

## **ELECTRONIC WORD OF MOUTH AMONG HOTEL GUESTS: DEMOGRAPHIC AND TRIPOGRAPHIC FACTORS**

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### **Abstract**

Positive word-of-mouth from customers is a sought after desire for any organization. Inter-consumer influence is directly related to company image, customer satisfaction, retention and acquisition, overall costs and profits. With the advancement of technology, the impact of recommendation (electronic word of mouth) as a reliable source of product information is ever increasing as the customers are able to interact in a very large scale through electronic mediums.

Some products and services such as automobiles, financial services and tourism require high involvement from customers' perspective as they involve high risk and a larger amount of finances. Tourism is an intangible service, and bought less frequently. It is harder to evaluate it prior to actual consumption. In order to minimize the risk, tourists spend a great amount of time, effort and money for a vacation without unpleasant surprises. This is why they tend to rely heavily on recommendations of experienced travellers. The easiest way to reach this valuable information is through internet. Most tourism services are available online, there are also forums, newsgroups, blogs and commercial web sites that offer traveller comments and ratings. Web is considered as the most important source of information by most travellers.

However in order for this information to be presented at travel sites (e.g. tripadvisor) it should be uploaded in advance by a traveller who "have been there and done that". Therefore it is very important to identify those advocates who are likely to spread positive word of mouth through electronic channels. This study after the literature review and an empirical study on hotel guests in Turkey, tries to identify customers who are more likely to create eWOM (electronic word of mouth). Describing the characteristics of those opinion leaders would help hospitality organizations to better serve those clients and improve their likelihood to reach new customers.

**Key words:** e-WOM, word-of-mouth recommendation, demographics, tripographics, luxury hotels

### **Introduction**

Loyalty and recommendation are critical since these customer behaviors directly affect customer acquisition, retention, marketing costs and financial performance. Loyalty and recommendation are also related. Loyal customers also create positive-word-of-mouth, however not all customers that create WOM are loyal. WOM communication process is consumers' sharing of information, opinions and experiences on specific brands, products and services (Litvin et al., 2008) which might well be negative.

One shared characteristic of WOM is that, it is an informal and interpersonal flow of information created by people without commercial interests (Carl, 2006). Therefore mass marketing and public relations communication from companies to consumers shall not be regarded as WOM (Litvin et al., 2008). Although consumers creating WOM do not have commercial interest the process itself has commercial outcomes. Non-traditional marketing tools (buzz, experiential, WOM) are becoming more effective than traditional ones (advertising, direct sales, public relations) (Litvin, Blose, Laird, 2004; Nusair, Bilgihan, Okumus, Cobanoglu, 2013). Recently many companies also started to create informal buzz to be shared among consumers, however those can hardly be considered as WOM since although informal to an extent, the source of the message is not independent (Litvin et al., 2008).

Some authors such as Westbrook (1987) discusses that positive and negative experiences and feelings (e.g., satisfaction, sadness) after the use or purchase of product creates and inner tension that is discharged in the form of communication with others. For example Gremler, Gwinner and Brown (2001) found that positive interactions with dental patients and bank

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customers increased the likelihood of customers to recommend. WOM creator is actually an active opinion leader, who is interested in a particular domain, is trusted by others on the subject matter and make an effort to expose his/her thoughts to others.

The importance of recommendation is ever increasing with the development and diffusion of internet among personal users. As Internet technology became more accessible electronic interactions among customers increased (Goldsmith, 2006). The resulting term eWOM (electronic world of mouth) became large scale and very influential. Tourism is perceived as a high risk consumption and travellers appreciate almost any advice from former travellers before they make the final purchase decision (Litvin et al., 2008). Recommendation from others is ranked as the most important source of information when making high-risk purchase decisions such as tourism related services (Litvin, Goldsmith, Pan, 2007).

The mediating variables affecting WOM include variables that are related to the originator and variables that affect the listener (Litvin et al., 2008). This study analyses those variables which characterize the originator in order to define his/her personal characteristics and some situational factors which when combined that are likely to produce eWOM. Distinguishing customers who are more likely to create positive eWOM is an important data for organizations as they would be able to focus on those customers who would share their thoughts through electronic media and facilitate additional business. Therefore once identified the experience of these customers would be enhanced to facilitate the likelihood to share their experiences (Cetin & Istanbulu, 2013). eWOM unsurprisingly increases the likelihood of purchase intentions of the receiver but also reinforces the loyalty behaviors of existing customers (Gruen, Osmonbekov & Czaplewski, 2005). This would not only facilitate positive WOM but undermine impact of negative WOM.

Crotts and Erdmann (2000) for example noted the influence of cultural background on the likelihood of creating WOM. The importance of inter-customer communications has previously been acknowledged by various authors (Litvin et al. 2008). The advantages of recommendation also apply to eWOM, however eWOM is able to influence millions with minimal effort. Tourism has an intensely competitive market structure, monitoring and controlling online influence, getting to know characteristics of these advocates and motivations for eWOM therefore is off critical importance.

