

INTEGRATED MARKETING STRATEGIES FOR IMPROVING USER EXPERIENCE AT MOBILE AGE

- An Empirical Study about WeChat in the Chinese Economy Hotel Industry

35152336-8 YU MENGRAN

MARKETING AND NEW MARKET CREATION

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Summary

The hospitality industry in China has been growing fast in the past 15 years. With the booming development of e-commerce and m-commerce, hotel marketers in China have also taken advantage of the benefits at mobile age.

This research starts with the current situation and perspectives of economy hotels in the e-commerce and mobile marketing environment in China. WeChat is overwhelmingly popular in China and in consideration of its huge market volume, the integrated marketing strategy by using WeChat discussed in the study would give the hospitality industry an insight to provide more values to customers and to better understand the needs of the young Chinese generation that represents the mainly target customers of Chinese economy hotels.

This research has also discussed the factors that account for irresistibility of WeChat at mobile age in China. With the significant ratio of WeChat users and mobile payment users, not only retail business but also traditional business such as hotel industries would benefit significantly from the new marketing strategy because these hotels account for a large scale of hotel business in China.

One of the purposes of this study is to investigate on how to help the economy hotels to compete with the highly recognized brands by using integrated marketing strategy of WeChat. An extension of the Technology Acceptance Model (TAM) is used as conceptual model in this study in order to develop the related hypotheses. With the developed model, we examine how customers view the features of WeChat related to Chinese economy hotels and to what extent that they are interested in using the Apps to book and experience the service of economy hotels in China.

Practical implications and recommendations are also suggested in this research in order to help the hotel marketers to understand how to provide specific customers' attributes by using Apps such as WeChat in China. Our findings suggest that both perceived usefulness and perceived ease of use have positive influence on users' interests and usage on using WeChat to book Chinese economy hotels. Hotel marketers could take advantages of the sociality usefulness of WeChat, encouraging the consumers to share the information or experience with their staying at the hotels on WeChat "Moments", by giving monetary benefits such as coupons to encourage the behavior of sharing information and also to promote the brand by the means of "Word of Mouth" on WeChat.

<Inside Cover>

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CHAPTER 1. INTRODUCTION

Customer experience is considered to be an essence for the hospitality industry. As a traditional industry, prior research has defined hospitality as to the relationship between a guest and a host, wherein the host receives the guest with goodwill, including the reception and entertainment of guests, visitors, or strangers (Jaucourt, 2013). This study focuses on the hotel industry in China and investigates how customer experience can be enhanced through integrated marketing strategies by using mobile Applications in the context of mobile age in China.

With the emergence and popularization of e-commerce and mobile marketing, customer relationship management (CRM) could be highly improved by the interaction between customers and hotels by using mobile device. Not only retail industry, but also hotel industry can benefit significantly from integrated marketing strategies.

This study consists of mainly two parts. First, documentary research is conducted for case studies based on the existing hotel management and m-marketing journals and published books, as well as published statistics such as annual report for the purpose of examining the current statistics of WeChat and of other Applications in China. Second, primary data has been collected by the means of online survey to test the model and hypotheses. This study applies Technology Acceptance Model (TAM) as a theoretical framework for developing the conceptual model. The purpose of the empirical study is to examine the interests and usage of mobile applications (Apps in short hereafter) for facilitating user experience when they book and enjoy the services of Chinese economy hotels.

The reminder of this thesis is organized as follows. First we will review the related literature including integrated marketing strategies, customer relationship management (CRM) and TAM as theoretical foundations of this study. Then we will explain the Chinese economy hotel industry, e-commerce and m-commerce in China. Since one of the main players in this high potential market is WeChat, we will discuss their marketing strategies in comparison with other social networking services (SNS) in China. All these chapters are based on documentary research.

Then we develop a conceptual model and hypotheses for empirical research with primary

data. Comparison studies of WeChat and Alipay is conducted to better illustrate the similarities of these two most frequently-using tools in China, and most importantly, the specific features of WeChat and its benefits to customers in the mobile commerce environment. Based on the existing literature and discussion in this study, we would like to forecast the possibilities and potential outcomes of using WeChat as integrated marketing strategy for the economy hotels in China.

CHAPTER 2. LITERATURE REVIEW

Section 1. DEFINITION OF INTEGRATED MARKETING STRATEGIES

Based on the existing studies, we define integrated marketing strategies as follows:

Strategy to deal with customer empowerment since customer empowerment has emerged as a main driving factor of integrated marketing communication (Kim et al., 2004; De Pelsmacker et al., 2007); Strategy to make use of a process for understanding customers and communicating to them (Schultz, 2009), the process here refers to using Applications on smartphone. Strategy to use the most popular and advanced tool/mobile Apps to facilitate the operation of customers as well as business corporations.

Thus, in the context of this study focusing on one of the largest emerging economies, which is China, it is essential to utilize SNS as a part of integrated marketing strategies to improve the recognition of the brand image. At the same time, how to improve customers' or users' experience in digital era is an essential issue. Thus this study addresses these issues by examining the potential marketing strategies of WeChat in the Chinese economy hotel industry.

Section 2. HOSPITALITY MANAGEMENT AND TECHNOLOGY ACCEPTANCE MODEL

This study is based on the existing theories of hospitality management, hotel marketing strategies, mobile marketing and users' adaptation towards new technology, thus to discuss and to examine the necessity and effectiveness of adopting the mobile Apps for economy hotels in China.

The specific purpose of this study is to examine and to illustrate the acceptance and interests of customers using WeChat to book a hotel and to experience the services on WeChat on one hand, and how WeChat benefit to the user experience of customers and to the ease of operation and promotion on hotel marketers' side on the other hand.

Existing research has covered hospitality management including customer relationship management (CRM), pricing strategy, word of mouth (WOM), user experience etc. Existing

books/journals/documents have focused on the WOM and cost-control strategy while this study focuses on the integrated marketing strategies in the mobile marketing area to facilitate the user experience and create new values by using WeChat.

As for m-marketing, customers' intention to use mobile services has been discussed on the basis of Technology Acceptance Model (Hung et al., 2003). Since Davis (1989), TAM has been extensively applied in various studies for examining the acceptance of a new technology. For example, the non-utilitarian motives such as enjoyment for adopting mobile services have also been illustrated to compensate the absence of emotional acceptance towards a new technology of TAM theory (H6flich and R6ssler, 2001; Leung and Wei, 2000). In addition, the decisive importance of how companies should interact with customers and deliver services in electronic environment (Parasuraman and Zinkhan, 2002) and a broader and more holistic understanding of the antecedents of consumers' intentions to use cross-service on mobile device (Nysveen et al., 2005) have been illustrated in the previous studies.

The acceptance of mobile marketing has also been widely discussed. Mobile consumers' behavior in mobile marketing environment (Shankar et al., 2010), mobile user engagement such as motivation and values (Kim et al., 2013) have been emphasized in the previous research. However, the specific features of WeChat influence the interests and usage of Chinese economy hotels have not been examined yet.

WeChat has already been widely-used in China an integrated tool of instant message and other services such as payment solutions and source of information gathering. A large number of hotels in China have already opened its Official accounts on WeChat and provide a platform for customers to pay and to use the service on WeChat. The purpose of this study is to examine the interests and usage of Chinese consumers in mobile device based on Technology Acceptance Model (TAM) theory (Davis, 1989).

According to Technology Acceptance Model, one construct "Perceived Usefulness" refers to "the degree to which a person believes that using a particular system would enhance his or her job performance", follows from the definition of useful: "capable of being used advantageously"

(Pfeffer, 1982; Schein, 1980; Vroom, 1964). The other construct “Perceived Ease of Use” refers to “the degree to which a person believes that using a particular system would be free of effort”, follows from the definition of “ease”: “freedom from difficulty or great effort” (Radner and Rothschild, 1975). This study has expended TAM with other antecedents: perceived information, entertainment and sociality in mobile age (Zhang and Mao, 2008) to focus on the attributes provided by WeChat.

CHAPTER 3. ECONOMY HOTELS IN CHINA

Section 1. OVERVIEW OF GLOBAL HOTEL INDUSTRY

The hospitality industry is considered as a traditional industry while it still contributes to a large proportion in terms of revenue. The revenue of global hotel industry surpassed 493.76 billion U.S dollars in 2015 and it is expected to increase to 553.8 billion U.S dollars by 2018(STATISTA, 2017).

There is no standard official definition of hotel that could apply to the world-wide dimension. The categories of hotels range from very small privately owned family businesses to international groups with over 600,000 rooms. According to the report of United Nations World Tourism Organization(UNWTO), the hotel classification including quality assurance which is exercised by assessors. The top four criteria categories for Global groups are: Room; Bathroom; F&B; Services.

The global hotel industry has entered in hotel technology 2.0 era. According to eMarketer, 48.5 million US adult travelers used mobile device to book trips and it forecasted that by 2019, mobile will present 46.0% of the digital travel sales. With the popularization of mobile devices, analytic firms and social media continues to augment to meet the needs of companies as well as customers. With the accessibility of online distribution channels, technology sand social media have provided new opportunities for hotels to improve efficiencies and to engage with customers, from booking to checkout (EY 2015).

Hotel corporates are inclining to innovate products, Apps and services that empower guests to browse inventory, make reservations, complete payment and purchase various services (such as room service and WIFI service) via mobile devices to drive customer engagement and cut labor costs thus to increase revenues. Other mobile innovations include mobile keys, check-in kiosks and mobile-enabled property management systems, allowing hotel employees to interact more with guests. In addition, recent innovations in wearable technology, such as smart watches and glasses, are also expected to the customers' physical experience.

Social media marketing has been proved to be one of the cost effective marketing tools in

creating WOM marketing, and the motivational factors and behavioral intention of customers to visit hotels' Facebook pages have already been examined (Choi et al., 2015). In China, where the hotel industry has been growing rapidly, utilizing mobile devices and word-of-mouth on social media is a promising marketing strategy to enhance customer experience. Particularly, for Chinese economy hotels, digital marketing towards using social media, such as WeChat, is considered as effective.

Section 2. ECONOMY HOTELS IN CHINA

Asia and the Pacific welcomed 279 million international tourist arrivals in 2015, 15 million more than in 2014, corresponding to a 6% growth (UNWTO, 2016). For the volume of hotels in China, according to the statistics published by China National Tourism Administration in September 2016, among 10550 qualified hotels, 5 star hotels comprise 789, 4 star hotels-2375, 3 star-5098, 2 star-2197 and 1star-91(see Table 1). Among the total ranges of hotels, 23% are national owned hotels and 70.24% belong to “others”, to be specific “others” belongs to self-owned or individual invested limited corporations. The total revenue of hotels in China in 2015 reached 210.675 billion RMB (approximately 30.53 billion US Dollars before tax).

