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New consumer behavior: A review of research on eWOM and hotels



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ABSTRACT

This study aims to gather and analyze published articles regarding the influence of electronic word-of-mouth (eWOM) on the hotel industry. Articles published in the last five years appearing in six different academically recognized journals of tourism have been reviewed in the present study. Analysis of these articles has identified two main lines of research: **review-generating factors** (previous factors that cause consumers to write reviews) and **impacts of eWOM** (impacts caused by online reviews) from consumer perspective and company perspective. A summary of each study's description, methodology and main results are outlined below, as well as an analysis of findings.

This study also seeks to facilitate understanding and provide baseline information for future articles related to eWOM and hotels with the intention that researchers have a "snapshot" of previous research and the results achieved to date.

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1. Introduction

Advances in information technology and the introduction of new methods of communication have led to increasingly significant changes in consumer behavior. These changes have produced a shift in focus in companies' marketing strategies and business administration, especially in the hotel industry.

Purchase decision processes are composed of several variables that influence consumer choice for certain products and services. Customers might choose a hotel based on its location (for instance, close to an airport, tourist location, or downtown), brand name, various facilities (such as swimming pool, golf course, and spa and fitness center), service quality, price, loyalty program, and quality ratings by past guests. Any or all of these would enter into the customer choice mix (Verma, 2010). Atmosphere and design could be added to the set of variables.

One of the factors evaluated in the consumer decision-making process is word-of-mouth (WOM), defined by Harrison-Wallker (2001) as "informal, person-to-person communication between a perceived noncommercial communicator and a receiver regarding a brand, a product, an organization, or a service." Dickinger and Basu (1994) define WOM as "a volitional post-purchase communication by consumers." Most of the studies analyze WOM as a factor that, to a greater or lesser degree, influences consumers in choosing products and services. Yoon and Uysal (2005) consider that WOM "is one

of the most often sought sources of information for people interested in traveling."

Electronic word-of-mouth (eWOM), also often referred to as online reviews, online recommendations, or online opinions, has gained importance with the emergence of new technology tools. Litvin et al. (2008) define eWOM as "all informal communications directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and services, or their sellers." They add that this includes communication between producers and consumers as well as those between consumers themselves. Their typology is two-dimensional: a) communication scope: from one to one (emails), one to many (review sites) or many to many (virtual communities); and b) level of interactivity: from asynchronous (emails, review sites, blogs) to synchronous (chat rooms, newsgroups, instant messaging).

The main differences between WOM and eWOM can be identified in the reach of the reviews' impact (number of people who can be influenced) and the speed of interaction. With regard to this comparison, Sun et al. (2006) conclude that "compared to traditional WOM, online WOM is more influential due to its speed, convenience, one-to-many reach, and its absence of face-to-face human pressure." Schiffman and Kanuk (2000) describe additional reasons for consumer attention to WOM and eWOM as follows: "The expectation of receiving information that may decrease decision time and effort and/or contribute to the achievement of a more satisfying decision outcome." This breadth of eWOM scope and ease in accessing reviews can deeply affect a company's performance. Therefore, companies are increasingly seeking to understand the factors that influence the use of eWOM, as well as the impacts resulting from its use.

The tourism industry is strongly affected by eWOM and, within the tourism industry, hotels are probably the most affected. Based

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on the growing importance of online reputation derived from reviews (denoted in this article as eWOM) for hotels and other members of the tourism sector, this study proposes to analyze existing research on eWOM, with the aim of collecting and understanding issues related to this new form of communication and its impact on consumer behavior.

2. Methodology

The present study has reviewed articles published in the last five years (2007–2011) regarding electronic word-of-mouth (eWOM) related to the hospitality industry. With the objective of reflecting the majority of expressions and variations on this topic, articles were identified that included in their titles, keywords or abstracts terms such as eWOM; WOM; online reviews; User-Generated Content (UGC); Consumer-Generated Content (CGC); online recommendation; e-satisfaction; e-complaints; online reputation; online travel communities; online opinions; social media marketing; hospitality industry and hotels.

The articles were selected from six scientific journals based on their relevance, academic score and number of items related to this theme. The journals selected for the study are as follows: International Journal of Hospitality Management, International Journal of Contemporary Hospitality Management, Cornell Hospitality Quarterly, Journal of Travel & Tourism Marketing, Journal of Travel Research and Tourism Management.