## **1. Literature review**

The dynamics of tourism industry have faced many changes during the past decade. With the developments in ICT (Information Communication Technology), the structure of distribution as well as travellers' engagement with the industry and among each other created various challenges to traditional organization structure. Although many travellers use internet to search for information rather than make booking transactions online, travel related transactions exceeded one-third of all travel related expenditures in USA and Canada (Serenko & Stach, 2009).

The number of travellers using internet as an important source of travel decision and a medium for bookings has been increasing rapidly. Especially for airline tickets as a result of disintermediation and widespread use of internet, resulted most reservations to be made through online channels. However electronic mediums do not just offer products and services, they also provide valuable information and opinions of previous users. For example Tripadvisor offers reviews on destinations, hotels, attractions, restaurants and many other travel related services and activities. Millions of reviews are updated, reviewed and used by travelers every day (Tripadvisor.com, 2013).

Litvin et al. (2008) defines 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." eWOM can also be described as sharing of information of

products, services and brands through electronic communication mediums. Several mediums are available for consumers to create eWOM such as instant messaging, chat rooms, e-mail, blogs, newsgroups, review sites and other web pages. eWOM is low cost to access, broader in scope and harder to control (Dellarocas, 2003). Potential customers of most travel services are exposed to eWOM and the exposure rate is ever increasing. However there is a danger in ease and anonymity of eWOM, the messages shared can be intentionally misleading.

Tourism industry is spending an increasing effort to monitor the eWOM in electronic environments, in order to respond to messages collected from customers shared on internet. These data are used to improve product and services, monitor brand image and competitors and adapting marketing strategies (Litvin et al., 2008). Some companies even have positions not only to monitor the shared content but also manipulate eWOM to generate revenues, by creating and spreading positive WOM, and reinforcing existing desirable opinions. The ethical concerns related to these practices are not discussed here in detail (see Taylor (2003) for stealth marketing), although one should keep in mind not all information shared in electronic environments are sincere.

Another characteristic that increases the use of internet in tourism is that travel services require real-time communication (e.g. airline tickets) because of revenue management systems and perishability of tourism services, the prices are subject to change in short periods of time. Therefore customers tend to check online offers before making a decision (Serenko & Stach, 2009). Moreover tourism is usually an integrated product consisting different services such as travel, accommodation, food, entertainment etc. Web offers various alternatives for different components of tourism product. It is very efficient and effective way of information search. Because of all these reasons tourism industry organizations have been forced to make radical changes in their strategies (Rimington, Kozak, 1997).

Increasing number of travellers are using electronic media to post and read information concerning destinations, hotels, restaurants, attractions and transportation alternatives. Especially in developed countries the electronic mediums are the primary source of information during travel decision and purchase phases (Felfernig, Gordea, Jannach, Teppan & Zanker, 2007). Travel industry need to understand eWOM, acknowledge its importance and create strategies to control these comments. One way to do this is to define who these opinion leaders are and create strategies targeted to them.

## **2. Methodology**

The main objective of the study is to define characteristics of customers that are more likely to create eWOM and create the environment that would facilitate their desire to share online. In order to reach this objective, 316 hotel guests were inquired about their willingness to share their thoughts about the hotel online. Demographic and tripographic factors were then compared with guests' comments about willingness to share their experiences in electronic environments. Therefore this paper seeks to reveal the characteristics of guests who are likely to create word-of-mouth online and define the situational factors that impact eWOM.

There are other predictors of eWOM, such as technology involvement. Price is also considered as a factor especially some travel services such as flights, flight tickets are more and more becoming a commodity with little difference in quality. And the main criterion in making the buying decision becomes the price. However this study focuses on demographic and tripographic factors to characterize customers that are likely to share online.

The field research has been conducted in five star hotels in Istanbul. Istanbul has been a pioneer destination among international tourists hosting more than nine million international visitors per year. The city attracts both business and leisure travellers. A total of 316 adult hotel guests participated in the study. The screening process was based on being above 18

years of age and stayed in a five star hotel on previous day. This purposive sampling criteria was set to eliminate guests who did not have stayed in the facility long enough to evaluate their willingness to recommend. The surveys were conducted in hotels (lobby mostly) during or right after hotel stay.

The instrument was a self-administered survey that was conducted between June – July 2012 for seven weeks. The first part of the questionnaire comprised of demographic and tripographic data, the second part included satisfaction level and willingness to recommend. Five point Likert-scale was used for all questions except demographic questions (Barsky & Nash, 2002).

### 3. Findings

After field research was completed the data was uploaded to SPSS (version 19) first their frequency, variance were investigated then correlation and one-way anova analysis were applied. The findings were grouped under demographic (personal) and tripographic (situational) factors and presented below.

#### 3.1. Demographic factors

The participants were 53% males, and 69% were above 30 years of age. 74% of the sample had more than 15.000 Euro net annual income. 263 of 316 guests had university or higher degree of education and they were mostly from Europe (44%), Russian Federation (12%), and Middle East (12%).