Table. 1: The classification and structure of hotels in China in 2015

Hotel Class	5-star	4-star	3-star	2-star	1-star	Total
Number of hotels	789	2375	5098	2197	91	10550
Number of rooms	269100	470600	571500	146900	4400	1462500
Number of beds	398800	790000	1057000	340100	7700	2593600

Source: China National Tourism Administration 2015

UNWTO only provides hotel classification systems for 4-5 star hotels, and China does Apply to the UNWTO classification, therefore this study would focus on the broad scale of economy hotels in China, including: economy hotel, budget hotel as well as hotels with limited service without food and beverage (Li Zhiping, 2008). The average price per night of the hotel is approximately under 300 RMB in the discussion of this study.

According to BOC International China, economy hotels in China refer to the hotels whose

target customers are general tourists and business people from small and medium sized enterprises (SMEs). The average price is below 300 RMB (45USD). Control of budget, membership program and differentiation contribute to the three advantages of economy hotels. According to CIConsulting, by the end of 2015, China counted 19732 economy hotels, with a year-to-year increase of 27.81%.

Table. 2: Top 10 Chinese Economy Hotel Chains in China

Brand ranking	Brand name	Market share
1	RUJIA	16.80%
2	7 DAYS INN	13.92%
3	HANTING	12.40%
4	JINJIANGZHIXING	7.35%
5	GELINHAOTAI	6.96%
6	MOTAI	3.86%
7	CHENGSHIBIANJIE	1.65%
8	SHANGKEYOU	1.64%
9	99 INNS	1.60%
10	PODDING INN	1.52%

Source: CHYXX (China Industry Information 2016)

Table. 3: Baidu index of hotel chains in China

Brands	2011-2016 Baidu index	2015.12-2016.06 Baidu index
RUJIA	7825	4473
JINJIANGZHIXING	5763	3444
SHANGRI-LA	5323	5194
7 DAYS INN	3685	2986
HILTON	2157	2334
SHERATON	1357	1545
VIENNA	1207	1547
HANTING	1136	1566
INTERCONTINENTAL	999	1231
MARRIOTT	994	1326

Note) Baidu index is a top keywords and high search volume keywords tool that enables individuals, corporates and media to investigate on which keywords are performing well on Baidu.

Source: CHYXX (China Industry Information 2016)

Table 2 indicates the top 10 Chinese economy hotel chains in China based on the market share, and Table 3 illustrates the rank of Baidu index of hotel chains in China. Baidu index reveals

the public and media interest trend towards a specific keyword. According to the definition of Baidu index on Baidu official website, Baidu index is a top keywords and high search volume keywords tool that enables individuals, corporates and media to investigate on which keywords are performing well on Baidu. Table 3, The Baidu index of hotel chains shows that some giant Chinese economy hotels such as RUJIA, 7 days INN attracted more attention than world-wide renowned hotel chains such as Hilton, Sheraton in China.

Narrowing down to the performance of hotels in China, the RevPAR (Revenue Per Available Room) of Chinese economy hotels is slightly higher than three-star hotels in China despite the price per room of the latter is higher, because the occupancy rate of economy hotels represent 80% to 90%, comparing to 50% to 60% of three-star hotels in 2014 in China.

Chinese economy hotels expanded extremely fast between 2000-2014 and 2000-2009, thanks to the 10 years contributed to the “golden age” of Chinese economy hotels. By 2014, the top 10 Chinese economy hotel chains (including RUJIA, 7 DAYS, HUAZHU, JINJIANG STAR) represented 67.7% of the market share. However, the CAGR (Compound Annual Growth Rate) of numbers of Chinese economy hotels was 31.8% during 2010-2014 while this figure during 2000-2009 was 76.2%(MEADIN 2015), indicating that many economy hotels have closed during 2010-2014 due to insufficient management and over low price.

Section 3. M-MARKETING IN CHINESE HOTEL INDUSTRY

E-commerce has been defined as: the conduct of commerce in goods and services, with the assistance of telecommunications and telecommunications-based tools (Roger Clarke, 1999).

E-commerce in China has been experienced several stages:

Table. 4: Stages of E-Commerce and M-Commerce in China

Stages of E-Commerce and M-Commerce in China	
1990-1993	Electronic data exchange
1993-1997	Embryonic stage
1998-2000	Developing stage
2000-2009	Stable stage
2009-	Development of m-commerce

Note) In 1999 government online, online education has been entered in practical stage

Source: China Business Insight TUSIAD 2015

With the different stages of m-commerce, m-commerce has been defined as follows: Durlacher (1999) has defined m-commerce as “any transaction with a monetary value that is conducted via a mobile telecommunications network”. Sadeh (2002) has defined the m-commerce more comprehensively as “the emerging set of Applications and services people can access from their Internet-enabled mobile devices.” while Shankar and Balasubramanian (2009) has defined mobile marketing as “the two-way or multi-way communication and promotion of an offer between a firm and its customers using a mobile medium, device or technology.”

According to the KPMG Survey analysis 2016, the mobile users in China have exceeded 1.3 billion by the end of 2015, and 90.4% Chinese respondents made at least once online purchase via smartphone in the past 12 months comparing to the global respondents of 69.9% who completed the same action in 2016. KPMG also estimated that by 2019 the retail m-commerce sales would reach \$1.5 trillion.

Nysveen et al. (2005) defined the classification of mobile services as: type of interactivity and process characteristics. The interactivity refers to “person interactive (information)” and “machine interactive (payment)”. WeChat in China is one of the best examples that could represent the interactivity of mobile service.

As for the sector of online and mobile payment, by December 2016, China counted 475 million online payment users, with a year-to-year increase of 14% (53.91million people). For mobile payment, the mobile payment users reached 469 million, with a significant increase of 31.2% comparing to 2015. The percentage of use of mobile payment increased from 57.7% in 2015 to

67.5% in 2016 according to CNNIC. The services of mobile payment range from paying water and electricity charges to paying tuition fees and traffic tickets, which cover most of the areas of daily life. The popularity of mobile payment illustrates that the importance of implementing the mobile payment solutions, especially in service industry in China. For hotel industry, except for the design and style and physical equipment, the availability of mobile payment consists of a key feature for the convenience of user experience in China.

Mobile marketing is also tightly related to O2O, as for online-to-offline commerce. Euler Hermes has illustrated that O2O is a business strategy that draws potential customers from online channels to physical stores. O2O first identifies customers via online space, either through email marketing, advertising, SMS and other Approaches to attract the customers to leave the online space and participate in the physical space. (Chaffey and Smith, 2008) In brick-and-mortar marketing, this strategy uses technology to link online space to outline space.

Table. 5: History and milestones of O2O in China

Stage 1	2004 – 2008, B2C Mindset, Workshop Style Online Seller
Stage 2	2008 –2011, start of mobile Internet; O2O model established; Internet Giant stepped into O2O local service; functions came first; (Group Buying Age, break the border of B2C, start to integrate with traditional industry)
Stage 3	2011–2015, mobile Internet age, personalized marketing age, fans economy, WeChat/ Weibo and other SNS age
Stage 4	2015—2020, outlook

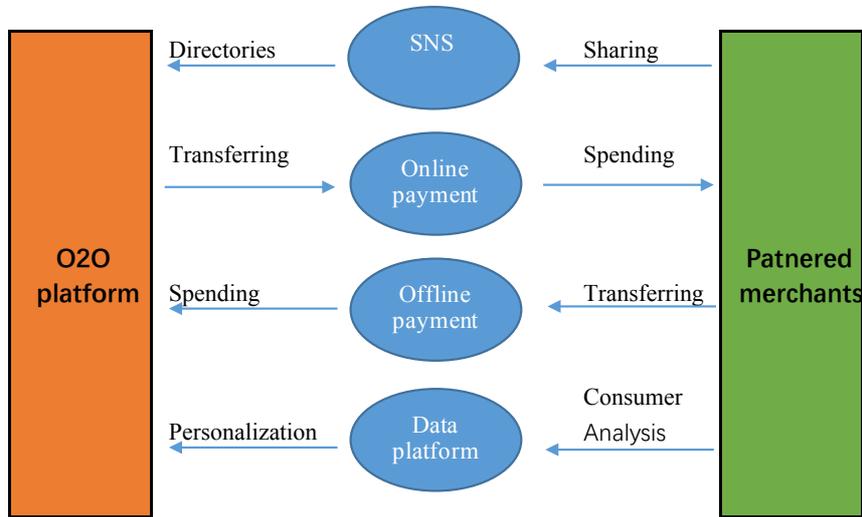
Source: China O2O industry report

Table 5 illustrates the history and milestones of O2O in China. China entered in mobile age in 2008, starting to integrate with traditional industries and developed significantly in mobile Internet. The effect of SNS such as Weibo and WeChat in China could not be neglected, and we forecast that WeChat and other mobile Applications continues to influence the daily life and purchasing behavior of Chinese young generation.

According to China O2O Industry Report (2014), hotels represent 25% of China O2O market volume, 71% use mobile device as methods of accessing to O2O platform. The marketing strategy of WeChat in economy hotels in China could also Apply the O2O business model, using WeChat as the

integration of SNS, online payment and data platform to link customers with hotel operators. The O2O business model is shown in Figure 1.

Figure. 1: O2O Business Model/ Platform Structure

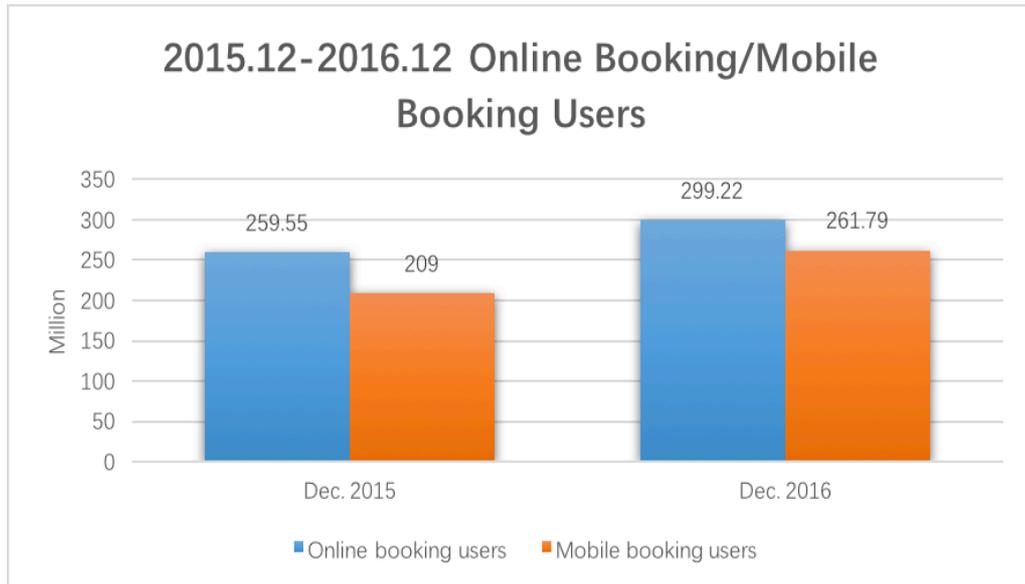


Source: China O2O Industry Report 2014 by Carlton Mansfield

Based on the statistics provided by China Hospitality Association, the volume of Chinese economy hotels occupies 19% of the total number of hotels in China. The reviews written by customers about economy hotels in China represented 43% of the total reviews, surpassing the middle-scale hotels (14%), high end hotels (14%) and luxury hotels (12%) in China. This fact shows that customers who choose to stay at economy hotels in China would have more possibilities to write reviews and share information with others than those who choose to stay at higher class hotels.

