7 The eWOM effects on service performance in hospitality

Carimo Rassal, Antónia Correia and Francisco Serra

The objectives of this chapter are to:

☐ Explore the effects of electronic word of mouth (eWOM) on satisfaction in hospitality through the service performance scope;

☐ Gain further understanding as to which attributes are relevant to the guest's overall assessment of a hotel experience;

☐ Highlight findings that show the importance of, staff (language, assurance, responsiveness, reliability), rate promotions, hotel design and location, operational organization (facilities and services), room experience, food and beverage and price, in the overall assessment of the hotel's service performance.

Keywords: eWOM, TripAdvisor, service performance, tourist satisfaction, hospitality.

Introduction

Tourism remains one of the world's fastest growing sectors with bookings in 2017 reaching almost US $1.6 trillion and travel and tourism contributing 10.4% to global GDP (Deloitte, 2018). That equates to 4.6% growth compared to 2016, furthermore globally, almost 10% of all jobs are linked to the travel and tourism industry (World Travel & Tourism Council, 2018). Social media now has more influence over traveller decision making than ever before. In fact, more than 50% of travellers from the US, UK, Canada, and Australia said that content, promotions and deals on social media influences their travel plans (Expedia, 2018). Travel brands are adapting their marketing strategies in line with traveller behaviour, reporting that on average, 61% of their marketing budget is now spent on digital advertising (Phocuswire, 2018).

Consumer approaches to hotel online bookings have clearly changed dramatically. The democratization of the internet in the scope of the affordability of access cost-per-gigabyte of use grounded in the technological revolution of the smartphone has made it possible to redefine how, where and when the consumer buys throughout ecommerce platforms (Chung & Koo, 2015). The evolution of new distribution platforms in order to increase the engagement between the businesses and consumers is a reality. Moreover, the development of social media platforms such as Facebook, Twitter and Instagram brought an all-new meaning to interconnectivity between brands and consumers (Okazaki et al., 2017). According to Eurostat (2016), four out of ten Europeans look for online travel-related information, 55% of the trips of EU residents were booked online and 26% of holiday accommodation (including hotel rooms) were bought online. TripAdvisor is one of the industry's most heavily relied on sources for travel information with over 324 million monthly visitors recorded in 2017 (Salecycle, 2018).

The contribution of this chapter depends upon on the identification of the relationship between the overall assessment and a multitude of comments, categorized in thirteen dimensions that represent all the facets of the hospitality service. The aim is to understand what are the service values that have the most impact on the customer satisfaction considering the number of stars of the hotels. This research is unique by contributing to understanding how comments moderate the overall assessment. It is also unique since it makes it possible to depict the most important hospitality services dimensions in each type of hotel. Further, this research uses qualitative comments that were categorized to allow this research. Hence this is shaping the avenues of research by using simultaneously

qualitative and quantitative analysis, thus making a unique and invaluable contribution to the hospitality development strategies.

Literature review

Word of Mouth and eWOM

In 1957, word of mouth (WOM) was defined by Brooks as a powerful source of product and service information dissemination, which when negative had a greater impact than when it was positive (Brooks, 1957). Initially, word of mouth was described by Katz and Lazarsfeld as an exchange of marketing information among consumers, who often alter their behaviour and attitudes toward products or services (Katz & Lazarsfeld, 1966). Dichter explained in 1966 that when a customer feels that the seller cares for him, such as a friend, he becomes more relaxed and accepts the recommendation more easily (Dichter, 1966). According to Arndt (1967) WOM, interpersonal influence are fundamental sources of information in the purchasing decision process, especially important in the hotel and tourism industry, due to the perishability and intangibility of its products. In 1968 Merton defined word-of-mouth as a process of personal influence, in which interpersonal communications have a major impact on the recipient's attitudes and behaviours (Merton, 1968). Day found that word of mouth as advertising is nine times more effective because there is a much higher degree of trust in the source and the flexibility of interpersonal communication (Day, 1971). In 1987 Mangold's review of the impact of word of mouth on professional services proved the emphatic influence of word of mouth on the purchase decision process (Mangold, 1987).

According to Murray, the high degree of influence of WOM is due to the fact that people sources are considered more viable (Murray, 1991). Dellarocas states that WOM is one of the oldest forms of transmitting information (Dellarocas, 2003). Since WOM is a process of interpersonal exchanges, they provide information related to the consumption of a product or service that unintentionally influences consumers (Brown, 2007). In 2008 Litvin defined WOM as a process of communication between consumers, independent of commercial influence (Litvin, 2008). More recently, Daugherty and Hoffman consider WOM to be one of the most influential factors in consumer behaviour (Daugherty & Hoffman, 2014).

The definition of WOM is divided into three perspectives: non-commercial, commercial and intermediate. For the non-commercial perspective, several researchers define WOM as an informal, personal,

non-commercial communication process (Ardnt, 1967; Still, 1984; Bayus, 1985; Harrison-Walker, 2001; Grewal et al., 2003). The business perspective for Hartline and Jones (1998) and Gremler and Brown (1999) define WOM as the recommendation of a product or service with commercial intentions, as it is a marketing information exchange. Herr (1991) and Anderson (1998) state the intermediate perspective that defines WOM as informal communication, in which products are evaluated according to the experience of each consumer and may or may not include a recommendation that may be positive or negative. Gilly et al. (1998), argue that WOM communication is bi-directional and interactive, consisting of two groups: opinion leaders and opinion seekers. Opinion leader's express information that interferes with consumer choices, relating to products or services (Burt, 1999; Feick & Price, 1987; Lazarsfels et al., 1944; Wotts & Dudds, 2007). The opinion seekers pursue information in the public opinion in order to assist the evaluation process of products or services, taking into account their purchases (Feick et al., 1986; Flynn et al., 1996).

Electronic word of mouth (eWOM) was defined in Henni-Thura, as a process of information dissemination through the internet, that is, a word of mouth online (Hennin-Thurau et al., 2004). According to Rodgers and Wang (2011), eWOM consists of any degree or combination of positive, negative, or neutral comments, recommendations, or statements about companies, brands, products or services, discussed or shared between consumers in digital or electronic formats (Rodgers & Wang, 2011). The internet becomes a means for consumers to express themselves. According to Litvin et al. (2008), eWOM can be defined as all informal communications addressed to consumers through internet-based technologies related to the use or characteristics of goods or services and their suppliers. This type of communication can be exercised between supplier and consumer or between consumers. These same authors also mention that communication has two dimensions: the scope and the level of interactivity. The scope defines whether communication is done one-to-one (emails), one to many (TripAdvisor) or many to many (virtual communities). The level of interactivity defines synchronization, or the absence of it, for example, emails are asynchronous because a sender sends a message, but the receiver may not read and respond immediately. On the other hand, in the case of chat rooms, there is synchronization because the sender sends a message and it is received instantly by the receiver.

Another study by Sun et al. (2006) suggests that the main difference between WOM and eWOM is that the latter is more used for its speed, convenience and lack of personal communication. Schiffman and Kanuk (2000) also point out that the expectation of receiving information that