**Table 1.** Degrees of variance between gender (male / female) and eWOM (Anova Test)

			Sum of Squares	df	Mean Square	F	Sig.
eWOM * Gender	Between Groups	(Combined)	3,125	1	3,125	3,147	,077
	Within Groups		311,796	314	,993		
	Total		314,921	315			

Table 1 depicts, that there is not any significant difference in intention to recommend online and gender (male and female). None of the demographic factors (gender, age, education, marital status, income, nationality) were found to be significant predictors of eWOM. However out of 11 eleven personality attributes, significant correlation was found between being organized and word of mouth which had an inverse association (negative correlation). Therefore the clients who are more likely to create eWOM describe themselves as disorganized as shown on table 2.

**Table 2.** Relationship between organized personality and tendency to share online (Pearson Correlation Analysis)

		eWOM	Organized
eWOM & Organized	Pearson Correlation	1	-,139*
	Sig. (2-tailed)		,021
	N	316	316

\* Correlation is significant at the 0.05 level (2-tailed).

### 3.2. Tripographic Factors

Considering tripographic factors most of the participants were leisure travellers (68%), majority of them have never stayed in their current hotel before (81%), 41% of the participants reserved for 3-4 days and 34% booked for 5-7 days. The participants might also be considered as experienced travellers, more than half (56%) of them had at least two international trips during 2011. The participants were accompanied by family, colleagues, friends and relatives, only a third travelled alone.

Motivation of travel (leisure and business) has no significant impact on eWOM. Previous stay in the facility, sponsored accommodation, accompanying guests, travel experience have no impact on eWOM either. Concerning the travel experience guests are more likely to create eWOM when they were satisfied with local gastronomy, shopping and nature in the destination.

**Table 3.** Relationship between local experience attributes and tendency to share online (Pearson Correlation Analysis)

eWOM	Local Gastronomy	Shopping	History	Art	Culture	Natural Sights
1	,128*	,128*	,074	,076	,052	,145*
	,024	,024	,194	,181	,365	,011
316	316	316	316	316	316	316

\*Correlation significant at the 0.05 level (2-tailed).

This study also measured the loyalty and satisfaction level of guests and found a significant relation between both satisfaction and tendency to share online (eWOM) at  $p < 0,01$  level. Table 3 demonstrates the relationship between satisfaction and eWOM.

**Table 4.** Relationship between satisfaction level and tendency to share online (Pearson Correlation Analysis)

		eWOM	Satisfaction
eWOM	Pearson Correlation	1	,215**
&	Sig. (2-tailed)		,000
Satisfaction	N	316	316

\*\*Correlation significant at the 0.01 level (2-tailed).

The findings revealed that the demographic factors (age, education, income, nationality, marital status) do not influence intention to share experiences online. Only one of the personality attributes (organized) have a significant inverse relationship with eWOM. Considering the situational factors, the satisfied guests were found to be more likely to recommend online. There is also a positive correlation between intention to comment online and positive experiences regarding local gastronomy, shopping and natural sights.

### Conclusion and implications

Satisfaction is found to be related to intention to recommend online. When the initial expectations of customers are fully met, and they are delighted with the service become loyal and recommend the provider to family, friends and colleagues. In contrast when dissatisfied the traveler are unlikely to patronize the services and spread negative word of mouth. Therefore eWOM can also be negative, research on negative recommendation shows that

customers who switch because of negative experiences are more likely to create negative word-of-mouth than customers who switch because of price sensitivity (Serenko & Stach, 2009). There should also be a mechanism to track and respond to eWOM within the organization, so that positive WOM would be encouraged whereas negative WOM would be responded in a timely, caring and assuring way (Litvin et al. 2008).

Collecting and using e-mail addresses without annoying customers, would facilitate sharing that information. According to Lindgreen and Vanhamme (2005) incentives, coupons, humor and surprise would increase the probability that the content is passed on to other potential customers. E-mails should also provide links to web pages, social media and customer review sites, which would initiate buzz (Litvin et al., 2008). The official web sites of companies although considered as a one way communication (company to customer) medium, should have access to positive reviews of satisfied travellers; customers should also be encouraged to share their comments, photos on bulletin boards or social media.

The opinion leaders of social media and well read travel bloggers might be invited to a destination, offered complimentary stays, tours and meals in order facilitate creation of eWOM, just like tours operators offering familiarization trips to their travel agencies or other business sources.

Those customers who are more likely to promote should receive special care, and the investment should be targeted to them. Electronic discounts that are transferable, post purchase appreciation e-mails and online referral tools, reward systems might be used to encourage those customers who are likely to recommend online. Or used on unhappy customers who are more likely to share their discontent online.

Travel organizations should also have a complaint handling section on their web sites, that the customers can reach easily. This would be the most proper channel for a company to deal with the unsatisfied clients, before they spread the word in other mediums. Needless to say if the complaint is not resolved timely, fair and effectively, it may still be spread elsewhere.

Finally, gastronomy, shopping and nature are found to be related to creation of eWOM. Therefore guests interaction with these attractions should be encouraged within the physical environment in the hotel and in the destination. These items should also be used during tour itinerary design as well as the promotion of the destination.

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