



Compliance with eWOM: The influence of hotel reviews on booking intention from the perspective of consumer conformity



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ABSTRACT

This study conducted two experiments to determine the influence of review valence, review quantity, and the interaction effects between the two among consumers designated as conformist and non-conformist.⁴ The results show that positive reviews are more effective than negative reviews in enhancing booking intentions and increasing the number of reviews can magnify the influence of review valence on booking intentions. Our analysis of valence indicated that reading positive reviews can have a stronger effect on booking intentions among individuals who are strongly inclined toward conformity. In addition, a greater number of reviews proved to be more persuasive among individuals displaying a low degree of conformity. Finally, the interaction effects among the three independent variables revealed that a larger number of negative reviews can be more damaging to the booking intentions of conformist individuals. In contrast, a larger number of positive reviews were shown to have a greater impact on non-conformists.

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1. Introduction

Advancements in internet technology and its wide availability have radically altered the means by which and how consumers select hotel accommodations. Thus, the hotel industry is placing greater emphasis on online marketing management (Xie et al., 2011). The services provided by the hotel industry include core products (lodging services) as well as supplementary tangible products, such as dining and fitness facilities, that enhance the experience of customers. The hotel industry provides experience products, such that consumers are unable to judge the attributes or quality of the products prior to purchase. Thus, word-of-mouth (WOM) plays a pivotal role in this industry (Litvin et al., 2007). Kang and Schuett (2013) discovered that due to considerations regarding identification and internalization, consumers prefer to

share their travel experiences on social websites. Law et al. (2014) also indicated that most consumers like to post pictures of their travels through multiple social websites. This online user-generated content (UGC), which is consumer-centered, enables them to share interesting or unique experiences. Even if it is biased, this free information helps readers understand new markets, new activities, and sensitive topics (Wu et al., 2014). This demonstrates that the appearance of internet media, particularly social websites, have changed the patterns in which people search for information before traveling and making travel decisions. This influence further extends to thoughts shared during and after the trip (Zhou et al., 2014).

As reported by Tnooz (2014), a recent global PhoCusWright survey indicated that over 80% of travelers read numerous reviews before making a decision in which hotel to stay and 53% indicated that they would not be willing to book a hotel that had no reviews. Online third-party travel intermediaries constitute a major source of consumer reviews. Like hotel websites, these websites allow travelers to post reviews to help other travelers make hotel choices. When potential hotel visitors consult these intermediaries for information, they can see the positive and negative evaluations of hotels shared by other consumers. According to the theory of negativity effects, negative information is easier for consumers to perceive than positive information; therefore,

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⁴ For the sake of readability, we refer to people displaying a low degree of conformity as non-conformists.

negative information can have a stronger negative influence on purchase decisions (Park and Lee, 2009).

Conformity refers to tendencies in thinking and behavior aimed at gaining group approval and meeting group expectations (Bearden et al., 1989). High-conformity individuals often comply with the majority (to satisfy group norms and expectations), even if they are aware that such a position is not necessarily correct (Allen, 1965). When consumers see a large number of reviews dealing with a particular issue, they tend to interpret this to mean that the issue in question is popular (Chatterjee, 2001; Lascu et al., 1995). Individuals exhibiting a strong inclination to conformity also display higher degrees of normative and informative conformity than those who are less inclined toward conformity. Thus, potential hotel conformists will tend to be more easily persuaded by the content and number of eWOM and are therefore more likely to adjust their booking decisions in response (Deutsch and Gerard, 1955; Lascu and Zinkhan, 1999). It is therefore reasonable to assume that the conformity of consumers is a significant factor moderating the persuasiveness of eWOM.

We conducted a review of previous studies on eWOM and found that the variables moderating the effect of eWOM content (including quality and valence) and quantity on the persuasiveness can be divided into two categories: human traits and product type (Sen and Lerman, 2007; Park and Lee, 2008). Human traits can be further divided into the senders and receivers of eWOM. Receiver traits that have been discussed previously include the degree of professionalism, the degree of involvement, and gender. No previous study has addressed the issue of conformity, which is of even greater relevance in eWOM communication (Lee et al., 2007; Awad and Ragowsky, 2008). Some were qualitative researches proposing coping and management strategies with regard to eWOM (Litvin et al., 2007), some investigated the use of virtual world technology to create more positive eWOM (Kim and Hardin, 2010), and some examined the influence of eWOM on booking intentions with hotel awareness and consumer traits (professionalism, gender, and product knowledge) as moderators (Vermeulen and Seegers, 2009; Kim et al., 2011). In the last two years, researchers have discussed the relationship between reviews and the rebooking intentions of hotel guests and whether it is appropriate for hotel management personnel to be active on non-trading websites (Mauri and Minazzi, 2013), as well as examining the means of reconstructing UGC review formats so as to obtain more powerful customer feedback messages (Zhou et al., 2014). However, no research has been conducted on the influence of eWOM valence and quantity on booking intentions from the perspective of the conformity displayed by potential hotel visitors. Consumers are more inclined to collect data from third-party online travel intermediaries, which provide information with less bias; therefore, it is likely that the persuasiveness of eWOM valence and quantity will vary depending on consumer conformity (Vermeulen and Seegers, 2009; Litvin et al., 2007).