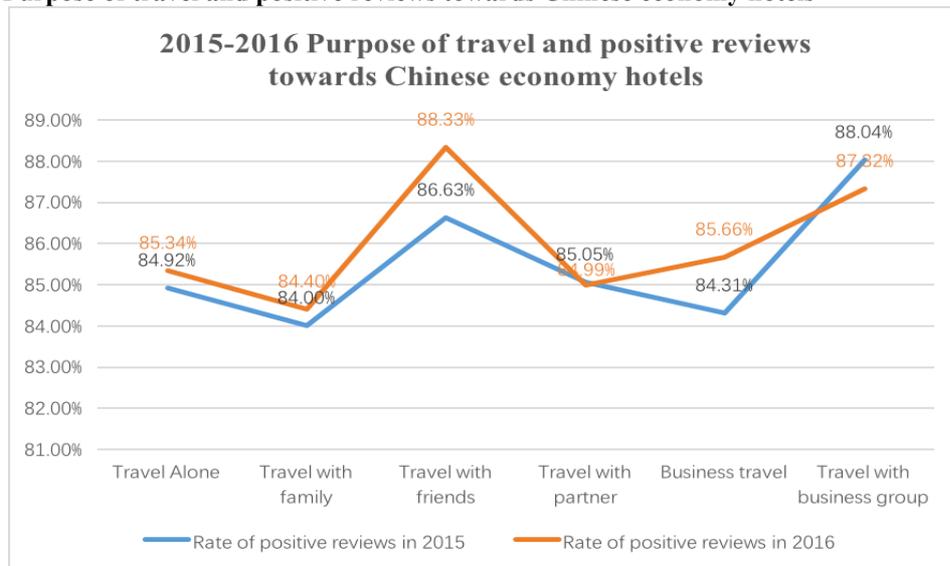
According to “The 39th Report of the development of use of Internet in China” published by CNNIC (China Internet Network Information Center, see Figure 2), willingness of online booking method and mobile booking method have both increased from 2015 to 2016. Netizens who use mobile device to book flight/train tickets and hotels in China reached 261.79 million, with an increasing rate of 24.7% (51.89 million people) by December 2016.

Figure. 2: 2015.12-2016.12 Scale of users for online travel booking/mobile travel booking



Source: CNNIC 2016

Figure. 3: Purpose of travel and positive reviews towards Chinese economy hotels

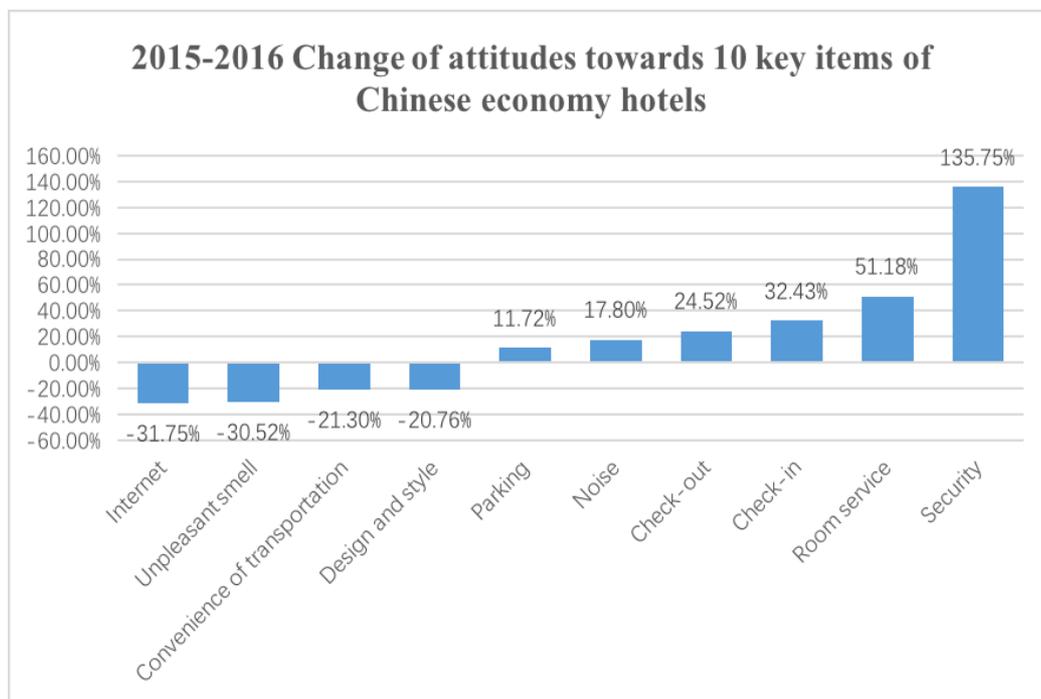


Source: “2017 Online word of mouth on hotels in China” by China Hospitality Association

China Hospitality Association has also published the results of people who wrote positive reviews about their experience in economy hotels in China from 2015 to 2016. As shown in Figure 3, the orange curve represents the rate of customers who expressed the positive reviews in 2016. It is shown that the positive reviews given by “travel with friends” has increased nearly 2% while the

positive reviews given by “travel with tourist group” has decreased as well as “travel with partner”, indicating that customers who travel with friends tend to have more positive reviews on economy hotels in China.

Figure. 4: 2015-2016 Change of attitudes towards 10 key items of Chinese economy hotels



Source: “2017 Online word of mouth on hotels in China” by China Hospitality Association

Figure 4 indicates that the change of attitude towards 10 key items associated with Chinese economy hotels that customers value important from 2015 to 2016: Internet; unpleasant smell; convenience of transportation; design and style of the hotel; parking; noise pollution; check-out; check-in; room service and security. It is shown that Internet, smell of room, transportation and design and style are still under satisfaction of customers, therefore economy hotels should put more effects on these measurements to improve customer experience.

Section 4. SOCIAL MEDIA MARKETING IN CHINA

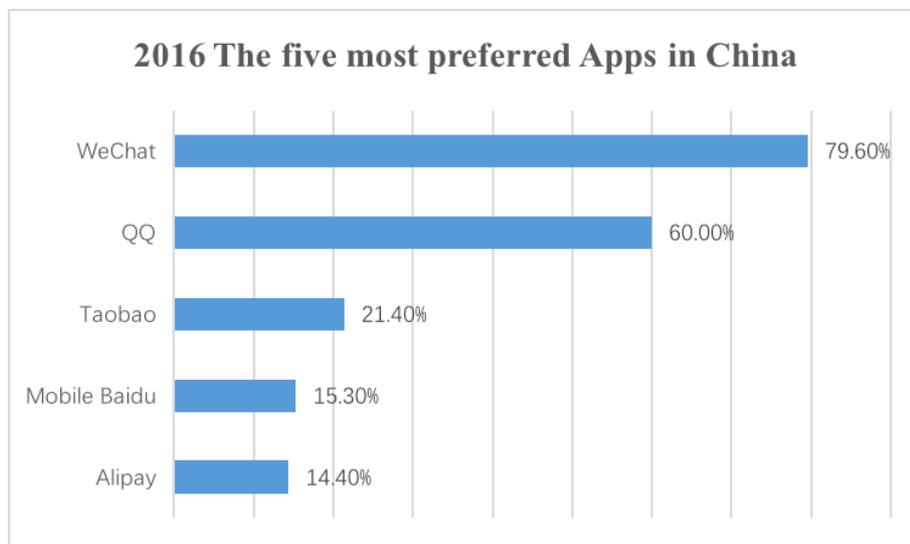
The overall statistics given by China Hospitality Association indicate that the current overall situation of economy hotels in China. For those economy hotels who would like to improve

customer satisfaction and gather more information of customers, social media such as WeChat would be an ideal choice.

Several studies have examined the social media marketing of hotels in China. The effect of social media regarding top 133 hotels in the four Chinese social media sites has been examined (Guillet et al., 2015) by using 6Is (Involvement; Interaction; Insights; Influence; Intimacy and Impact) Social Media Monitoring Framework. Their findings indicated that TV commercial advertisement is not the best way to promote the hotels due to the regional limitation and different range of customers.

In addition, economy brands perform better than other types of hotels in China in terms of adaptation of social media adoption. Around 52% of the economy hotels in China adopted WeChat, 76% of economy hotels implemented online booking services on WeChat and 94% of the economy hotels could deal with the customers' enquiries and complaints in time on WeChat (Ning et al., 2015) .

Figure. 5: 2016 The five most preferred Apps in China

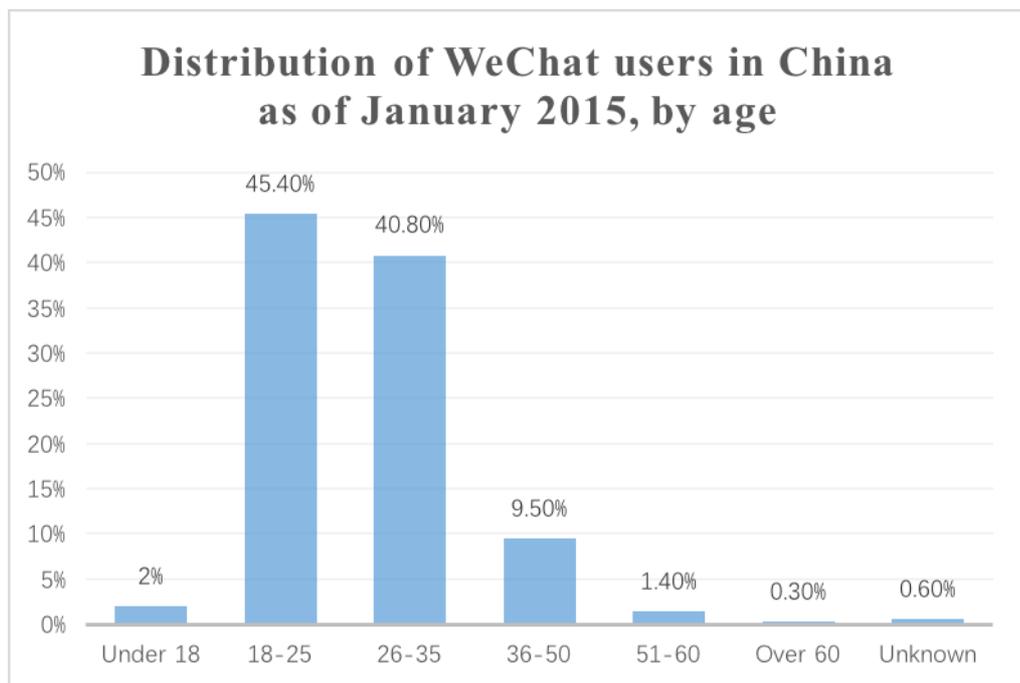


Source: CNNIC (China Internet Network Information Center) 2016
As shown in Figure 5, according to the official statistics published by CNNIC (China Internet Network Information Center), WeChat won the most frequently used App in China in 2016, with the vote of 79.6% of Chinese netizens, followed by QQ (60%), Taobao (24.1%), Mobile Baidu (15.3%) and Alipay (14.4%). Figure 7 shows that WeChat is an indispensable tool in the daily life of

Chinese mobile users.

