Next, the cross loadings of the dimensions were examined and “*discriminant validity is established when an indicator’s loading on a construct is higher than all of its cross loadings with other constructs*” (Hair et al., 2016, p.111). Referring to Table 3, all the indicators loaded much higher in their hypothesized factor than on the other factor (Chin, 1998). In other words, the data reflects good discriminant validity.

Q<sup>2</sup> value test was included in explaining predictive relevance (Hair, Hult, Ringle & Sarstedt, 2016). The Q<sup>2</sup> value was obtained using blindfolding analysis (Hair et al., 2016). A Q<sup>2</sup> value of > 0 reflects predictive relevance and vice versa (Fornell & Cha, 1994). Based on the information of Table 4, all six measurement items were shown to have a predictive relevance.



**Table 3:** Loadings and Cross Loadings

Items	Functional Benefit	Hedonic Benefit	Monetary Benefit	Reservation Intention	Psychological Benefit	Social Benefit
Fconvenient	<b>0.8574</b>	0.3419	0.3813	0.5960	0.5000	0.5624
Fefficient	<b>0.7137</b>	0.2882	0.2748	0.4445	0.4115	0.4643
Finfo	<b>0.8079</b>	0.2816	0.5270	0.4982	0.4721	0.5145
Fshare	<b>0.8056</b>	0.3873	0.6413	0.6121	0.6258	0.6287
Hamusement	0.2826	<b>0.8388</b>	0.2949	0.4580	0.5647	0.4659
Henjoyment	0.4034	<b>0.8910</b>	0.3300	0.5792	0.5817	0.5598
Hentertainment	0.3795	<b>0.9043</b>	0.3256	0.5482	0.6213	0.6142
Hfun	0.3821	<b>0.9142</b>	0.3376	0.5468	0.5789	0.5280
Mcoupon	0.5793	0.2797	<b>0.9053</b>	0.6103	0.5693	0.5598
Mfood	0.5229	0.2597	<b>0.8857</b>	0.6401	0.4842	0.5113
Mprice	0.4818	0.4291	<b>0.9229</b>	0.6388	0.6080	0.6025
Mspecial	0.5375	0.3519	<b>0.9230</b>	0.6327	0.5646	0.5542
RIddecision	0.5460	0.5742	0.5460	<b>0.8533</b>	0.4780	0.5820
RIrecommend	0.6376	0.5053	0.6034	<b>0.8968</b>	0.5465	0.6822
RIrely	0.5828	0.4501	0.5604	<b>0.7960</b>	0.6572	0.6260
RIwilling	0.5537	0.5220	0.6449	<b>0.8515</b>	0.5892	0.7005
Paffiliation	0.6094	0.4988	0.6023	0.5618	<b>0.8593</b>	0.7847
Pbelonging	0.5041	0.5297	0.5984	0.6055	<b>0.8851</b>	0.7612
Pestablish	0.6206	0.6319	0.5219	0.6438	<b>0.8990</b>	0.7618
Pmaintain	0.4417	0.6294	0.3532	0.4509	<b>0.7923</b>	0.5682
Sidentification	0.4783	0.5145	0.3316	0.5968	0.6469	<b>0.8315</b>
Sinvolvement	0.6435	0.5451	0.7183	0.7129	0.7767	<b>0.8865</b>
Ssocial	0.6551	0.5074	0.5549	0.6482	0.7372	<b>0.8751</b>
Sstrust	0.5242	0.5024	0.4248	0.6089	0.6755	<b>0.7774</b>

Note: Diagonals (in bold) represent the AVE while the other entries represent the squared correlations.

