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# A REFERRAL REWARDS INCENTIVE DESIGN ON TRAVEL CONSUMER-GENERATED CONTENT

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## ABSTRACT

User-generated content has become increasingly important to both tourism practitioners and travel consumers. Although prior studies have demonstrated how impactful UGC is and why marketing mavens employ UGC sites in their marketing campaigns, there is still scant evidence on how to successfully manipulate them. To fill this void, we conducted a two-phase experiment study. In the experiment, first, 65 tourists were invited then grouped according to three different treatments (namely, creating travel posts to achieve the maximum ‘comments’, ‘retweets’, or ‘likes’), and one will be rewarded if he/she achieves the goal. Second, for the manipulation check, we invited another group of Chinese consumers (n =268) to rate these travel posts based on their perceptions. Our experiment results indicate that this referral rewards incentive design has significant effects on consumers’ UGC perception (the credibility, interestingness, influence of postings), behavioral intentions (purchase intention, and WOM intention), and their likelihood of social media engagement (offering ‘likes’). In addition, we also discuss the implications of the results and how to exploit this design.

*Keywords:* Referral rewards incentive design, travel consumers, user-generated-content (UGC), social media engagement, behavioral intentions, and attitude toward destination.

## INTRODUCTION

Social media are considered as one of the two ‘mega trends’ (together with ‘search engines’) that have revolutionized travel consumers on how they transfer, share, reuse, store, and generate travel-related knowledge [54, 68]. This revolution transforms what was like in the old days, when experiences were only shared and diffused within small circles of acquaintances with mutual trust, into global customers’ information database that can be analyzed by both researchers and practitioners [34]. Marketing mavens started to realize that it is no longer enough for their tourism businesses to rely solely on traditional media for competitions but must refer to social media as their marketing tool to comprehend what their customers’ demand [36]

Given the emergence and prevalence of social media among businesses, a plethora of research has been conducted on the applications of social media from the tourism suppliers’ perspective. For instance, first, social media can be used as a strategic tool to enhance the image of destination. Researchers point out that travel-related UGC sites reflect more genuine attitudes and opinions of travel consumers, and destination management organizations can exploit this information to identify unsuspected features and make cost-effective approach to understand travelers’ experiences [2] [37]. Second, social media are regarded as inexpensive ways of promotion compared to traditional advertising [37]. Studies suggested that blogging/tweeting is more effective in improving search engine rankings, increasing traffic to company websites, promoting products and offerings, responding consumer inquiries, which all result in the increase of online sales of destinations [42] [55]. Third, instead of direct distribution to travel consumers, suppliers can take advantages of social media to enhance their indirect distribution of travel products/services. Due to this, their distribution cost could be decrease and more revenue would be generated [37] [59]. Fourth, social media can provide tourism marketers with instant communication vehicles to transmit brand values, services updates and other relevant information to the mind of their consumers[55]. Last but not least, UGC is treated as sustainable source that can be applied into business strategies development, such as improving potential customers’ satisfaction; solving problems that consumers confront; exploring customers’ travel experiences; and monitoring the image and reputation of a business [37].

Despite a wide use of social media by tourism practitioners in the past few years, the successful practice of manipulating and managing social media remains largely unknown to both researchers and practitioners [12] [13] [37]. Social media, to a large extent, rely on voluntary resources contributed by individual peers. However, studies [3] [25] pointed out that having time and work constrains, no interests, lack of confidence in writing, being lazy, privacy issues, and shyness over public postings are prominent reasons for not contributing. Therefore, how to encourage cooperative behavior among peers avoiding free-riders (consumers who lack of cooperation) and how to develop mechanism, by which contributions of individuals can be incentivized, have become critical issues to modern tourism practitioners [14][28].