WeChat would be an ideal tool for the hotel marketers because WeChat is able to gather data in the official accounts, such as age, gender, active days, preference etc., and to provide the interactive functions such as online survey and online community. On the customers' side, they could send instant messages to hotel staff on the platform of official accounts and receive prompt reply.

Figure. 6: Distribution of WeChat users in China



Source: STATISTA 2017

As shown in Figure 6, WeChat users of age between 18-25 account for 45.4% of total users, following by users whose age are between 26-35. The young generation in China has already adapted to using mobile Apps every day. Both belong to Tencent Holdings Co., WeChat has already surpassed QQ (554 million monthly active users in March 2016), reached 706.7 million monthly active users at the same time according to QuestMobile. Despite the instant message function, WeChat official accounts has also become a popular function that enables users to receive information in which they are interested and to take advantage of promotional events provided by the marketers via WeChat official accounts.

CHAPTER 4. MARKETING STRATEGIES OF WECHAT

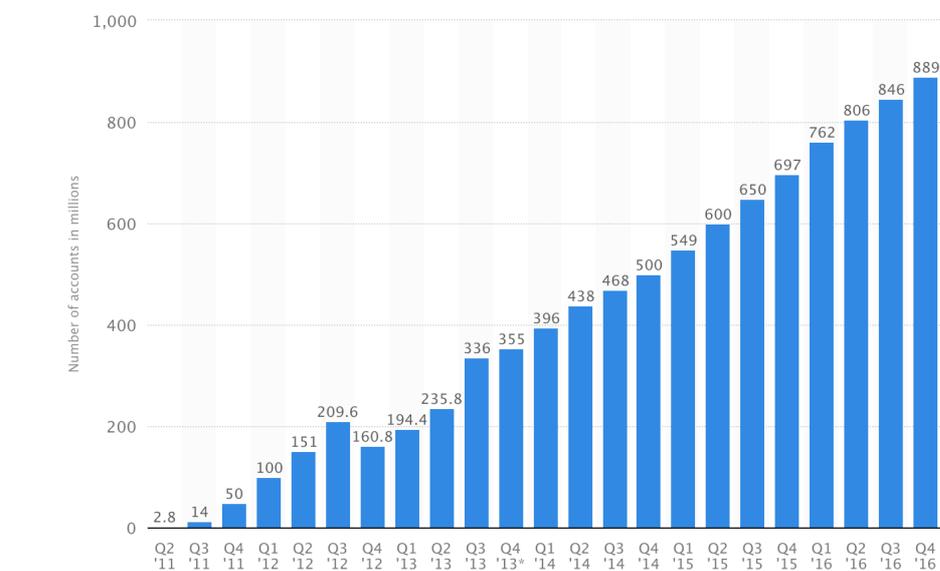
Section 1. INTRODUCTION OF WECHAT

WeChat is renowned for its initial function of instant messaging tool worldwide. WeChat, as to the meaning of “micro message” was first released on 21st, January, 2011 by Tencent Holdings Ltd. (see Table 6). By 2016, its active users attained 889 million (see Figure 7). WeChat contains the functions of instant message, e-commerce platform as well as payment solutions and services.

Table. 6: Milestones of increase of users of WeChat in the first three years

January, 2011	Launch of WeChat
March, 2012	100 million users
January, 2013	300 million users
June, 2013	400 million users

Figure. 7: Number of monthly active WeChat users



Source: STATISTA 2017

According to the data unveiled in “2016 WeChat Data Report” at the 2017 WeChat Workshop Pro Edition event in China, the information consumption of WeChat reached 174.3 billion RMB (25.3 billion US Dollars) in 2016, with an increase of 26.2% on year to year. WeChat has more than 10 million Official accounts, 31 million enterprise WeChat users as well as 0.2

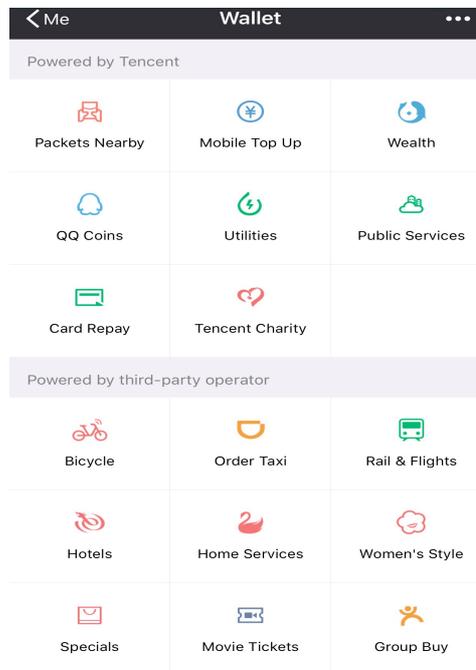
million third-party developers in 2016.

The survey and information gathered by the third party-Qiezhiku (Tencent Penguin Intelligence) illustrate that among 41544 respondents (40443 online participants and 1101 conducted via phone calls), 50% users spend 90 minutes on WeChat every day, 84.7% have used the WeChat Pocket money function, 58.1% have used the WeChat Pay and 56.9% for WeChat transfer.

As for the reasons accounted for the preference of using WeChat Pay instead of traditional payment methods, 42.6% voted for simplicity, claiming that they don't need to get the change of cash. 44.9% illustrated the importance of convenience of the new habit of wallet-free while 39.2% expressed that they could get coupons or promotion offered by retailers by using WeChat Pay.

WeChat Pay is a payment solution inserted in WeChat Wallet. WeChat Wallet contains the functions of "Transfer", "Quick Pay" and "Wallet" integrated with third operators and retailers. WeChat Wallet enables users to pay utilities fees, call taxi, use group buy, fulfil mobile Top-Up, do wealth management, transfer lucky money and bicycles-sharing services etc. WeChat offers the functions integrated with various life-style utilities supported by WeChat Pay, as shown in Figure 8.

Figure. 8: Functions of WeChat Wallet



Source: Screenshot of WeChat Wallet

WeChat Pay is a payment feature integrated into the WeChat App which was available since September 2014 that enables users to accomplish payment action instantly on their mobile phones. WeChat has various functions. For example, with Quick Pay, buyers can present the pay code, vendor will scan the code to finish the transaction. QR Code Payments makes buyers scan the QR code to finish the transaction. In-App Web-Based Payments is also beneficial for buyers to purchase products on shopping page in official accounts. Finally, In-App Payments is useful for buyers to make payment in Apps, because it opens up WeChat App to process the payment. All these are to fulfil almost all kinds of range of scenarios the users expect to experience different payment situation. Combined with WeChat official accounts, WeChat Pay service explores and optimizes O2O consumption experience, provides professional internet solutions for physical business.

The proportion of WeChat online shoppers doubled in 2016 with 31%. The numbers of offline retail stores reached 300, 000. Over 200 million users have linked their bank account information to WeChat Pay that would facilitate the process when using WeChat Pay (China Internet Watch 2016). Unlike Apple Pay, which is designated solely to Apple users, WeChat is compatible with both Android and iOS systems of smartphones, facilitating different mobile phone users to experience O2O service and and to make purchases.

Section 2. WECHAT OFFICIAL ACCOUNTS

In this chapter, we will examine the details of marketing strategies of WeChat. One of the most important services is their official accounts. WeChat official accounts is a platform provided by Tencent that enables businesses and organizations to better promote their business. As defined by the official website of WeChat, WeChat official accounts is a cooperation and promotion service launched for enterprises to promote their brands to billions of WeChat users through this WeChat channel, in order to reduce propagation cost, raise brand popularity, and build up more influential brand images. The registration fees for enterprises are free. The majority of the world-wide renowned brands such as Starbucks, Coca-Cola, Uniqlo, Muji and more than two-thirds of luxury

fashion brands operate on WeChat (JingDaily, 2017). WeChat is becoming a service-oriented platform for business organizations as well as for marketers.

WeChat official accounts include two types of accounts; Service Accounts and Subscription Accounts. Figure 9 illustrates the functions and difference of the two types of accounts. Any individual or business entity are able to register the Subscription Accounts, similar to the function of Facebook. However, only businesses and organizations are entitled to register Service Accounts, which provide advanced and professional features, such as interactive menus and payments, which is important for hotel industry to provide convenience to customers. WeChat official accounts have already covered various service industries, especially retail industry, which became the biggest rival for Alibaba in terms of m-commerce.

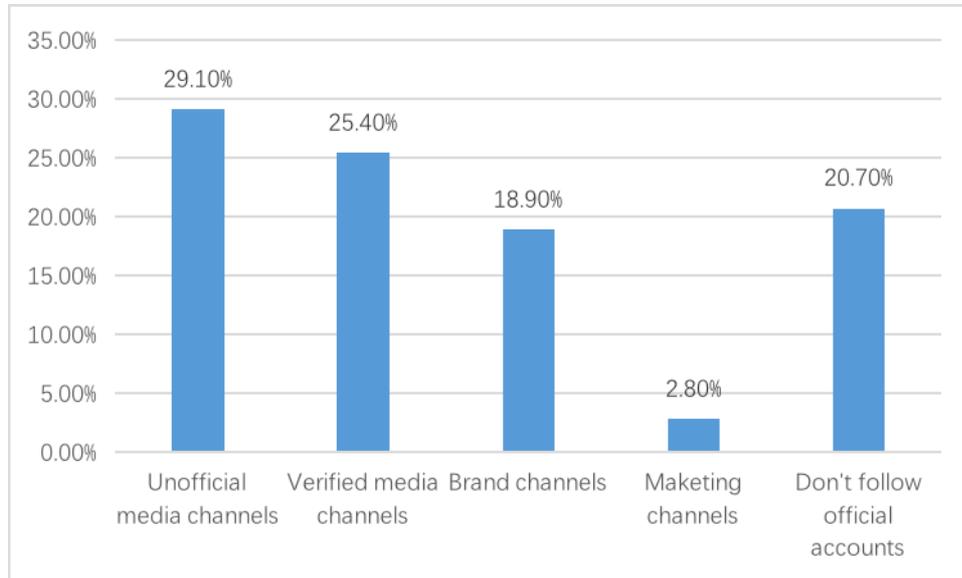
Figure. 9: Understanding WeChat Official accountss



Source: “What are the differences between WeChat’s Service and Subscription Accounts” by

GRATA

Figure. 10: Share of WeChat users in China who follow official brand accounts



Note) As of 2016.