**Table 4:** Predictive Relevance, Q<sup>2</sup>

Construct	Q <sup>2</sup>
Functional Benefit	0.6364
Social Benefit	0.7121
Psychological Benefit	0.7408
Hedonic Benefit	0.7873
Monetary Benefit	0.8266
Reservation Intention	0.5237

Path analysis was conducted to validate the test hypothesis. Table 5 showed the structural model analysis. All hypotheses except H3 were supported. The relationship between psychological benefit and reservation intention were found to be significant but in a reverse direction hence not supporting H3. A negative relationship was found between psychological benefits and consumers' intention to make a homestay reservation ( $\beta = -0.1942$ ).

**Table 5:** Path Coefficient and Hypothesis Testing

Hypothesis	Relationship	Std Beta	Std Error	T-value	Decision
H1	FB -> RI	0.2710	0.0533	5.0862**	Supported
H2	SB -> RI	0.3444	0.0669	5.1486**	Supported
H3	PB -> RI	-0.1942	0.0675	2.8791**	Not Supported
H4	HB -> RI	0.2817	0.0493	5.7190**	Supported
H5	MB -> RI	0.3045	0.0535	5.6917**	Supported

\*\*  $p < 0.01$

Notes: FB = Functional Benefit; SB = Social Benefit; PB = Psychological Benefit;  
HB = Hedonic Benefit; MB = Monetary Benefit; RI = Reservation Intention

Next,  $R^2$  or the “*measure of the proportion of an endogenous construct's variance that explained its predictor constructs*” (Hair et al., 2016, p. 201) was examined. In general, a high level of  $R^2$  value indicates a high level of predictive accuracy. The results indicated all five perceived benefit constructs explained almost 73% of the variance of the endogenous construct, reservation intention.

The findings of the current study indicated that functional benefit had a positive influence on consumers' intention to make a homestay reservation ( $\beta = 0.2710$ ,  $t = 5.0862$ ,  $p < 0.01$ ). The result was consistent with that of a previous study that examined the relationship between functional benefits and online community participation (Chung & Buhalis, 2008; Dholakia et al., 2009; Hwang & Cho, 2005; Kang, 2011). Dholakia et al. (2009) examined the influence of the functional benefit on consumers' consumption using online community and found the functional benefit which was related to obtaining information as the primary benefits gained by consumers. Functional benefit is important because consumers can exchange and share up-to-date information and experiences effectively (Wang et al., 2002) and conveniently via Facebook, which eventually facilitates consumers' purchase intention (Hagel & Armstrong, 1997).