Articles were analyzed for their content, methodology and results achieved. In-depth evaluation revealed the recurrence of specific terms. For example, topics related to age and gender were researched in nine articles. In the same way, the incidence of the remaining specific and recurring topics was verified, such as perceived trustworthiness, useful reviews and decision making processes, among others. It should be noted that the weight of each topic was not taken into account, only the mention of these topics and research performed on them.

It became apparent from the analysis that the articles could be grouped into two general lines of research: on one hand, the factors related to the generation of comments; and on the other hand, the impacts these comments have on consumers and on company perspective.

3. Conceptual framework

As mentioned above, analysis of the articles identified two major lines of research. The first identified line of research is that related to **review-generating factors**. A second line of research evaluates the **impacts of eWOM** from consumer and company perspective.

3.1. Review-generating factors

Studies related to the review-generating process analyze factors such as motivation, gender influence, cognitive and psychological aspects, satisfaction/dissatisfaction, group influence, sense of community belonging, and elements related to service quality and helping other vacationers and/or companies, among others. Thus, the research question is: Is there any identifiable set of factors that contributes to generating and publishing reviews?

3.2. Impacts of eWOM

Given that on one side we have review-generating factors, the next issue under analysis is the impacts of eWOM. These impacts can be direct and/or indirect and are analyzed from both the consumer perspective and the company perspective.

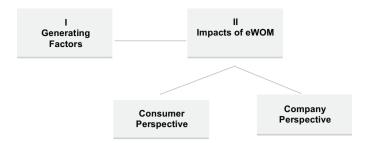


Fig. 1. Lines of research on eWOM and hotels.

- Consumer perspective: Studies have identified factors related to positive or negative reviews, including gender differences, reliability, confidence, different behaviors depending on valuation ratios, content and ease of accessing the reviews, product acceptance, media (blogs and virtual communities, emails, websites, product review sites...). Factors related to influence of purchase, decision models, repurchase intention and loyalty, among others, have also been studied.
- **Company perspective**: Studies have identified factors related to company-generated content, quality control, possibility of generating price premium, specific marketing strategies, corporate reputation, providing recommendations for tourism marketers and community managers, among others.

As a general outline, the graphic below (Fig. 1) illustrates the lines of research regarding e-WOM identified in this study:

The following charts presents the studies found, sorted by year and classified in the previously established lines of research, also including a brief description, the methodology used and the main results achieved (Table 1).

3.3. Review-generating factors

In relation to review-generating factors, or the factors that lead to electronic word-of-mouth (eWOM), most of the analyzed studies highlight aspects such as "Service Quality and Satisfaction", "Failure and Recovery", "Customer Dissatisfaction" and "Sense of Community Belonging" as consumers' main motivations for writing reviews (Swanson and Hsu, 2009; Kim et al., 2009; Sun and Qu, 2011, Sánchez-García and Currás-Pérez, 2011; Nusair et al., 2011). These studies identify a direct relationship between satisfaction or dissatisfaction with either positive or negative reviews and what is a rather obvious and predictable consumer behavior. Without diverting the focus, some authors relate themes regarding "commitment", "social identity", "pre-purchase expectations" and "customer delighted" as important aspects in generating eWOM (Crotts et al., 2009; Casaló et al., 2010; Bronner and Hoog, 2011). In addition, to a lesser extent, some studies investigated differences related to recommendation influences on gender and age (Sun and Qu, 2011; Nusair et al., 2011; Bronner and Hoog, 2011).

Some of the research results reveal that negative reviews can be generated more easily than positive. Swanson and Hsu (2009) argue that customers who experienced satisfactory incidents are not necessarily more likely to recommend the service provider or to convince others to use the service provider's offerings than their dissatisfied counterparts. In this line, Sánchez-García and Currás-Pérez (2011) assert that dissatisfaction can directly cause negative WOM behavior, and regretful consumers are more prone to spread negative WOM-which is consistent with previous marketing theory-probably with the goal of warning others rather than looking for revenge.

The most frequently mentioned motivations for eWOM according Bronner and Hoog, 2011, is to help other vacationers – for 70%

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