THE EFFECTS OF WORD OF MOUTH COMMUNICATION ON THE CONSUMERS' TRAVEL AGENCY CHOICES

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Abstract

Consumers, in the process of decision making for purchasing, need to resort to various information sources. These information sources that they trust are family members, friends, colleagues and people in their immediate environment. Consumers can be influenced by their positive or negative experiences. The word of mouth as a form of interpersonal communication can be quite effective on consumers' decision making process for purchasing.

The aim of this study is to determine the importance of word of mouth in consumers' decision making process. The study included the public survey with consumers of at least 18 years old in Aydin provincial centre. In the survey study, the effect of word of mouth communication on consumers travel agency choices was determined. Statistical analysis was performed with the survey data in accordance with the aim of study.

Jel Codes: M31, M37

1. INTRODUCTION

Nowadays, as technology keeps advancing, travel agencies try to keep up with this development through providing more equipped vehicles, training their employees and developing their post-travel services, working on excelling over their rival companies and trying to offer opportunities to make their customers travel in a safer, more peaceful and comfortable way.

For the perception of consumers' brand image on travel agencies; Word of Mouth Communication, namely advices, between consumers is very important together with the awareness of the services and cost advantages that the firms provide. In other words, while choosing travel agencies, consumers may be influenced from either positive or negative advices.

1.1. Word of Mouth (WOM) Communication

The term WOM is used to describe verbal communications (either positive or negative) between groups such as the product provider, independent experts, family and friends and the actual or potential consumers (Ennew vd.,2000:75).

Word-of-mouth marketing activities are exceedingly important especially for the businesses operating on service sector. This is because service expectations are not as clear and certain as benefits expected from concrete product. Especially, individuals' cultural situations, earlier experiences, and social environment may provide different opinions about service's quality and benefits. Thus, individuals are mostly, influenced by the ones from their close acquaintances who live at the same circumstances and have the same cultural characteristics (Ateşoğlu ve Bayraktar,2011:96).

Word-of-mouth (WOM) has been frequently cited as the most effective form of communication in influencing consumers. As a result, WOM plays an even more important role today in shaping consumers' attitudes and buying behaviors (Yang et al.,2012:952). One study conducted by the US Office of Consumer Affairs indicated that, on average, one dissatisfied customer can be expected to tell nine other people about the experiences that resulted in the dissatisfaction. Satisfied customers, on the other hand, relate their story to an average of five other people. As seen, WOM communication exerts a strong influence on consumer purchasing

behavior, influencing both short-term and long-term judgments (Mangold et al.,1999:74).

Academics, textbooks and managerial contributions highlight the effectiveness and efficiency of WOM as a means of customer acquisition, generally attributing its effectiveness to its high credibility. Because customers communicate among themselves at no or low cost for the firm, WOM also can be a highly efficient means for gaining new customers (Garnefeld et al.,2010:93). According to Word of Mouth Marketing Association, 92% of consumers worldwide trust recommendations from friends and family more than any form of advertising, and 2007 Nielsen Global Survey, %78 of people found "recommendations from consumers" is the form of advertising that they trust most (Yang et al.,2012:952). In this respect, with creating pleased and faithful customers and receiving that customers' supports, firms have to be successful to provide positive word-of-mouth communication about products and services. Because, these customers, in some sense, are the advertisement source that are volunteer, not charge a fee.

The main factor affecting WOM is the power of relationship between decision maker and recommendation source. Its recommendation source may or may not know the decision maker personally (Argan,2012:216).

WOM is the best way for advertising business or services, because there is no need to pay a thing. But on the other hand WOM is such an aspect of marketing that once it is out it cannot be changed, so it can effect the company in a positive way or negative (Hasan et al.,2012:213).

2. METHODOLOGY

2.1. Research and Questionnaire Design

The goal of this research is to determine the effects of word-of-mouth communication on consumers' travel agency choices. The study included the public survey with consumers of at least 18 years old in Aydin provincial centre. The effects of word-of-mouth communication on consumers' travel agency choices were measured using 45 items derived from *Kutluk (2012)* and *Okutan (2007)*. The sample of this study was determined with the simple random sample method and the population of this study defined as 400 respondents and the questionnaire was answered by 447 respondents. The questionnaire form consisted of three parts. The first part contained questions about consumers'

demographic characteristics, the second part's questions are about the factors affecting consumers' travel agency choices and at the last part, five point Likert Scale ("5" Strongly Agree, "1" Strongly Disagree) was used by respondents in responding to WOM statements about its effects on consumers' travel agency choices. The data were analyzed by using descriptive statistics, frequency statistics, and one-sample t test to test the hypotheses. Statistical Package for Social Sciences (PASW Statistics 18.0) was used to analyze and interpret the data.