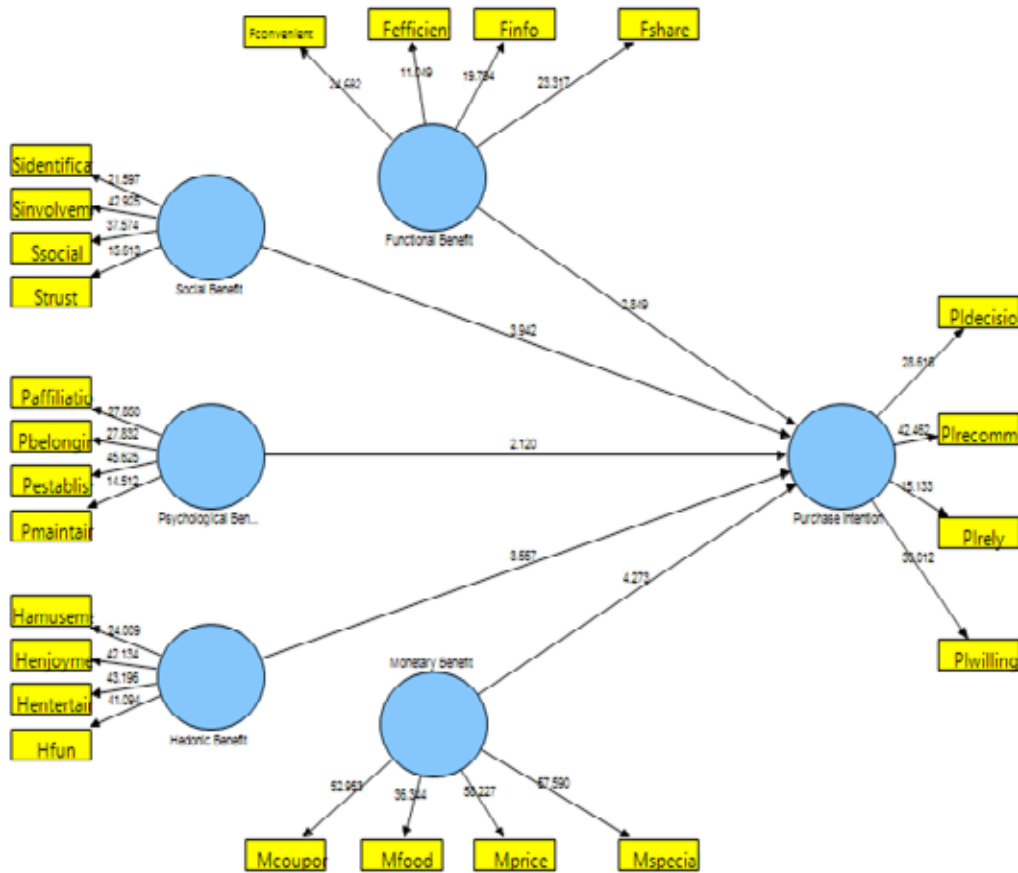


Figure 1: Structural Model

Social benefit was identified to influence consumers’ intention to make a homestay reservation ( $\beta = 0.3444$ ,  $t = 5.1486$ ,  $p < 0.01$ ). This finding is consistent with a previous study which examined participation in online travel community (Wang & Fesenmaier, 2004). Social benefit measures such as social enhancement, identification, involvement and trust are important to assess consumers’ intention. Hedonic benefit was found to be a significant factor influencing consumers’ intention to make a homestay reservation ( $\beta = 0.2817$ ,  $t = 5.7190$ ,  $p < 0.01$ ). The positive relationship implied the higher the hedonic benefit, the higher the reservation intention. This result was consistent with the previous findings (Wang & Fesenmaier, 2004; Kang, 2011; Song & Yoo, 2015). In this study, consumers were influenced by hedonic benefits such as amusement, enjoyment, entertainment and fun during pre-purchasing stage of a homestay reservation via Facebook.

The findings also confirmed that monetary benefits influenced consumers’ intention to make a homestay reservation ( $\beta = 0.3045$ ,  $t = 5.6917$ ,  $p < 0.01$ ). This finding is consistent with Treadaway and Smith (2010) who posited the importance of

monetary benefits in generating consumers' interest about hotel brands and intention to make online reservation. Consumers believed that they could make substantial saving through special price promotion via Facebook which encouraged them to buy (Gwinner et al., 1998), especially during the pre-purchase stage (Song & Yoo, 2015).

The finding in this study suggested that the psychological benefit was negatively related to consumers' intention to make a homestay reservation ( $\beta = -0.1942$ ,  $t = 2.8791$ ,  $p < 0.01$ ). This finding contradicted Wang and Feseinmaier's (2004) study which posited an insignificant positive relationship between psychological benefit and participation. Wang and Feseinmaier (2004) attributed their findings to unfamiliarity among the online communities who do not know one another well. They argued that consumers might not feel the need to develop member identification just for the sake of hotel reservation (Dholakia et al., 2009).