In the system of autonomous but rational participants, scholars found resource contributors can be incentivized by using economic principles, such as monetary payments (one is paid to contribute resources), and different services (resource contributors can have better quality of service if they contribute more), and etc.[28]. However, very little research has been conducted in the context of tourism in social media. In our research, we propose a referral rewards incentive mechanism. With the intention to find out how impactful this incentive design is, we conducted a two-phase experiment study. In the first phase, for incentivizing tourists , we

created a mechanism with three treatments (namely, creating travel posts to achieve the maximum ‘comments’, ‘retweets’, or ‘likes’). Then the tourists we invited were divided into three groups according to these treatments. Each of them is told that he/she would have a chance to be rewarded (a bottle of red wine/a sum of phone bill charge that is equivalent to the value of wine) on the condition that his/her travelling post would obtain potential travel customers’ the maximum ‘likes/comments/retweets’. In the second phase, another group of travel consumers were invited to rate these travel posts based on their perceptions. By employing one-way ANOVA, we observed the effects of such an incentive design on customers’ perceptions (the consumer-generated content’s credibility, influence, and interestingness); the impacts variations across the potential travel customers’ behavioral intentions (purchase intention, word-of-mouth intention) and attitude towards destinations; and also consumers likelihood of engagement (retweet, comment, like). Our research attempts to provide an solution to how to design a successful viral tourism marketing campaign and a better way to avoid the spread of consumer backlash.

This paper first reviews the current study on referral rewards incentive design in general, and travel customers’ UGC perception, social media engagement, behavioral intentions, and attitudes of destination. It then illustrates how our study is conducted. After that, the paper presents the results. Finally, the paper concludes with touches on the practical implications.

## **REFERRAL REWARDS, TRAVEL CONSUMERS’ UGC PERCEPTION, SOCIAL MEDIA ENEGAGEMNT, BEHAVIORAL INTENTIONS, AND ATTITUDES TOWARD DESTINATION**

### **Referral Rewards**

It is no longer a novelty that companies offer referral rewards to motivate existing consumers to spread positive word-of-mouth (WOM) with the intention to acquire new consumers. Such incentives have been considered as one of the manipulation strategies that companies are increasingly sophisticated about by the day. Research even points out that when the referral incentive system’ effectiveness is sufficiently high, it will overturned the direct marketing [20].

Word-of-mouth can be deemed as a sort of exchange. According to exchange theories, resources that people possess can be managed. This includes both tangible products, which hold economic or symbolic value, and intangible products, such as information [5]. Marketing research found that consumers’ respond to referral rewards on whether they will engage in WOM transmission is depending on the cost and benefits of exchange [32] [52]. According to Ryu and Feick’s study, referral rewards will make exchange more complex in WOM. In contrast with natural WOM, WOM under the referral rewards programs has added exchange on how consumer perceives a referral’s cost and benefits. During the process, recommender gains additional economic benefits (e.g. money). However, his/ her social risk has increased, because if receiver of the rewarded referral is discontent with the recommended product/service, the receiver might impute this discontent to the recommender. On the other hand, from the recommenders’ perspective, their motivation for making the referral is incentivized by the rewards rather than instinct. They may feel that they did sell their ‘recommendations’, which is inconsistent with their self-image [52].

In a dynamic setting, modern scholars have already wielded enormous clout in referral rewards programs (see Table 1). Focusing on the adoption of referral rewards programs, these findings have insight views. For instance, those referred customers were found to have a higher contribution margin, retention rate, and they are more valuable in both short and long run [56]. In addition, a certain reward could increase customers’ referral likelihood. However, the referral rewards are considered more effective on the providers of the recommendation for weak ties and weak brand; whereas for strong ties and strong brands, rewards should be offered to receivers of the referral to take effects [52]. Moreover, the satisfied customers were deemed as a necessary but not sufficient condition for a company to acquire positive word-of-mouth. Nevertheless, referral rewards can be an effective mechanism to increase satisfied customers’ likelihood of making referrals [74]. What is more interesting, compared to in-kind rewards, monetary rewards are less powerful in motivating customers’ referral behavior. This due to the fact that despite money is desired by everyone, offering money as rewards in referral program has potential flip side. Customers might decline to participate in the program, because their social cost (such as, acquisition of social obligations, the risk of providing inappropriate advice, and etc.) associated with monetary rewards cannot be balanced with their economic benefits [35].