Source: STATISTA 2017

Figure 10 shows the share of WeChat users who follow official brand accounts and explains the types of official accounts. By January 2015, unofficial and verified media channels accounted for the most attractive official accounts on WeChat, followed by brand channels with the subscription share of 18.9%. How to attract followers to subscribe the brand channels remains a key task for Chinese economy hotel brands because through this channel the marketers of hotels would get access to data of customers and be able to facilitate the payment operation procedure. In addition, according to the behavior study conducted by UIcyfer of Globeone who has interviewed 2000 WeChat official accounts followers, most respondents have positive attitude towards corporate official accounts and they consider “content quality” as main driver to retain followers. Besides, “sharing” also plays an important role in terms of attracting new subscribers.

Section 3. WECHAT OFFICIAL ACCOUNTS IN HOTEL INDUSTRY

In this section, we illustrate how users operate WeChat and what are the customer benefits provided by its official accounts. A huge number of Chinese economy hotels have already opened

their official accounts on WeChat, which helps the hotel to skip the process of cooperation with online travel agency, and enables the hotels to gather information of customers, spread promotional information directly to subscribers on WeChat etc. Pod inn hotel is a representative case of hotels adopting new concepts and technologies to attract young generations who would be more likely to choose to stay at economy hotels in China.

Pod inn was founded in December 2007 and aimed to deliver the new concept to hotel industry. Pod inn launched its Official accounts on WeChat in November 2012, which was the first Chinese economy hotel that using Official accounts on WeChat. By March 2013 Pod inn counted 0.42 million subscribers while WeChat only had less than 300 million users at that time. Between 2012-2013, Weibo was more ideal for promotional purposes such as deliver the latest information since WeChat was mainly used as instant message tool.

Booking hotels and experience hotel services is an integrated procedure for customers, at that time when WeChat Pay was not available in the market, WeChat was not the most ideal marketing strategy for economy hotels comparing to Alipay and other online travel agencies. However, Pod inn have made fully use of its official accounts to attract new customers as well as maintain loyalty of existing customers. The target customers of Pod inn are around 18-35 years old with monthly income of 400-1500 USD dollars that consist of frequently SNS users. To successfully create value on WeChat, Pod inn has initiated:

- 1) Build up community on WeChat: By creating UGC (User Generated Content) community: Customers could send instant messages to enjoy customer service as well as chat with other users on this platform. Pod inn has also created the first platform of “Radio” on WeChat as hotel brand, on which users could share their travel stories by sending voice messages and leaving messages to each other.

Figure. 11: Pod inn community on WeChat Official accounts



Source: Screenshot of Pod inn WeChat official accounts

By creating the original interactive community, Pod inn had successfully attracted 0.42 million subscribers on WeChat only in three months. Among the subscribers, 39% are female while 61% are male. 68.27% of subscribers are college students, 12.40% are working in IT industry, 15.82% are “white collars” (New Makepolo, 2015). By using WeChat Official accounts, hotels such as Pod inn could gather the information of subscribers including: demographic information (age, gender, occupation, region and city), preference of type of room, customer satisfaction, during which time period customers prefer to book the hotels on WeChat etc. By gathering the free data and analyzing inside the hotel, economy hotels could better understand the preference of the customers, and thus arrange the promotional events within the most effective time period.

2) Convenient booking procedure: Pod inn has tested that it only takes 10 seconds to accomplish the booking procedure. Users could navigate easily the nearest Pod inn hotel by sharing the location on WeChat. By booking directly on WeChat, Chinese economy hotels could increase the rate of effective orders. Pod inn also provides monetary benefits such as coupons for customers who book through WeChat official accounts.

Figure. 12: Coupon offered by Pod inn through WeChat Official accounts



Source: Screenshot of Pod inn WeChat Official accounts

3) Online shop of Pod inn: The official Wechat account of Pod inn also provides online shop platform, users could purchase mobile chargers, selfie sticks, masks and other travel-related commodities. On the one hand, this WeChat shopping platform provides the attribute of convenience to customers who may be in need during their travel, on the other hand, it also provides a free platform for economy hotels to expand the business categories despite limited budget.

Figure. 13: Online shop of Pod inn on WeChat Official accounts



Source: Screenshot of Pod inn WeChat Official accounts

The case of the official accounts of Pod inn hotel on WeChat illustrates that WeChat provides the benefits of information, interaction and monetary benefits to customers. WeChat official accounts is being used as one of the most efficient marketing strategy for retail industry in China.

Section 4. WECHAT VS WEIBO

Hotel industry is regarded as a traditional industry, generally there are 5 promotional strategies for hotel industry: personal selling; public Relation; direct marketing; website based marketing and human resource (Altsteil and Grow, 2006). Customer insight marketing and Email&Content marketing are often used in hotel industry. Nevertheless, in digital era, the promotional strategies have been changed quickly, especially through mobile advertisements in China.

Sina Weibo (hereafter Weibo), is a Chinese microblogging website which is also available as App on smartphone. It was launched on 14 August 2009 by Sina Corporation. Weibo is regarded as combination of Twitter (70%) and Facebook (30%) (AttractChina, 2015). It integrates the feature of 140-character-limit of Twitter and the features of sharing information as well as music, creating polls and events of Facebook. Similar to WeChat Official accounts, Weibo also counted more than 130, 000 international accounts (AttractChina, 2015).

The effectiveness of marketing strategy of Weibo lies in the instant and effective diffusion of information, such as international news, launch of new products etc. Users could comment and forward the microblogs on Weibo without subscribing the accounts. However, Weibo does not provide the payment solutions for business corporations, therefore users could not order or purchase items directly on Weibo.

According to Weibo Financial Results, Weibo's monthly active users (MAUs) reached 313 million in December 2016, realized a growth of 33% year over year, 90% are mobile users. While WeChat reached 889 million MAUs in Q4 2016, and about 61% of WeChat users access WeChat Moments every time when they open the App.

We are not assuming that WeChat is going to replace Weibo, however for hotel industry, WeChat is more ideal for promotional marketing strategies since it provides "interactive menus" and "payment solutions" by reaching the users directly, or to say "one to one service" while Weibo does not contain these functions.

According to the Weibo usage study 2016 conducted by China Internet Watch, "Get trending news in the time" accounted for the main reason of using Weibo, with the percentage of 72.4% respondents. 59.3% respondents claimed that advertisements on Weibo have no influence on them. 91.9% respondents use Weibo two to three times per month, more than 5 minutes per time. The effect of commercial purposes is not very satisfactory on Weibo, most users use Weibo for the purpose of gathering in time information. Hospitality industry does not require the instant information delivery function, therefore as the purpose of promotion for Chinese economy hotels, WeChat would be more ideal and easier to gather users' information and provide related service.

Besides, comparing to Weibo, WeChat offers instant message and voice message functions. Economy hotels in China that have valid WeChat Official accounts could provide instant feedback and one-on-one customer service on WeChat to strengthen the interaction feature. Voice message is more convenient for some users that they could simply use room service or make enquiries via voice message. In some case the General Manager of hotels send voice message in special occasions such as Spring Festival to strengthen the intimacy between customers and the brands. In addition, the online booking platform is the main difference between WeChat and Weibo. The online booking function of WeChat could compensate the gap between social media marketing and direct sales.

Section 5. WECHAT VS LINE

Another competitor against WeChat is Line. Both launched as instant messaging tool, Line was introduced by Line Corporation in March 2011, same year as WeChat (see Table 7). Line counted 217 million monthly active users in Q4 2016. Its revenue reached 1.02 billion US dollars in 2015(DMR STATS, 2017). The market of line depends largely on the four main markets: Japan, Taiwan, Thailand and Indonesia, which account for 69.4% of MAUs (monthly active users) in Q1 2016(TECHINASIA, 2016).

The annual revenue of Line in 2016 amounted to more than 140.7 billion yen. The revenue was mainly generated by in-game purchases of items, purchases of stickers as well as advertising incomes (STATISTA, 2017).

Table. 7: Comparison between WeChat and Line

	WeChat	Line
Company name	Tencent Holdings Limited	Line Corporatoin
Products	WeChat, QQ	Line, Livedoor, Mobile games
Launch time	Jan. 2011	Mar. 2011
Newsfeed	Moments	Timeline
Subscriptions	Official accountss	Official accountss
Mobile Payment	WeChat Pay	Line Pay

Source: Official websites of WeChat and Line

In terms of comparison of payment systems, Line Pay was introduced in 2014. Line Pay supports purchases from Line Merchants and also split bills with friends. In 2016 Line launched Line Pay Card which could be used also as JCB debit card and it is compatible with Line points. However, Line Pay Card is only for Line accounts with Japanese registered telephone numbers and it could barely use in foreign countries since JCB is not widely accepted in the world as Visa or Master card. WeChat Pay, in contrast, supports basic nine currencies and for unsupported currencies, trade or purchases could accomplish by settlement on US dollars.

Besides, WeChat Pay is also used for promotional purposes. For instance, on Single's day in 2015 (November 11), WeChat offers different kinds of coupons with a maximum deduction of 200 RMB for the partner physical stores such as Walmart, McDonald's and many other famous brands. During Spring Festival of 2016, 420 million WeChat users sent a total amount of 8.08 billion red pockets (TechinAsia, 2016). WeChat Pay is becoming a daily used function for WeChat Users while Line Pay is not that popular among Japanese users.

