

# Influence of Electronic Word-of-Mouth (eWOM) on Consumer Decision in Tourism and Hospitality

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## ABSTRACT

**Purpose:** Electronic word-of-mouth (eWOM) is communication between people on the internet in the form of text, images, videos to express their views and experiences on products and services. As eWOM has a wider reach than traditional word-of-mouth, the present study aims to look at how it impacts the consumer's decision-making process while selecting the tourism / hospitality service provider.

**Design/Methodology/Approach:** This is an exploratory study which will be conducted by considering parameters such as the media platform and source of eWOM. The study would involve quantitative data collection using tools such as questionnaires.

**Practical Implications:** In contrast to traditional WOM, eWOM has a digital footprint which can be monitored. Therefore, the study would help to understand how eWOM influences consumer-brand relationship in the tourism and hospitality sector and in turn can be used by the businesses to connect better with their customers.

**Value:** As the services of the tourism and hospitality industry are intangible products, the value in this study lies in how understanding and monitoring eWOM can be used by businesses to evaluate their offerings and also leverage the eWOM as a potential marketing tool.

## Keywords

Electronic Word of Mouth, Word of Mouth, Consumer Decision, Tourism, Hospitality

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## Introduction

The markets for products and services today comprise of various brands and companies in the same category, competing with each other for revenues and market share. One of their major aims is to become the product or service that a consumer would choose to purchase. This is because earning a significant share in the pie of 'total consumers' leads them closer to gaining a major chunk of the market which is essential to stability and continuity of business, and in turn brand-building and sustainability in the long run. Thus, arises the need of connecting with present as well as potential consumers through a line of communication which the latter consider trustworthy and reliable.

Establishing message credibility and trustworthiness in the source of the message are challenging tasks for a brand or company. This trust or dependability on the message and message source can be achieved when it originates from the user of a brand of product or service. Such a message which involves the consumer talking about his or her experience of using the product or availing the service is called word-of-mouth and it can be positive or negative depending on the user experience.

The paramount measure of success for a brand is when it is able to achieve advocacy for itself from its users in the form of positive word-of-mouth. The users are so strongly influenced by the performance of a product, be it positive or negative, that they would want to share their experiences/recommendations to help others in making a more informed purchase decision. Word-of-mouth is influential and persuasive and considered to be one of the most impactful forms of marketing. A Nielsen survey in 2012 revealed that 92% consumers rely on earned media

(like word-of-mouth, recommendations by family and friends) over traditional media [1].

Word-of-mouth influences consumers across their cognitive, affective and behavioural stages of learning, thus influencing the process of consumer decision-making which comprises of 5 stages namely – need recognition, information search, evaluation of alternatives, purchase, and post-purchase behaviour. A consumer goes through these five stages when he/she is purchasing a product or service. Conventional word-of-mouth is personalised in nature and it usually takes place during a face to face conversation. However, this kind of word-of-mouth generated during personal, face-to-face interactions is short-lived and its reach is limited.

This is where digital mediums provide the perfect platform for consumers to voice their opinions based on their experiences leading to the emergence of electronic word-of-mouth (eWOM). Electronic word-of-mouth is the WOM of consumers on digital platforms in the form of images, text, ratings, videos etc. Electronic WOM leaves a digital footprint, has a wider reach and has an asynchronous nature in terms of the transmission and reception of message. Unlike traditional WOM, eWOM can be retransmitted from user to user without attenuating the authenticity of the message. In the recent times, brands have been using digital platforms to engage and interact with their customers. Easy availability of internet and devices through which digital media can be accessed (laptops, smartphones, tablets, etc.) is driving more and more users to go online. Thus, the propensity of customers to look for product related information, opinions and reviews online is increasing which highlights the importance of eWOM from a marketing perspective.

The present study focusses on the hospitality and tourism sector where the products are intangible in nature, i.e., services, due to which the voice of present consumers regarding their experience become essential to gauge not only their consumption experiences but also how potential consumers may be impacted in their decision-making process. Today, consumers actively seek information on the internet to plan their holidays (accommodation, food, sight-seeing, shopping, local experiences) or to avail of a hospitality service such as restaurant, cafe, bar or recreation avenue, etc. Thus, it is important to understand the influence of eWOM on the behaviour of the consumer while opting for a tourism/hospitality service provider.