Certainly, other studies presented support the relationship between psychological benefits and purchase intention (Bressler & Grantham, 2000). They tend to fulfill basic psychological benefits such as a sense of belonging, identity expression and a sense of affiliation with other consumers, be it physical or online (Bressler & Grantham, 2000) which may translate into the intention to make a reservation. In the current study, the significant but negative result implied the difference between a homestay and a normal hotel stay. The sense of belonging, identity expression and a sense of affiliation are significant in determining the buying intention; however in the context of home stay, consumers do not think that higher affiliation, sense of belonging, similarity or identity expression will lead to higher buying intention. The multi-cultural and multi-ethnicity backgrounds of the young Malaysian adults lead to preferences on the homestay which provides different or new or unfamiliar cultures and identities. This is consistent with the homestay concept which aims to "*provide a unique opportunity to experience the way of life of the local people of an area along with the indigenous and traditional cultures within a comfortable homely setting*" (Boonratana, 2010; Kamisan et al., 2007 in Pusiran & Xiao, 2013, p.3). In other words, they are more attracted to homestay Facebook page that portrays a difference from the culture or lifestyle that they belong to or can identify with.

## **IMPLICATIONS, LIMITATIONS AND CONCLUSION**

Homestay is an iconic rural tourism product highlighting Malaysian culture and traditions (Ministry of Tourism and Culture Malaysia, 1995). It is a key resilient economic sector and a main contributor to GDP (Euromonitor, 2013). The Malaysian Government regards homestay as a good product to promote Malaysia and its multiracial community. Tourists from different

countries come to Malaysia and experience staying in homestays. Different from a hotel stay, homestay is not a lodging facility as it focuses more on lifestyle and experience, including cultural and economic activities (Ministry of Tourism and Culture Malaysia, 1995). However, due to internal weaknesses and external threats such as incompetent community leadership and operator commitment, inexperience, lack of knowledge and understanding of the industry, lack of creativity and entrepreneurship skills, and insufficient networking, many homestay initiatives failed to record impressive performances (Pusiran & Xiao, 2013). Empirical research is critical to improve the industry performance.

Social media is one of the useful tools which could be utilized by homestay operators or Ministry of Tourism to promote and attract visitors. It should be incorporated into a company's marketing tool in order to increase the company's reputation and reduce marketing cost (Mohamed, 2012). It also contributes in the expansion of the company's market share (Thomas, 2010) due to the popularity of Facebook. Most importantly, social media usage is expected to continue (Chappuis, Gaffey, & Parvizi, 2011). It could serve as a cheaper alternative for small and medium sized Malaysian homestay operators, by promoting not only to locals but also foreign tourists.

As posited by Cheung et al. (2011) in their study on student Facebook users, Facebook promotes 'we-intention', which "*is a joint intention made by a group of people that everyone will perform his/her own part (individual intention of joining and using online social networks continually) to perform a joint action together with others (continue to use online social networks together)*" (p. 1337). Homestay operators should emphasize the different aspects of perceived benefits by creating a sense of 'we-intention' in their Facebook page. Photos and video clips of the homestay and activities; as well as the testimonials from visitors could be utilized as effective promotional tools. In addition, Facebook also provides valuable information to homestay operators on consumer trends, needs and experiences (Harwood & Garry, 2009). They should monitor visitors' comments and suggestions to improve service performance; or even tackle service failures in a timely manner through Facebook comments.

Most importantly, the findings of the study suggested young consumers do not perceive a higher affiliation, sense of belonging, similarity or identity expression which leads to favourable intention. As aforementioned, the multi-cultural and multi-ethnicity backgrounds of the young Malaysian consumers prefer different or new or unfamiliar cultures and identities. It is hence critical for homestay operators to stress on the points of difference rather than points of parity in their Facebook page. Photos, video clips and testimonials should emphasize how their homestays are different from the others.

The present study presented a detailed investigation on the influence of perceived benefit of Facebook on consumers' intention to make a homestay reservation. Even though the foreign tourists were not included, this study is consistent with the government's initiative to promote domestic tourism (The Star, 26/2/2015) which represents an attractive market segment. Marketing the multi-cultural and multi-ethnicity Malaysian society is not only an effective selling proposition to the foreign tourists, but a possible way to promote national unity. The findings of the present study confirmed that perceived benefits significantly influence consumers' intention to make a homestay reservation via Facebook. All perceived benefits indicated a positive relationship with the exception of psychological benefit.

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