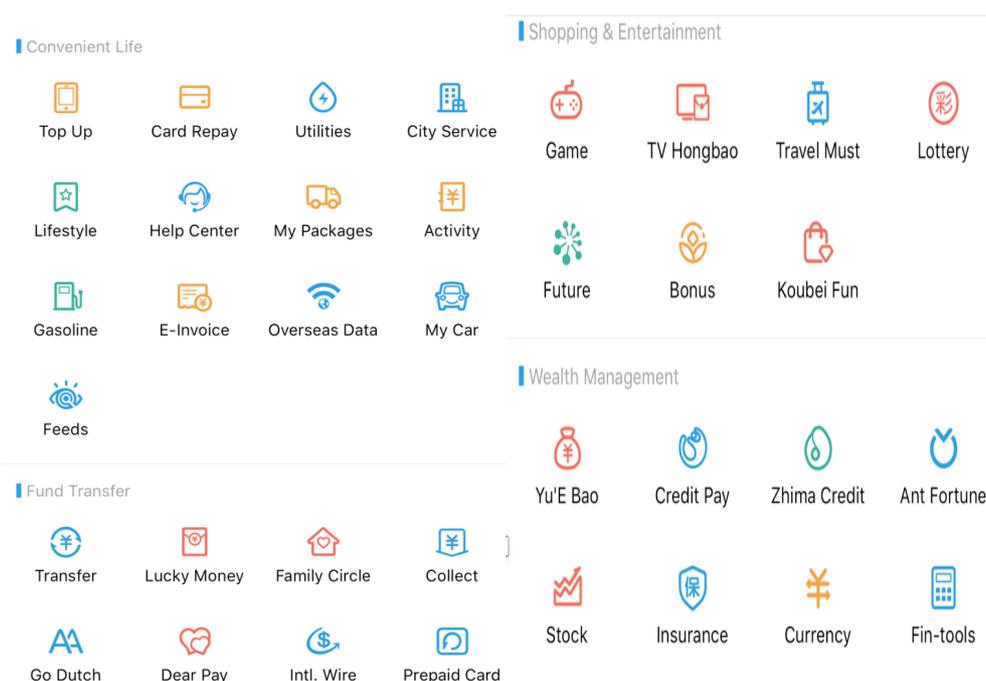
The sticker revenue of Line accounted for about a quarter of Line's total revenue in 2015, among the stickers 40% are from games. Line appeared to make \$20 million per month by selling stickers. Despite that more than half of Line users are from overseas of Japan, Japanese market still counted 90% of the overall revenue (Kang of Forbes, 2016). Despite the similarity in initial purpose as instant messaging tool, WeChat and Line have different target users and sources of generating revenue.

CHAPTER 5. COMPARISON OF WECHAT AND ALIPAY

Section 1. INTRODUCTION OF ALIPAY

Alipay, another well-known mobile application in China, also provides similar functions and utilities to Chinese mobile users. Alipay was launched in 2004 by Alibaba Group as third-party online payment platform. Being affiliate of Alibaba Group, Alipay integrates smartphones and cash cards/credit cards into one-fit-all Application (see Figure 14). By the fourth quarter of 2016, Alipay still remained market leader in third-party payment market. According to the research conducted by Technode in 2017, China’s third-party payment market realized a total transaction value of 12.8 trillion RMB (1.88 trillion USD Dollars) with a YoY increase of 126%.

Figure. 14: Functions of Alipay



Source: Screenshots of Alipay

However, WeChat Pay has become the most competitive rival of Alipay because of the “Red Packets Event” during Lunar New Year in 2014. WeChat users sent money via WeChat Pay as the Chinese tradition of sending red packets during Lunar New Year. Within 24 hours, WeChat realized a growth of 76% YoY in payment volume (Technode, 2017). Comparing to WeChat, Alipay is

mature as e-commerce payment solution while it is lack of giant social network base.

Same as WeChat Wallet, Alipay also provides various services, including the categories of “Convenience Life”, “Fund Transfer”, “Shopping Entertainment” and “Wealth Management”. These services cover a wide range of needs of users, such as online banking transfer, paying fees, wealth management and booking movie tickets, flight tickets as well as hotels.

Section 2. COMPARISON ON HOTEL BOOKING SERVICES

5.2.1. Lauch of WeChat and Alipay

WeChat (Tencent Holdings) and Alipay (Alibaba Group) are both accessible in terms of offering hotel related service. As shown in Table 8, WeChat was launched as instant messaging App, similar to What’s App and line while Alipay was launched 6 years ahead of WeChat as third-party online payment platform, compatible with Taobao, the giant e-commerce platform in China (see Table 8).

Table. 8: Basic information on WeChat and Alipay

Basic Information	WeChat	Alipay
Launch	Jan. 2011	Dec. 2004
Main nature	Standalone messaging App	Third-party online payment platform
Monthly active users	806M	450M
Mobile payment market share	38.12%	50.42%
Platforms for hotel industry	“Elong” mobile travel agency under the function of WeChat Pay;	"Feizhu" (Fliggy) Travel Unit of Alibaba
	Official accounts operated by hotels or by travel agencies directly	

Source: Alipay vs WeChat Pay by ASEAN Today

Alipay was launched in December 2004 by Alibaba Group as third-party payment platform. Initially Alipay served for Taobao and Tmall as escrow service, now it includes multiple services such as money transfer, bill payments, e-commerce payments and supports 18 currencies. Hotel booking could also be accomplished on the App of Alipay.

5.2.2. Fliggy by Alibaba

Fliggy, a combination of the meaning of “flying” and “Piggy”, aims to target Chinese young travelers. Fliggy is rebranded from “Alitrip” (Before Alitrip it was previously known as Taobao Travel) is an important unit in Alibaba group which shares data, technical resources with the 300 million annual active Taobao users. Fliggy is inserted in the App of Alipay as third-party service, enabling users to accomplish air tickets, hotel booking, visa Application or vacation packages via mobile device. Through changing name and logo, Alibaba group emphasizes the new image of “traveling afar with freedom while staying comfortable at the same time.” (JingDaily, 2016).

Figure. 15: Logo of “Fliggy”



Source: Official Website of Fliggy of Alibaba

The battle between WeChat and Alipay is essentially about mobile payment service. According to the data provided by Euromonitor International, the mobile transactions of China reached \$235 billion, surpassing US in 2015. Alipay still controls almost of the market share of mobile payment in China. In terms of hotel booking service, WeChat and Alipay both provide the inserted service in the App. Fliggy is a business unit of Alibaba Group who has more than 10, 000 merchants related to travel service.

One special customer benefit provided by Friggy is “Credit Stay”, a section of Friggy’s “Hotel of the Future” strategy. Users with more than 600 Sesame Credits (calculated by Alibaba’s related company -Ant Financial Services Group by using the data collected by Taobao) could enjoy the benefits below:

- 1) No deposit money needed

2) No need to wait for check-out

3) Pay after check-out (deducted automatically by Alipay)

Friggy has partnership with more than 5,500 hotels in China, including budget hotels such as Home Inn, Huazhu, Pod inn, Yinzuo, 100 inn etc (Official Announcement of Alibaba Group 2014).

5.2.3. Two Ways of Hotel Booking by WeChat

WeChat provides two ways of hotel booking and access to hotel services. One is inserted third-party hotel booking service, cooperated with Elong, one of the largest travel agency in China. Similar to Friggy of Alibaba Group, users could get access to “hotel booking” function inside WeChat Wallet, without the needs to open any other Apps or web pages. WeChat will redirect users to the hotel booking page to proceed the next step. Many hotels offer “Lucky Money” on Elong of WeChat, the “Lucky Money” could be used for booking hotels, or remain the form of e-cash in the “WeChat Pay Balance” for next time’s purchase.

The second way is unique with the features of WeChat. Customers are able to book a hotel directly via the hotel’s Official accounts on WeChat. A large number of Chinese economy hotels have their Official accounts on WeChat. The subscribers of the Official accounts could enjoy the benefits of:

1) Book directly via the hotel’s Official accounts

2) Enjoy the customer service such as room service via mobile phone

3) Purchase items via Official accounts (such as commodities, mobile chargers etc.)

4) Receive the latest information or articles

5) Optimized customer experience (such as using WeChat as remote control to control lighting, A/C in the room)

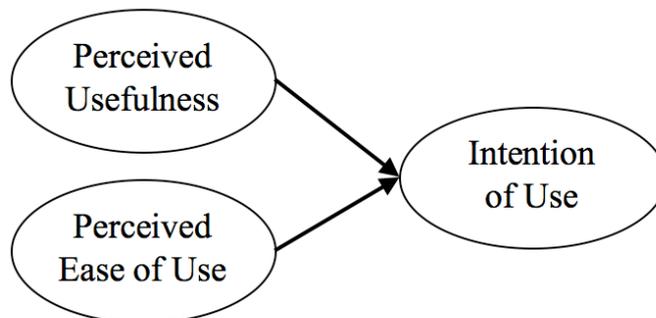
WeChat provides a multi-functional platform for users as well as for hotel operators. Hotels could gather data of the subscribers, such as gender, region, and the number of “read” and “like” of the articles published by the hotel official accounts in order to research on users’ preference towards information.

CHAPTER 6. CONCEPTUAL MODEL AND HYPOTHESES

Section 1. PURPOSE OF THE EMPIRICAL RESEARCH

Based on the discussion above, we develop a conceptual model to perform a comparative analysis between WeChat and Alipay. The purpose of this model is to examine the customer benefits provided by WeChat and Alipay, and to examine the factors influencing the “Interests and usage” of these two mobile Apps for Chinese economy hotels. The comparative analysis between WeChat and Alipay in terms of hotel booking and related service would illustrate which factors influence the preference of WeChat or Alipay and how and to what extent users value the benefits provided by mobile Apps for economy hotel booking behaviors.

Figure. 16: Technology Acceptance Model (TAM)



Source: Davis (1989).

Our conceptual model is developed based on the Technology Acceptance Model (see Figure 16). TAM is widely used for examine the acceptance of a new technology and it is determined by Perceived Usefulness (PU) and Perceived Ease of Use (PE). Davis (1989) defined Perceived usefulness as “the degree to which a person believes that using a particular system would enhance his or her job performance” which follows the definition of the word useful: "capable of being used advantageously.”

Davis believes that a system high in Perceived Usefulness is for which a user believes in the existence of a positive use-performance relationship. The other measurement: Perceived Ease of Use

refers to “the degree to which a person believes that using a particular system would be free of effort,” which follows from the definition of “ease”: “freedom from difficulty or great effort.” In other terms, a system or Application is easier to operate and to get skillful, users would tend more to accept this new technology.

WeChat was first released in 2011 and WeChat Pay was available from September 2014. Although WeChat Pay is already very popular among Chinese WeChat users, the integration of WeChat and traditional hotel industry is need to be examined. China has developed relatively mature payment system in the world, leading by Alipay and WeChat. In consideration of the specific functions of WeChat and Alipay, the author has used four models to examine the constructs that influence the interests and usage of WeChat and Alipay to book and experience the service of Chinese economy hotels. The original model has used the existing two constructs of TAM: Perceived usefulness and Perceived ease of use as independent variables. The other three models have kept the construct of Perceived ease of use, while use three specific concepts of usefulness: Perceived information usefulness; Perceived entertainment usefulness; Perceived sociality usefulness (Zhang and Mao, 2008; Bauer et al., 2005) to examine the specific perceived usefulness in the context of uniqueness and specialties of WeChat and Alipay.