On the other hand, with the attempts to encourage more consumers to purchase the companies’ services and establish consumer loyalty, contemporary practitioners take advantage of social media to reward their customers who would like to start favorable conversations about their products, and they also persuade influential social media participants to write impressive reviews that will draw other peer customers’ attention. Indeed, social media create platforms that allow close friends, distant acquaintances, or even strangers to communicate conveniently. Such kind of communicating style makes online social referrals come true among social media participants with different social distance, and companies can exploit this referral systems by establishing a consumer recommendation system (CRM) to manage social interactions [25]. In Shao and Zhang’s study, by investigating 180 ordinary Chinese consumers, social media were found to have great influence on consumer referrals, and they are more efficient and effective for enterprises to acquire customers compared with the traditional marketing campaigns [58]. However, although utilizing tangible referral rewards can incentivize existing consumers to introduce new consumers to business at a low acquisition cost, rewards can sometimes be distributed to consumers who would have recommended the product anyway, and this results in a waste

of resources [27].

Table 1. Prior studies on referral rewards programs

Research	Methodology	Key Findings
Biyalogorsky et.al (2001) [10]	Analytical modeling	Underlines the advantage of using referral rewards besides the adoption of lowering the price while motivating customers' referral behavior; providing guidelines to marketing mavens on how to optimize the price and rewards.
Ryu and Feick (2007) [52]	4 laboratory Experiments	Rewards increase customers' likelihood of referrals; rewards are more effective in weak ties and weak brands.
Wirtz et.al (2012) [74]	An in-depth interview and 2 field experiments	Extending the understanding of meta-perception as significant factor in interpreting the referral behavior; the level of satisfaction with the referral rewards increases the WOM givers' likelihood of recommend.
Garnefeld et.al (2013) [23]	Filed experiment	Referral rewards increase the existing customers' loyalty; larger rewards reinforce attitudinal and behavioral loyalty, but smaller rewards impact only the behavioral dimension.
Jin and Huang (2014) [35]	3 laboratory experiments and 1 field study	Compared to in-kind rewards, monetary rewards yields less referral generation and acceptance, particularly in the case of weak brands.
Li & Liu (2015) [33]	2x4 scenario experiments	Rewards dose not significantly yield electronic referral (WOM); and participants' closeness is found to be a key variable in explaining online referral behavior.

### Customers' UGC Perception

#### *The influence of user-generated content on travel customers*

Known as the 'electronic word-of-mouth' (eWOM), user-generated content facilitate customers with commercial, detailed, and experiential information. As a result, ideas and opinions are more easily accessible, and customers who collect the information are often better informed [1] [38]. This fact becomes especially persuasive in the context of tourism industry.

Compared to the other products, tourism products are high-priced, high-involvement, and well differentiated in nature, which make their quality cannot be evaluated before they are actually consumed. Hence, travel UGC about destinations, hotels, transportation, and services turns to be significantly important source for travel consumers. And the impact of UGC on travel consumers can be understood from the different phrases of consumers' travel, such as, pre-trip, during trip, and post-trip [37].

In the pre-trip, UGC acts as an additional source of information to consumers [75]. Consumers often utilize UGC in early stage of their travel to minimize the perceived risk of making wrong decisions [26] [47] [55]; and they usually consider UGC from experienced travelers to be more up-to-the-minute, credible, and enjoyable than information provided by travel service providers [26]. However, some findings also indicated that the relatively greater trust is placed in a specific travel UGC site rather than a generic one [15]. During trip, studies have proven that UGC can strongly influence consumers' purchasing decisions, and consumer perception of quality. For instance, the consumers' likelihood of booking hotels is determined by the ratings of travel UGC in addition to valence and framing [37] [65]. Besides, UGC facilitates the travel consumers to obtain destination information, which subsequently stimulate a higher motivation of choosing the destination [69]. Moreover, UGC enables the consumers to visualize the consumption of the travel products [69]. In the post-trip, when consumers complete a trip, they turn into UGC generators. Research has found the reasons motivate their contribution are associated with travel consumers' personality (such as, altruistic and enjoyment), and their desire to share life experience and make social interactions [47] [77].

#### *Credibility of UGC*

Credibility is defined as 'believability of some information and its source'[6]. In the information process, credibility can change a recipient's opinion in accordance with the direction advocated by the communicator when the content is built on highly credible source [31], and less credible information cannot draw customers' attention[43]. Study also indicated that those consumers who perceive a review to be credible are more confident of adopting social transmission and making purchase decisions [66].