Researches so far have focussed on the intentions or motivations of a person to post eWOM on various digital platforms. Comparatively there has been less research on the influence of eWOM on receivers with respect to the consumer decision-making process. Further, at which of the stage of the decision-making is the consumer most influenced is something that needs to be studied. The current research addresses the gap in the existing literature on this subject by devising a model that classifies eWOM characteristics on the basis of whether they significantly impact consumer decision-making or not and by delving into the interrelationships between better decision-making due to eWOM, trust on such eWOM and effect of eWOM on purchase intentions.

## Literature Review

Online social networks provide interactive platforms to create, share, and exchange information. Through the development of virtual communities, social networking today is getting incorporated into the everyday lives of people [2]. Given that products in tourism and hospitality are largely intangible prior to consumption, eWOM plays an influential role on consumer's purchase intentions and purchase behaviour. Further, the impact of eWOM could be examined not only from the customer's perspective but also from the company's perspective. There is speedy transmission and free circulation of customer feedback on global online networks today. Thus, positive reviews have a beneficial effect in the form of free advertising and potential increase in business, whereas negative reviews could adversely affect the company's online popularity, brand equity, and sales.

Evaluation of services is challenging due to their inherent characteristics of intangibility, perishability and inseparability. Hence, interpersonal influence and word of mouth become important for consumer decision-making while choosing hospitality and tourism service providers. Proliferation of internet and technology has significantly increased virtual interactions among consumers leading to the phenomenon of online interpersonal influence. The tone of eWOM, whether positive or negative, significantly impacts tourism products. Negative eWOM by dissatisfied visitors painted a negative image of a tourist destination in New Zealand [3]. An interesting dichotomy was observed by [4] during their study of eWOM in the hospitality and tourism industry that when the tone of the eWOM was positive, it increased the expectations of the prospective

customers, making it difficult for the tourism service providers to satisfy these elevated expectations.

Products and services in the hospitality and tourism industry are experiential goods and it is difficult to assess their quality before consumption which increases the associated perceived uncertainty for consumers. Thus, consumers tend to obtain requisite information before consumption through eWOM. Online reviews of hotels not only improve hotel awareness, but also help to develop the hotel consideration set for consumers [5]. The increase in availability of eWOM has reduced search costs for the consumer but has also increased cognitive costs due to higher difficulty in processing information and assessing its usefulness.

Reference [6] in their study found that a combination of both message characteristics and the reviewer affect the perceived usefulness of eWOM; readability and perceived enjoyment of reviews in particular have a strong influence. Further, consumers identified reviews with higher star ratings, longer text and disclosure of the reviewer's personal identity as more useful. Reviews with understandable content are preferred over reviews with complicated content because this increases the ease for consumers to obtain necessary information amidst the staggering amount of eWOM available [7].

It is important to understand the motivations that drive people to provide consumption-related advice through online reviews. Reference [8] in their study suggested that reach and scalability of eWOM as compared to traditional WOM persuade people to voice their opinion on digital platforms. They found that sense of belonging was the most crucial motivating factor for a consumer's eWOM intention. Enjoyment of helping others was also a significant factor as it helps readers to make better purchase decisions while also saving them from a possible negative experience, if the reviewer had already experienced one. Reputation was found to be a moderately motivating factor; whereas the factors – reciprocity, moral obligation and knowledge self-efficacy did not significantly affect the consumer's eWOM intention.

Reference [9] studied the relationship between the motivations for eWOM and the characteristics of the eWOM message such as content, wording and the mix of emotional and logical appeals that the message is comprised of. They identified six motives for consumers to engage in eWOM – social benefits, advice seeking, positive self-enhancement, helping the company in case of a positive experience, venting negative feelings in case of an unsatisfactory or negative consumption experience, and concern for other consumers. The findings indicate that cognitive and affective characteristics of eWOM messages are linked to different motives, and this further differs in case of positive and negative eWOM. In case of positive eWOM, there was a significant association between the motives – social benefits, advice seeking, positive self-enhancement and helping the company, and cognitive and affective characteristics. However, venting negative feelings and concern for others was found to be associated with cognitive and affective characteristics in case of negative eWOM, with more emphasis given to the cognitive.