TAM has been examined by many researches not only in the computer related areas as its initial purpose, but also in the acceptance of mobile banking, mobile SMS (short message service) advertising which are closely related to this study. The result of the survey explains how the different factors influence the interests and usage of the users when considering booking and receiving information and service via mobile Apps, and the reasons that users would be interested in using WeChat for booking Chinese economy hotels.

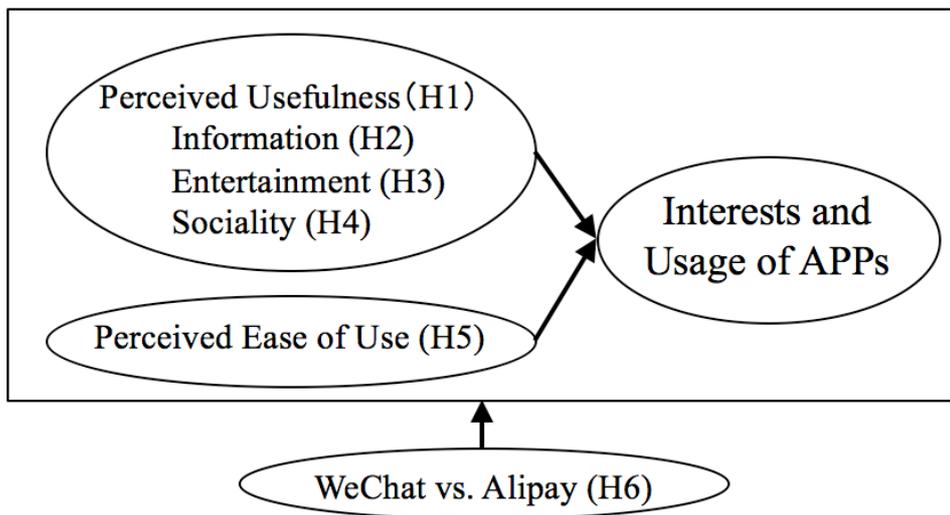
Section 2. CONCEPTUAL MODEL OF THIS STUDY

Based on the discussion above, the author developed conceptual model for this study. Figure 17 is our conceptual model. The research contains four independent variables based on the original

TAM model (David, 1989), and on Zhang and Mao (2008) including three constructs; perceived information usefulness, perceived entertainment usefulness, and perceived sociality usefulness to specify “Perceived Usefulness” in the context of mobile marketing in hospitality industry.

Both WeChat and Apilay provides instant payment solutions, therefore how consumers value the importance of relevant, timely and exclusive information (TrAppy & Woodside, 2005), the visual aesthetic, customized features for function of entertainment (Bauer et al., 2005), the innovation and transitional usefulness of sociality (Bauer et al., 2005) and influence the interests and usage is examined in the research.

Figure. 17: Conceptual Model



Section 3. RESEARCH HYPOTHESES

WeChat and Alipay both offer functions to book and enjoy the service of Chinese economy hotels while Apilay was available earlier than WeChat as third-party payment and third-party service solution. To examine the factors influencing the behavioral intention to use of these two Apps, a comparative study has been conducted.

In this study, the same constructs are also used to measure the interests on and usage of Apps. The same questions were asked in the different sections for WeChat and Alipay with the randomized order. Although the prime functions of WeChat (instant message) and Alipay (payment solution) are

different, WeChat and Alipay both offer the function for customers to book and interact with the Chinese economy hotels as mobile Apps. Alipay is also in accordance with the measurements of WeChat, the hypotheses are suggested on the same measurements for the two Apps.

The overall perceived usefulness includes the measurements of time, monetary benefits and customization. These overall customer benefits compose the perceived usefulness provided by WeChat as well as Alipay. Therefore the author hypothesized that:

H1: Overall perceived information usefulness is positively related to interests and usage of (WeChat/Alipay).

Bauer et al. (2005) adopted the theoretical concept “uses-and-gratification-Approach”, offering an explanation for the utility perception in the context of mobile marketing. Katz et al. summarized the following three categories of needs as regarding important perception:

- 1) “Needs related to strengthening information, knowledge and understanding”
- 2) “Needs related to strengthening aesthetic, pleasurable and emotional experience”
- 3) “Needs related to strengthening contact with family, friends, and the world”

Bauer et al. (2005) concluded the above perception into three concepts as important factors that influence the users’ acceptance towards mobile marketing: perceived utility of information, perceived utility of entertainment and perceived utility of sociality.

Zhang and Mao (2008) applied these three constructs in the research of acceptance of SMS advertising among young Chinese consumers. Zhang and Mao (2008) argued that the usefulness of SMS advertising can be enhanced when the information provided is timely and exclusive (TrAppey & Woodside, 2005). Information is a key factor not only for SMS advertising in the mobile marketing context, but also for the selection of tools for booking hotels. The more the tools provide timely, exclusive and comparative information to mobile phone users, the more likely it will satisfy their needs for the usefulness of the App.

Second, booking and experiencing the service of Chinese economy hotels could also be defined as entertaining and interesting, when the services and functions of the Apps meet the needs for aesthetic, pleasurable, and exciting experiences. To be more specific, for WeChat, the Official

accounts of the hotels in China have their own design and layout to meet attract and improve the image of their brands. The interactive service is also available on WeChat, users could send emoji and voice messages to the customer service center to interact with the hotel staff. For Alipay, it has renewed the design for “Fliggy”, the official hotel booking service provided by Alipay to impress the Chinese young customers because Alipay believes that young customers are the main force of the consuming power for the hotel industry, therefore the logo, functions inserted in the App should be entertaining as well as interesting to be more Appealing and competitive.

Third, by forwarding the information on WeChat to the users’ family members or friends, the users could not only get the monetary benefits of the promotion by the sellers, this behavior could also satisfy the users’ needs for maintaining and enhancing relationships with family members and friends (Zhang and Mao, 2008). It also provides a sense of fulfillment since the users would be pleasant that if they could forward information that they regard as useful to the people matter to them.

Sharing useful and entertaining information in the social platform is becoming a habit for young Chinese mobile users. Plus, this sociality factor is also important for marketer, as for hotels in this case, because information from a neutral sender is more likely to be more effective and acceptable than from the marketer or seller itself (Bauer et al., 2005). The perceived sociality usefulness also distinguishes WeChat and Alipay with traditional travel agencies and this factor is becoming more important in the mobile marketing context. Hence, these considerations suggest the following hypotheses:

H2: Perceived information usefulness is positively related to interests and usage of (WeChat/Alipay).

H3: Perceived entertainment usefulness is positively related to interests and usage of (WeChat/Alipay).

H4: Perceived sociality usefulness is positively related to interests and usage of (WeChat/Alipay).

In this study, perceived ease of use is defined as the mobile App users’ attitudes towards

convenience and expectations about the effort required to easily use the functions related to book hotels. Because of the technical and interactive functions comparing with traditional travel agencies and traditional payment methods, users need to link their bank account to the WeChat Wallet, then proceed to the next procedure.

In addition, use WeChat to interact with hotel staff is also a relatively new function comparing with phone calls. Therefore, the easier the users perceive using the mobile App to finish the whole procedure in general, the more likely they are to engage in using WeChat to book Chinese economy hotels. Chinese mobile users are also familiar with the use of Alipay and have been used Alipay to assist with their purchasing behavior on Taobao for several years. Therefore, these considerations suggest the following hypothesis:

H5: Perceived ease of use is positively related to interests and usage of (WeChat/Alipay).

WeChat is the most frequently used App in China in 2016, and WeChat Pay is also considered the most competitive rival of Alipay because it was the winner in the mobile payment market in 2016. The positioning of WeChat is not only an instant message Application, but also a service-oriented Application. Therefore, these considerations suggest the following hypothesis:

H6: The positive effect of perceived usefulness and perceived ease of use is stronger for WeChat than for Alipay.

CHAPTER 7. DATA COLLECTION AND ANALYSES

Section 1. SURVEY DEVELOPMENT AND DATA COLLECTION

The measurement items were adapted by the existing items from the TAM literature. The model 1 was developed by using the original TAM model, while the other three models used specific measurement for usefulness in a more concrete way to better suit the nature of mobile marketing. The construct of “Self Efficacy” was used in the survey. However, the result shows that “Self Efficacy” does not influence significantly the Perceived of Ease of Use. In the meantime, to maintain the integrity of TAM, the construct of “Self Efficacy” was deleted in the data analysis part.

The hypotheses developed in the previous section were empirically tested by means of an online survey. A total number of 155 respondents have completed effectively the online survey. The original items of the survey are in English and translated to Chinese because all respondents of this survey are Chinese. The average age of the respondents is 27.2 after eliminating 5 null answers. Among 155 respondents, 53 are males while 102 are females.

The items in the survey to measure the constructs are attached in the Appendix. Most of the items are adapted from the existing and solid items of literature, while several items are developed for the specific purpose of WeChat and Alipay. Except for the demographic and basic information items, all other items were used 5 likert scale. Four models are used both for WeChat and Alipay by using the same items to examine the factors that influence the interests and usage of these two Apps related to Chinese economy hotels.

“Interests and usage of the Apps” is a six-item scale which measures the customers’ intention to book and use the service of WeChat/Alipay to book Chinese economy hotels in the next 12 months. Perceived Ease of Use is a three-item scale that measures the ease of learning the functions of mobile Apps that influence the intention to use. Perceived Usefulness, Perceived Information Usefulness, Perceived Entertainment Usefulness and Perceived Sociality Usefulness are the three-item constructs that measure the overall and specific features of usefulness that influence the acceptance of using Apps to experience economy hotel service.

All of the Cronbach's alphas of constructs of WeChat exceed 0.60 (including self-created items), and all of the Cronbach's alphas of constructs of Alipay exceed 0.70, which illustrate the reliability of the reliability of the measurements.

Table. 9: Constructs and Reliability

Constructs	WeChat	Alipay	Items
Interests and Usage	0.86	0.92	6
Perceived Usefulness-WeChat	0.72	0.78	3
Perceived Information Usefulness-WeChat	0.65	0.85	3
Perceived Entertainment Usefulness-WeChat	0.63	0.84	3
Perceived Sociality Usefulness-WeChat	0.65	0.89	3
Perceived Ease of Use-WeChat	0.87	0.87	3

Note) Numbers are Cronbach's alpha. All the items are measured by 5 point Likert scale.

Section 2. RESULTS OF HYPOTHESES TESTING

Model 1-4 contains different constructs for "Perceived usefulness" while the construct of "Perceived ease of use" remains the same for the four models to test the interests and usage of WeChat and Alipay.

The adjusted R square of the regression for WeChat in model 1 is 0.15 while for Alipay in model 1 is 0.46 are significant at the 5% level of confidence. The β of overall perceived usefulness for WeChat is 0.30 while for Alipay with $\beta=0.71$ are positive, which support H1.