UGC is considered as more credible than official destination websites, travel agents, and mass media [21]. This, subsequently yields more impacts on tourists' destination choices [18]. Meanwhile, it acts as a role of reducing travel consumers' perceived risks when booking travel products [65]. Due to the intangible nature of travel products, the economic and psychological risks are always embedded in the travel decision making. Therefore, the credibility of UGC is more important to consumers. Research has already pointed out that the degree of the credibility allotted by the travel consumers to the content of UGC is associated with how impactful the UGC is to their travel plans [6]. However, in contrast with face-to-face communication, consumers involved in eWOM (UGC) cannot adopt paraverbal cues to cognize the credibility of communication source. Besides, travel UGC is often written by anonymous tourists who have no prior relationship with the viewers. This makes evaluating the credibility of UGC is even more difficult.

### ***Interestingness of UGC***

Electronic word-of-mouth (eWOM) has become increasingly important to consumers' everyday life. They post reviews on movies they hate, share experiences of the products they used online. All these types of conversations that appear in social media are mostly discontinuous in nature. This means, after a person writes a post or comment, he/she usually does not expect an immediate response (even there is 'immediate', is regarded as one that occurs minutes later). As these types of conversations are asynchronous, people have sufficient time to think of a clever or interesting response, or wait till they have something worthwhile to share. For instance, a novelist is more adept at text than in person, due to he/she has more time to craft a more perfect response. Inferentially, in discontinuous conversation, people are more likely to share something they consider interesting [9]. In the prior work of Berger and Milkman (2012), those more frequently shared articles of *New York Times* were found more interesting than others. In addition, they also pointed out that key to generate influential word-of-mouth is to be interesting, as nobody would like to discuss boring business, boring products, or boring advertisements [63]. Moreover, from the content perspective, Hidi and Baird regarded 'interestingness' as one of the most significant variables that impact the readers' evaluative judgements. They indicated that the interesting content would be easily accepted, while the dull one would lose readers before any message is delivered [30].

Based on the prior study [78], influential UGC needs to have features such as interestingness and credibility. Hence, we assume that, with the intention to obtain rewards, creators will make endeavors to approach this criteria to generate more influence, interesting, and credible posts.

*H.1. Referral rewards incentive design will positively impact travel consumers' UGC perception, namely, credibility, influence and interestingness of posts.*

## **Travel Consumers' Behavior Intentions**

### ***Purchase intention***

Both the perceived popularity and informativeness of the UGC information can influence consumers' purchase intention, and subsequently, consumers may choose a product that had not been in their original consideration set [22] [48]. This phenomenon can be explained by two factors: first, consumers have the social desirability to meet the expectations of others. Therefore, after observations, they often conform to the behaviors of others [79]. Besides spouse, relatives, friends, consumers are also vacillated by the popular opinions that provides easy rationales and justifications [51]. Second, UGC can reduce the cognitive load of a viewer, and consequently yields higher sales [24]. Results [7] of a survey done by Channel Advisor indicated that, of all the consumers they investigated, around 92% read the product reviews online before they made decisions; and 83% of the holiday shoppers were influenced by travel UGC from different aspects. In addition, recommendation from friends and positive and negative UGC from strangers are regarded as the most significant factors that impact travel consumers' online hotel booking; and the UGC of hotels improves the average probability for consumers to consider booking the hotel rooms [21] [70].

### ***Word-of-mouth intention***

Researchers [41] define word-of-mouth as 'an oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, product service'. As this kind of communication appears spontaneously, it usually vanishes soon after it is spoken [17]. Nevertheless, WOM has been deemed as vitally important to travel consumers since decades ago. In the typologies of tourists categorize by Cohen, the 'theory of allocentricity and psychocentricity proposed by Plog, and the 'tourists area life-cycle mode' design by Bulter, the innovative and adventurous tourists were considered as both 'pioneers' and 'opinion leaders', for they not only discovered new destinations but also shared their experience with others [16] [19] [38] [49]. WOM is known as eWOM in digital age. It is a positive or negative statement that can be made by any potential, actual, or prior customers concerning a product or a company; it is available to the broad masses of the people and institution online [29]. However, in contrast with WOM, eWOM needs not to be direct or oral, as consumers generate all the content online and it will not be ephemeral, and consequently consumers can consult the content even after a long period. Besides, although it is different from advertising with regarding to information source, sometimes it comes with intervention from companies, who purposefully encourage customers to accelerate WOM transmission [17] [41]. Recent research in tourism area has demonstrated different impacts that WOM has upon different tourism products. For instance, research [44] conducted in New

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Zealand found, while the dissatisfied consumers spread unflattering comment concerning their travel experiences online, that WOM will dreadfully influence the destination image; and WOM recommendation increase the wine sale in Australia when opinion leaders returned home having others know their taste experience [40]; also study [57] in Western Australia noted that most local people's travel decisions were made based upon WOM communication. In UGC sites, travel consumers were found appreciate social benefits, which implies that they are willing to discuss their ideas and provide assistance to others (WOM intention) [73].