2.2. Analysis and Results

2.2.1. Reliability Analysis

At the end of the study, reliability analysis was executed to all questions except for the demographic ones. Table 1 presents the information of the reliability of all instruments, except for demographics, in this study.

Table 1: Reliability Analysis

	N	%	Cronbach's Alpha	N of Items
Valid	447	100	0,825	45
Excluded	0	0		
Total	447	100		

The overall reliability of this questionnaire consisting of 45 questions was assessed by Cronbach's alpha which yielded a reliability coefficient of .825. So, the scale can be said to be reliable.

2.2.2. Frequency Tables

Findings about consumers' demographic features are shown as Table 2.

Table 2: Demographic Features' Frequencies and Dispersals

Demographic Features		f	%	Demographic Features		f	%
Gender	Female	168	37,6	**Marital Status**	Single	151	33,8
	Male	279	62,4		Married	296	66,2

Age	18-28 29-39 40-50 51-61 62 and over	148 44 77 45 133	33,1 9,8 17,2 10,1 29,8	**Monthly Average Income**	1001-1500 TL 1501-2000 TL 2001-2500 TL 2501-3000 TL 3001 TL and more	20 7 7 49 364	4,5 1,6 1,6 10,9 81,4
Career	Employee Official Private Sector Housewife Self-employed Student Retired Inoccupied	69 21 90 2 10 119 134 2	15,4 4,7 20,1 ,4 2,2 26,6 30 ,4	**Education Level**	Primary School Secondary School High School Academy Faculty Graduate Doctorate	17 7 4 74 324 14 7	3,8 1,6 ,9 16,6 72,5 3,1 1,6
					TOTAL	**447**	**100**

As seen in Table 2, there are 168 female and 279 male respondents. Most of the respondents are between "18-28" and "62 and over" years old and over half of the amount is married and also majority's monthly average income is 3001 TL and more.

Findings about the effect of word-of-mouth communication on consumers' travel agency choices based on gender dispersals are shown as Table 3.

Table 3: Cross-table About Gender and The Effects of Advices on Travel Agencies Choices

		Female	**Male**	**f**	**%**
Do you take advice before choosing a travel agency?	Yes No When being undecided	30 0 138	74 32 173	104 32 311	23,3 7,2 69,6
Do positive or negative advices affect travel agency choices?	Yes No Sometimes	158 1 9	127 67 85	285 68 94	63,8 15,2 21
	TOTAL	**168**	**279**	**447**	**100**

As seen in Table 3, for travel agency choices, male respondents consider advices more than female ones do, but positive or negative advices affect female respondents' choices more than they affect male respondents.

Also, in this part of study, gender distribution of the factors affecting consumers' choices of travel agencies is shown.

Figure 1: Factors affecting travel agency choices - impact order
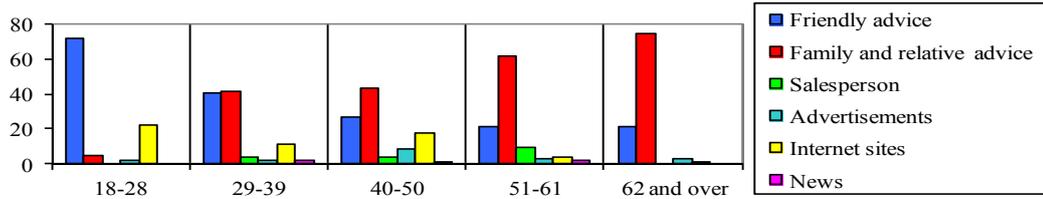
As seen in Figure 1, advices from friends, family and relatives and agencies' internet sites are the most effective variables that affect travel agency choices of consumers of at least 18 years of age in Aydin provincial centre. On the other hand, as seen in Figure 2, when "cost" variable will be on the carpet, the factors affecting the consumers' choices will be changed.

Figure 2: Factors affect travel agency choices - value order
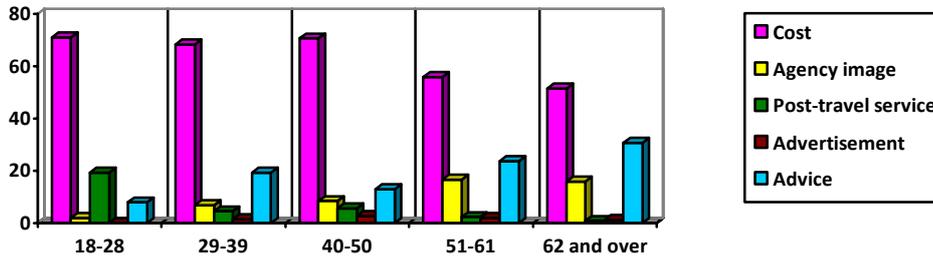
As a result, the three vital factors that affect consumers' travel agency choices can be said to be cost (the most important one), then advices and agency's image.