This study conducted two experiments associated with the hotel industry to examine the relationship between eWOM valence and booking intentions from the perspectives of eWOM quantity and consumer conformity. Our objective was to clarify the means by which the interaction effects between eWOM valence and eWOM quantity influence the booking intentions of eWOM readers expressing different degrees of conformity.

2. eWOM and hotel industry

Internet platforms used for the exchange of information generally have set themes about which consumers freely share their experiences, ratings, or knowledge, thereby producing eWOM (Hennig-Thurau et al., 2004). Compared to traditional (offline) WOM, eWOM offers greater convenience, anonymity, many-to-

many communication, and a lack of restrictions with regard to time and space. As a result, eWOM exerts greater and wider influence than traditional WOM (Pan and Zhang, 2011).

Consumers now attach greater importance to information collected from a variety of online platforms and an increasing number of information platforms related to hotel accommodation have appeared on the internet. These sites provide relevant information on hotels and accommodations and enable consumers to share their experiences and opinions (Pitta and Fowler, 2005). The most common means of communication between hotels and consumers include (1) email and instant messaging, (2) hotel websites, and (3) blogs and virtual communities (Litvin et al., 2007). Consumer-generated media (CGM) encompass a number of access options, including discussion boards, personal blogs, social networking sites (such as, Facebook, Telnet://ptt.cc, Travel networks, YouTube), and customer review sites (Jeong and Jeon, 2008). CGM are more popular with consumers as they are generally unaffiliated with commercial interests and provide less biased information (Litvin et al., 2007). Online third-party travel intermediaries (such as Travelocity.com, TripAdvisor.com, and Expedia.com) provide less biased reviews of higher credibility. This has made these travel networks very popular (Kim and Hardin, 2010; Litvin et al., 2007).

According to a survey by Travel Daily News (2012), 87% of the individuals interviewed believed that reviews on TripAdvisor® helped them to make hotel choices more confidently, and 98% considered the reviews on this website to be accurate. An investigation by eMarketer (2013) revealed that consumers like to obtain inspiration and plans for traveling from internet media, in which online third-party travel intermediaries is their first choice, followed by Facebook. TripAdvisor.com has gained prominence as one of the leading global travel information advice websites, based on its database containing independent customer testimonies and evaluations of their real experiences with hotels and other travel-related products (Gretzel and Yoo, 2008; Gretzel et al., 2007). Thus, this study selected TripAdvisor.com as the social medium for our experiments.

In recent years, some studies on eWOM in the hotel industry have been conducted. One study proposed eWOM management strategies for hospitality and tourism based on a qualitative review of the literature (Litvin et al., 2007). Another investigated the means of applying virtual world technology to encourage interaction and participation among hotels and consumers, with the aim of creating a greater quantity of positive eWOM (Kim and Hardin, 2010). Still others have discussed the influence of eWOM valence on hotel attitudes based on the awareness of hotels and the expertise of reviewers (Vermeulen and Seegers, 2009). Researchers have analyzed the influence of eWOM on booking intentions based on the product knowledge and gender of the readers (Kim et al., 2011).

In the last two years, researchers have discussed how rebooking intentions relate to the expectations of the customers and valence of the reviews in addition to whether it is appropriate for hotel management personnel to be reply to consumer questions on non-trading websites (such as n TripAdvisor® and Lonely Planet) (Mauri and Minazzi, 2013). They have also studied the means of reconstructing the formats of UGC online travel reviews so that readers can access more comparative and benchmarking reviews as well as bringing more powerful and accurate customer feedback messages to researchers and hotel managers (Zhou et al., 2014). The survey results and trends in recent research show that the influence of consumer reviews on online third-party travel intermediaries is receiving more attention from practitioners and academics. They are expected to become part of the mainstream in future internet marketing for the hotel industry.

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