### ***Travel consumers' attitude toward destination brands***

Travel consumers' attitude can be defined as the psychological tendencies delivered by the positive and negative evaluations of consumers when engaged in certain travel behavior [50]. It includes cognitive response (evaluation during the formation of an attitude), affective response (psychological response indicates the preference of consumers towards an entity), and behavioral component (a verbal indication of the intention that consumer will involve in the travel products) [71]. In addition, the intention behind an attitude can impact the external behaviors. The more favorable the attitude toward the behavior, the more likely the individual will perform the behavior [11] [50]. On the other hand, nowadays, the reputation of tourism destination brand is notably influenced by the aggregation of UGC. Most travel consumers use formal elements of destination such as taglines, slogans, logos in all kinds of their postings, which will affect other peer consumers' attitude toward the destination as a result [4] [72]. The attitude of consumer, according to the prior findings, is a significant predictor of decision for travel a certain destination [64].

Discussed as earlier, studies already indicated that, with the assistance of referral rewards programs, there is significant change in receivers' purchase intention, and WOM intention. Accordingly, their attitude toward destination will be affected as well.

*H.2. Referral rewards incentive design will positively impact travel consumers' behavioral intentions (purchase intention, WOM intention) and attitude toward destination.*

### **Travel Consumers' Social Media Engagement**

In order to define social media engagement, recent studies have set out to understand the concepts of 'engagement'. First, engagement is utilitarian. It is on the basis of social facilitation, civic mindedness, and inspiration [46]. Second, engagement is experiential. It is a progression that begins with interacting with the interface physically, and eventually becomes cognitively addicted to the content provided by it, and then disseminates the outcomes of the involvement proactively [45]. Third, the concept of engagement includes cognitive, attitudinal, and behavioral attachment; and those engaged individuals present 'feelings of persistence, vigor, energy, dedication, absorption, and enthusiasm' [39] [61] [76]. Hence, social media engagement can be understood as the state of cognitive and emotional combination while employing social media tools [61]. In communication research, social media is examined as 'a form of one-way communication', whereby individuals and organizations send out messages with the attempts to secure 'engagement' as views, likes, comments and shares (retweets) [61] [67]. Moreover, social media engagement is often associated with online support and proactive interaction [8].

In social media, under the referral rewards incentive design, because each of the recommender wants to gain rewards, they will put more efforts to generate posts to draw peer consumers' attentions accomplishing the tasks. Consequently, these peer consumers are likely to comment, retweet, and/or offer 'likes' to these posts.

*H.3. Referral rewards incentive design will positively impact travel consumers' social media engagement, namely, likelihood of retweet, comment, and like.*

## **METHOD**

With the attempts to check the effects of the referral rewards incentive design on consumers' UGC perception, behavioral intentions, attitudes toward destination, and social media engagement, a two-phase experiment was conducted among Chinese consumers. The procedure contains incentivizing one group of travel consumers to generate travel posts, and inviting another group of consumers to rate these posts according to their perceptions.

### *Procedures and manipulation*

- In **Phase 1**, we recruited 40 MBA students from Fudan University in China and another 40 Chinese adult consumers who may not hold the same degree or equivalent but are keen on posting on UGC sites. To incentivize these participants, we created a scenario that 'a certain tourism company intends to market the destination (the place impresses you the most) on social media.). You are kindly invited to create a travel post, which depicts the most impressive experience and feeling toward a travel that you had during the last 12 months. The post will be published on one of the Chinese social media applications (e.g. Microblogs, WeChat, travel communities/blogs, etc. later, and your goal is to obtain the most 'comments' (or 'likes', or 'retweets', randomly assigned) from peer viewers. Once succeed in accomplishing the task, you will be rewarded a bottle of Chateau Fleur Cardinale/ a sum of phone bill charge that is equivalent to the value of wine, which is worth approximately 30 euros.'