The adjusted R square of the regression for WeChat in model 2 is 0.28 while for Alipay in model 2 is 0.38 are significant at the 5% level of confidence. The β of perceived information usefulness for WeChat is 0.47 while for Alipay with $B=0.59$ are positive, which support H2.

The adjusted R square of the regression for WeChat in model 3 is 0.18 while for Alipay in model 2 is 0.48 are significant at the 5% level of confidence. The β of perceived entertainment usefulness for WeChat is 0.34 while for Alipay with $B=0.68$ are positive, which support H3.

The adjusted R square of the regression for WeChat in model 4 is 0.22 while for Alipay in model 2 is 0.31 are significant at the 5% level of confidence. The β of perceived sociality usefulness for WeChat is 0.40 while for Alipay with $B=0.51$ are positive, which support H4.

Table. 10: Results of Interests and Usage Regression Model

1. WeChat

	Mean	S.D.	Model 1	Model 2	Model 3	Model 4	Hypotheses Testing
Overall perceived usefulness	4.12	0.73	0.30*				Supported
Perceived information usefulness	3.92	0.78		0.47*			Supported
Perceived entertainment usefulness	4.20	0.66			0.34*		Supported
Perceived sociality usefulness	4.02	0.73				0.40*	Supported
Perceived ease of use	4.57	0.65	0.16	0.14	0.19*	0.18*	
Adjusted R Square			0.15*	0.28*	0.18*	0.22*	

2. Alipay

	Mean	S.D.	Model 1	Model 2	Model 3	Model 4	Hypotheses Testing
Overall perceived usefulness	3.88	0.73	0.71*				Supported
Perceived information usefulness	2.97	0.78		0.59*			Supported
Perceived entertainment usefulness	3.65	0.66			0.68*		Supported
Perceived sociality usefulness	2.70	0.73				0.51*	Supported
Perceived ease of use	4.57	0.65	-0.08	0.14*	0.04	0.18*	
Adjusted R Square			0.46*	0.38*	0.48*	0.31*	

Note) * $p < .05$

The same measurements for construct “Perceived ease of use” are used in the four models. For WeChat, the β of “Perceived ease of use” is 0.19 in Model 3 and 0.18 in Model 4 are significant at the 5% level of confidence; For Alipay, the β of “Perceived ease of use” is 0.14 in Model 2 and 0.18 in Model 4 are significant at the 5% level of confidence, which support H5. However, For WeChat, the β of “Perceived ease of use” is 0.16 in Model 1 and 0.14 in Model 2 while are not significant at the 5% level of confidence; For Alipay, the β of “Perceived ease of use” is -0.08 in Model 1 and 0.04 in Model 3 while are not significant at the 5% level of confidence, which do not support H5.

In terms of H6, because all the coefficients are positive and significant except for perceived ease of use in a couple models, we cannot conclude that there exist any significant differences in the promoting factors for interests and usage between WeChat and Alipay. Thus, H6 was not supported.

CHAPTER 8. CONCLUSION

Section 1. MANAGERIAL IMPLICATIONS

Based on the findings of the empirical study, implications for managers are discussed hereafter. Comparing with WeChat and Alipay, users prefer to use Alipay to book Chinese economy hotels at this stage and they consider Alipay could provide information, entertainment and sociality usefulness. This fact illustrates that Alipay is more preferable as Application for hotel booking behavior.

Interestingly, respondents have also expressed their acceptance of WeChat as a new medium for hotel booking. Based on the further investigation of several respondents, some of them are not aware of the availability of WeChat for hotel booking services since Alipay has a more solid and deeper image in terms of e-commerce and m-commerce platform. However, for the marketers of hotels, they need to pay commission fees to cooperate with Alipay while for WeChat is basically free and hotels could operate directly without the negotiation with other parties. These conditions might change the market situations in the near future.

“Fliggy” of Alipay was rebranded from “Alitrip”, positions as a leisure travel brand and aims at standing out in the outbound tourism market. Currently “Fliggy” cooperates with several European countries in order to offer more local services in Chinese. (China Internet Watch, 2016). “Fliggy”’s new positioning strategy reveals that its core focus is not on economy hotels in China. Thus, economy hotel marketers in China may benefit from WeChat, the free and fast developed platform to realize the integrated marketing strategy that by using one platform to fulfill the process of booking, check-in&check-out, room service, online shop and data collection.

How to illustrate the availability of hotel booking service on WeChat to a wider audience remains a key task for hotel marketers. They could take advantages of the sociality usefulness of WeChat, encouraging the consumers to share the information or experience with their staying at the hotels on WeChat “Moments”, by giving monetary benefits such as coupons to encourage the behavior of sharing information and also to promote the brand on WeChat. Last but not least, foreign

residents in China are also potential users of WeChat hotel booking platform. The majority of foreigners in China have WeChat on their mobile phone, however Alipay is not a must for them, therefore hotel marketers could expose more the availability on WeChat to occupy this market.

Section 2. ACADEMIC IMPLICATIONS

This study has extended the TAM model by adding the measurements of perceived information usefulness, perceived entertainment usefulness, and perceived sociality usefulness (Zhang and Mao, 2008; Bauer et al., 2005) in the context of mobile marketing in hospitality industry. The author provides a new evidence in the service industry in China. The findings suggest that perceived information usefulness, perceived entertainment usefulness, and perceived sociality usefulness all have positive influence on interests and usage of WeChat and Alipay, which are consistent with the prior studies. The results indicate that perceived information usefulness and perceived sociality usefulness have significant influence on the interests and usage of WeChat.

This research supports that TAM predicts interests and usage on Apps in China. This study also presents a novel approach to linking Apps with traditional service industry in China by extending TAM. The new measurements of perceived usefulness are in accordance with the functions and features of WeChat. The multiple dimensions of perceived usefulness assessed in this study enriches the existing TAM literature in the context of hotel industry in China.

Section 3. LIMITATION AND FUTURE RESEARCH

The target age of customers of Chinese economy hotels ranges from 18 to 30 and main consumers are consisted of college students, and the most frequent users of WeChat consist of young generation around 18-25 years old. The respondents of the survey whose age is around 18 to 22 are limited, and respondents who are over 30 and have steady jobs prefer to stay at upper class hotels rather than economy hotels. The factor of “age” influences the interests and usage of WeChat or Alipay to book economy hotels in the next 12 months. Several respondents whose age above 30 are

not aware of the availability of hotel booking services on WeChat.

Second, the imbalance of geography also composes an importance factor that limits the results of the survey. Several respondents are Chinese but not currently resident in China, therefore their interest in booking economy hotels in China would be very low. Plus, a large amount respondents come from Beijing, Shanghai, the first tier cities in China where they have more choices in terms of hotels.

Third, except for the official accounts that is available for hotel booking service on WeChat, WeChat also offers very similar function as “Fliggy” of Alipay recently while not many respondents are aware of this new function of WeChat. WeChat Pay has been released later than Alipay, therefore its third party services are not as well-known as Alipay. However, the tendency of using WeChat Pay is prevalent recently, therefore the results of survey would be more accurate for WeChat after a few months.

Fourth, the volume of the samples is limited, it could not represent the overall intention of Chinese consumers. More respondents from different cities in China and from different range of ages should be considered in the survey for the future research.

Last but not least, the research is about Chinese market, but the data published by the authority is limited. In addition, Chinese third-party payment (WeChat payment and Alipay) and social platforms (WeChat, Weibo etc.) are used within China, it could not largely Apply to the world-wide scale. The difference of demography as well as geography should also be considered in the future research. The mobile payment market changes very fast, for instance, WeChat becomes the biggest competitor of Alipay only in three years. The measurements such as safety could also be discussed in the future study. Thus, the changing environment in Chinese mobile payment market and mobile marketing strategies should also be further developed in the future research.

Section 4. CONCLUSION

How to improve user experience, attract new customers then maintain customer relationship is very important for hotel marketers at the m-commerce age. This research has examined in mobile marketing environment in China, how economy hotels create values to customers and how they use mobile Application platform and opportunities to Apply to the integrated marketing strategy. In China, the mobile payment and third-party payment has been already very mature, as well as the third party service provided by mobile Apps such as WeChat and Alipay.

By analyzing the data results that influence the users' interests and usage of WeChat and Alipay, the author conclude that Chinese mobile users have interest in using mobile Apps to book and enjoy the service of Chinese economy hotels. In addition, the results Approve that Alipay has been widely accepted as a mature tool for customers to book hotels in China, however, as the WeChat Pay is being used by more and more customers and with the raising awareness of the availability and convenience of using WeChat, the information and sociality usefulness that have been underlined in the result of survey are very much Appreciated by users, thus giving Chinese economy hotels an insight to improve these benefits.

The e-commerce and m-commerce business is growing significantly in the recent years in China, it is also a great opportunity for traditional industries such as hospitality industries to take advantage of the social network platforms to grow up and to attract new customers at the mobile age. The study has shown that WeChat is no longer a solely instant messaging tool, the functions would be expanded more and more and accepted by larger and larger users in the future.

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APPENDIX

Constructs and Measurement Items

Interests and Usage

- It is very likely that I book a Chinese economy hotel on WeChat/Alipay in the next 12 months.
- It is very likely that I collect information about Chinese economy hotels on WeChat/Alipay in the next 12 months.
- It is very likely that I pay for a Chinese economy hotel on WeChat/Alipay in the next 12 months.
- I am interested in using WeChat/Alipay when I book Chinese economy hotels.
- I am interested in using WeChat/Alipay for collecting information about Chinese economy hotels.
- I am interested in using WeChat/Alipay for the payment of Chinese economy hotels.

Perceived ease of use

- Learning to use multi-functions on WeChat/Alipay would be easy for me.
- I would find it easy to use multi-functions on WeChat/Alipay n to do what I want it to do.
- It would be easy for me to become skillful at using multi-functions on WeChat/Alipay.

Perceived usefulness

- The multi-functions on WeChat/Alipay customized to my profile are useful.
- Using multi-fuctions on WeChat/Alipay saves me time.
- Using WeChat/Alipay gives me monetary benefits.

Perceived information usefulness

- Through WeChat/Alipay I receive timely information.
- Through WeChat/Alipay I receive exclusive information.
- Through WeChat/Alipay I could make comparison of information.

Perceived Entertainment Usefulness

- I find using WeChat/Alipay exciting.
- Multi-functions on WeChat/Alipay customized to my profile are fun.
- I enjoy using WeChat/Alipay when the aesthetic design of WeChat/Alipay gives me visual pleasure.

Perceived sociality usefulness

- I forward information on WeChat/Alipay to my friends.
- By using WeChat/Alipay I can demonstrate my innovativeness to my friends.
- By expressing my opinion on WeChat/Alipay could deliver useful information to my friends.