2.2.3. One Sample T Test

In this part of study, to determine the effects of word-of-mouth communication on consumers' travel agency choices, nine (9) hypotheses were developed and one sample t test was applied.

H_0: Word-of-mouth communication is not important for my buying decision.

H_1: Word-of-mouth communication is important for my buying decision.

H_0: I do not ask for advice from the people around me before choosing a travel agency.

H_2: I ask for advice from the people around me before choosing a travel agency.

H_0: The advice of consumers, who have travelled with the same agency before, is not important for me.

H_3: The advice of consumers, who have travelled with the same agency before, is important for me.

H_0: For my travel agency choices, I do not take advice from those whom I trust.

H_4: For my travel agency choices, I take advice from those whom I trust.

H_0: For my travel agency choices, my friends' advice is not important for me.

H_5: For my travel agency choices, my friends' advice is important for me.

H_0: I do not choose the travel agency that my family advices.

H_6: I choose the travel agency that my family advices.

H_0: I do not choose the travel agency that I get more advice about.

H_7: I choose the travel agency that I get more advice about.

H_0: I do not advice the travel agency whose service I get satisfied with to the people around me.

H_8: I advice the travel agency whose service I get satisfied with to the people around me.

H_0: If I am not satisfied with my journey, I do not warn the people around me about not choosing that travel agency.

H_9: If I am not satisfied with my journey, I warn the people around me about choosing that travel agency.

As a matter of convenience, one sample t tests applied for the hypothesis collected and analyzed have been presented in one table and shown as Table 4.

Tablo 4: One Sample T Tests About The Effects of Word-of-Mouth Communication

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		t	df	Sig (2 tailed)	Mean Difference	Lower	Upper
H_0-H_1	Word-of-mouth communication is important for my buying decision.	58,560	446	,000	4,04474	3,9090	4,1805
H_0-H_2	I ask for advice from the people around me before choosing a travel agency.	99,647	446	,000	3,75391	3,6799	3,8280
H_0-H_3	The advice of consumers, who have travelled with the same agency before, is important for me.	62,834	446	,000	3,84787	3,7275	3,9682
H_0-H_4	For my travel agency choices, I take advice from those whom I trust.	55,002	446	,000	3,69351	3,5615	3,8255
H_0-H_5	For my travel agency choices, my friends' advice is important for me.	57,338	446	,000	3,81879	3,6879	3,9497
H_0-H_6	I choose the travel agency that my family advices	64,529	446	,000	3,78747	3,6721	3,9028
H_0-H_7	I choose the travel agency that I get more advice about.	70,547	446	,000	4,07830	3,9647	4,1919
H_0-H_8	I advice the travel agency whose service I get satisfied with to the people around me.	58,122	446	,000	3,96421	3,8302	4,0982

H0-H9	If I am not satisfied with my journey, I warn the people around me about choosing that travel agency.	49,437	446	,000	3,84564	3,6928	3,9985

When analysing the H0-H1; H0-H2; H0-H3; H0-H4; H0-H5; H0-H6; H0-H7; H0-H8; H0-H9 hypotheses shown in Table 4, H0 hypotheses rejected and alternative hypotheses accepted ($p < 0,05$). This means that word-of-mouth communication is effective for consumers' travel agency choices. In other words, consumers influenced positive or negative experiences of the people around them and at the same time, they share their experiences with them.

3. CONCLUSION

The results of rapid developments in technology and increasing competitive environment are also shown in transportation sector. Travel agencies are developed competitive strategies and getting concentrate on making happy and loyal customers. Agencies have to know the factors affect their customers either positive or negative ways. WOM is an important communication type that consumers consider for their choices. The aim of this study is to research the effects of WOM on consumers' travel agency choices.

The first part of the study consists literature review about WOM communication. Second part is about analyses of questionnaire responded to determine the effecs of WOM communication by consumers of at least 18 years old in the field of application, Aydin provincial centre.

At the end of the study, it is extrapolated that cost, advices and agency's image are the most important factors that effects the consumers' travel agency choices. Also, nine hypotheses developed about the study and these hypotheses analysed and after testing the one sample t test analyses, it is cleared out that WOM communication effects the travel agency choices. In other words, it can be said that consumers affect both positive and negative experiences and advices of the people around them and they can also share their experiences with them.

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