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- Then, under the help of ‘Qualtrics’ (www.qualtrics.com; an industry-provider of Online Survey Software and Insight Platform), the participants were randomly divided into three groups (treatments): 1. participants intend to achieve the maximum ‘comments’; 2. participants intend to achieve the maximum ‘likes’; 3. participants intend to achieve the maximum ‘retweets’.
- To guide these participants, we asked a couple of items (see Table 2) which concerning their most impressive travel experience during the last 12 months.
- In **Phase 2**, another 300 Chinese consumers were invited to rate these travel posts created in **Phase 1** based on their perceptions. Each of these consumers will confront 6 different posts (randomly assigned by ‘Qualtrics’), which are actually real travel postings with regard to some travel consumers’ very recent travel experience.

Regarding the unit of analysis we conducted, data in our study follows a nested structure. Rating of each post are nested in travel posts, same as students are nested in certain class. **In Phase 1**, each of the participants received one of the three experiment treatments and created travel posts accordingly. **In Phase 2**, each invited consumer rated 6 different posts randomly assigned to them. Consequently, posts created under each of the three experiment treatments in **Phase 1** have equal probability to be exposed to each consumer in **Phase 2**. Similarly, probability for a consumer to read posts under three treatments is equal as well. Therefore, the 6 posts are drawn from all three groups in **Phase 1** even though not necessarily always 2 posts from each group. Hence, the sets of the 6 posts vary across the 300 participants in **Phase 2**.

Table 2. Items applied in Phase 1. [78]

**Guiding items for incentivizing the creation of travelling posts**

- Among all the places you traveled during the last 12 months, which one impresses you the most?
- How long did you stay there?
- Were you happy with the stay? (scale 0 = not happy at all, 100 = extremely happy)
- Do you think this place is good value for money? (scale 0 = not good value for money at all, 100 = extremely good for money)
- In general, are you satisfied with the travel? (scale 0 = not satisfied at all, 100 = extremely satisfied)
- Compared with all the places you had traveled to, how good this place is; what’s ranking of it? (much smaller number means the ranking is higher; larger numbers means the ranking is lower )
- Assuming a friend of yours is planning a travel, how much would you like to recommend this place to him/her? (scale 0 = not at all, 100 = very much)
- In terms of travel, do you consider yourself as a green hand or an expert? (scale 0 = totally a green hand, 100 = totally an expert).
- Assuming the tourism department in charge is about to marketing the place (Item 1) by facilitating social media. You are kindly invited to join the other tourists to generate a content depicting your experiences and feelings about the place. The content will later be published on one of the social media applications (e.g. Mircoblogs, WeChat, travel communities/blogs, etc.), and your aim is to make your postings have more ‘comments’ (or ‘likes’, or ‘retweets’, randomized by the system). Once your post achieve the maximum of ‘comments’ (or ‘likes’, or ‘retweets’), you will be rewarded with a bottle of wine (2011 Chateau Fleur Cardinale, values approx. 30€).

## RESULTS

Out of all 80 participants in **Phase 1**, we received 65 valid travel posts. Among these postings, 22 were created with the attempts to achieve the maximum ‘comments’; 24 were for achieving the maximum ‘likes’; while the rest were created for achieving the maximum ‘retweets’. According to the observation of the description of these travel posts, we found these participants’ travel activities can be categorized into one of the headings such as recreation, holiday, healthy, study, religion, business, family, mission or meeting. Furthermore, these travel consumers either pursued spiritual renewal, educational improvement, or scientific or imperialistic exploration of unknown destinations. Thereupon, they are literally real tourists [53].

In addition, most of these tourists considered their travel is the best value for money ( $M = 85.82$ ); most of them showed high degree of happiness ( $M = 87.09$ ) and satisfaction ( $M = 87.60$ ) towards the travel; and most of them would recommend the destinations to their friends ( $M = 80.32$ ). In **Phase 2**, out of 300 Chinese consumers we invited, 278 of them rated the posts according to their perceptions. Thus, we got 1668 sets of ratings concerns the very 65 travel postings.

To exam the impacts of referral incentive design on travel consumers' UGC perception, social media engagement, and behavioral intentions, attitude toward destinations, and compare the effects of 3 different treatments, our study employed one-way ANOVA in the analysis work.

First, after testing **H.1.**, we found referral rewards incentive design has significant effects on travel consumers' UGC perception, namely, the credibility of posts ( $F(1665, 2) = 3.627, p = 0.027$ ); the influence of posts ( $F(1665, 2) = 4.098, p = 0.017$ ) and the interestingness of posts ( $F(1665, 2) = 4.727, p = 0.009$ ). Further, under three treatments, we found postings with the attempts to achieve the maximum 'likes' yields higher mean value of credibility ( $M = 61.45$ ), interestingness ( $M = 48.91$ ), and influences ( $M = 47.50$ ) than the other two groups. Taken together, these results indicate that referral rewards do positively impact travel consumers' UGC perceptions.

Second, regarding **H.2.**, results indicate that referral rewards incentive design has significant impacts on travel consumers' purchase intention ( $F(1665, 2) = 3.117, p = 0.045$ ) and WOM intention ( $F(1665, 2) = 4.176, p = 0.016$ ). However, rewards appeared to have no effect on consumers' attitudes toward destination ( $p > 0.05$ ). Still, under three treatments, those generated travel postings with the attempts to achieve the maximum 'likes' generate a higher mean value of purchase intention ( $M = 50.70$ ) and WOM intention ( $M = 49.75$ ) than the rest of the groups.

Third, after testing **H.3.**, although we found incentive design takes a significant effect on the consumers' likelihood of offering 'likes' ( $F(1665, 2) = 3.730, p = 0.024$ ), the impacts on consumers' likelihood of offering comments and retweeting the posts were not significant ( $p > 0.05$ ). In addition, under the treatments, postings with the attempts to achieve the maximum 'likes' yield more mean value ( $M = 45.56$ ) of consumers' likelihood of offering 'likes' than the other groups.

## DISCUSSION AND IMPLICATION

Our study sheds light on how to successfully manipulate social media by using referral rewards. First, UGC created under this incentive design takes effect on peer consumers' UGC perception. Especially, under the three treatments, peer consumers found those postings created with the intention to achieve the maximum of 'likes' were more impactful, credible and interesting. Therefore, for marketing managers who intend to exploit the design, in addition to pay heed to who should be rewarded while planning to incentivize recommenders (travel posting creators), they can also adjust rewards size with different purposes [52] to balance the social cost and economic cost of the participants. On the other hand, practitioners can also extract those postings with more credibility, interestingness, and influence to explore what elements are embedded in the content, and this will enrich their marketing strategies. Second, results indicate that postings under this referral incentive design only impacted peer consumers' likelihood of 'likes'. This can be explained by the facts that, compared to comment and retweet the postings, offering 'likes' takes less efforts, and consumers might not suffer social risks (such as spread and/or discuss the information that dissatisfy their followers in social media, and etc.). Third, findings also imply that postings under incentive design impact consumers' purchase intention and WOM intention, this means after viewing these travel posts, peer consumers will consider travelling to the destination and tell other people about it. In addition, referral rewards will yield more value of consumers' purchase and WOM. However, it fails in influencing consumers on their attitude toward destinations. Marketing maven can look into these destination brands (weak or strong) [10], and classify them to see if the effects of referral rewards will change.

Theoretically, our work broadens the exchange theory from concentrating on exchange between two parties to the examination of one to many, which is more complicated. In general, transmitting WOM has benefits which includes, reducing the post-purchase anxiety or dissonance; making a better impressions for others; and aiding others to make better decisions. However, it also comes with costs such as efforts and time for communicating [55]. By compensating these eWOM senders with rewards, we found this design ease the cost and lead to receivers' (potential travel consumers) purchase and WOM intentions. This, on the other hand, indicates the utility of applying exchange theory to understanding eWOM.

However, as discussed earlier, this design will make consumers driven by rewards instead of their instinct. It is double-edged sword which may also stab the tourism market. There are already reported stories [62] indicated that some hotel managers intended to acquire profit in times of trouble. They disguised as consumers, or persuaded their employees to write fake glowing reviews about their products, or even composed negative reviews about their competitors. Hence, we sincerely suggest that practitioners should consider about the side-effects of referral reward before applying it.

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