Reference [10] analysed the link between the motivation to post online and the choice of online media made for the same. They observed that altruism and assistance motivation

had a strong correlation for consumer opinion sites; whereas it was extraversion and social benefits in the case of social networking platforms. Extraversion refers to the tendency of people to share their enjoyment of positive experiences from a trip [11]. Cognitive dissonance diminution was found to be one of the motivating factors for people to express their views on online forums [12]. The attributes of the hotel i.e., the physical evidence and the staff behaviour were found to significantly impact cognitive dissonance diminution and extraversion. Further, it was observed that economic rewards (either monetary or non-monetary such as discounts, points, complimentary upgrades) in the context of hospitality and tourism not only reduced the possibility of posting on social networking sites, but also did not improve the likelihood that users would post eWOM on consumer opinion websites.

The usefulness of information posted on online platforms in the form of reviews and the credibility of such eWOM has a positive correlation with the adoption of eWOM which then translates into a potential customer making a purchase decision [13]. The valence of eWOM has a persuasive effect on a consumer's purchase decision [14]. Their analysis revealed that negative information had greater weightage on decision making as compared to a positive message. Moreover, the credibility of eWOM is affected by the valence of eWOM and the sidedness of information. A two-sided message consisting of both positive and negative valence establishes a sense of completeness to the message and is thus perceived to be more credible [15]. Reference [16] in their study observed that the number of reviews, even in case of negative reviews, had a significant positive impact on purchase intentions. The quality of the reviews in terms of content, format etc. was identified as the central route of persuasion whereas the quantity and credibility of the source formed the peripheral routes of persuasion for the receiver of the reviews [17].

People who are able and willing to process and analyze the message in an eWOM use the central route to process information whereas those who are not able or not willing to analyse use the peripheral route. People following the central route showcase a higher degree of involvement and seek outside opinions [18]. eWOM from friends, family, and also from people who the receiver perceives to have a certain rapport with, were found to create a higher credibility and led to a higher purchase intention [19]. Gender of the information seeker is also an important factor to understand the influence of eWOM on consumer decision-making. Reference [20] in their study found that perceived credibility in case of female consumers had a greater impact on acceptance of eWOM. However, such acceptance of eWOM did not have a huge impact on purchase intentions in case of female consumers.

Reference [21] studied the influence of popular travel communities such as TripAdvisor in establishing the credibility of online ratings and reviewers. The credibility of a review posted by a user is gauged in two ways; either by assessing the credibility of the user posting the message in terms of his knowledge, consistency etc. or by assessing the credibility of the platform where the user posts his opinion. It was observed that hotels which featured in the best hotels list received higher booking intentions and vice versa. Moreover, reviews from peers were more influential than

official certifications or ratings. Reference [22] found that perceived credibility and perceived usefulness of online reviews varied between a well-known and an unknown travel community. Further, the impact of reviews on booking intentions was amplified when they were collated in lists such as the best hotels list, must-visit tourist destinations etc.

Reference [15] also suggested that consumers evaluate eWOM effects by taking into consideration the consensus or extent of agreement between users, the consumer's prior knowledge about the product and his or her involvement with the product. The set of eWOM messages with higher consensus was found to be more persuasive compared to those with lower consensus. However, it was also observed the presence of few negative messages in a set of majorly positive messages did not harmfully affect consumer attitude towards the product or consumer purchase intention. Rather, it was observed that few negative messages helped to boost credibility of positive eWOM as consumers became sceptical if there were hardly any negative messages. Further, low-involvement consumers are more likely to prefer a higher ratio of positive eWOM whereas high-involvement consumers could become suspicious in such a scenario. Consumers having low prior knowledge showed higher purchase intention when the message set had higher ratio of positive eWOM and it was vice versa for consumers with high prior knowledge.

Reference [23] in their study on impact of online reviews on the intention of booking hotel revealed that an early negative information established confirmation bias in the consumers' minds which formed an overall negative perception although the subsequent reviews were positive. Consumer reviews let prospective customers vicariously experience the service which forms the basis for trust or belief that a company can deliver what it is promising [24]. Reference [25] in his study identified that consumers look for reviews to mitigate risk and uncertainty in their purchase. In terms of valence of an online review, [26] observed that negative information is far more influential in forming an opinion in the information seeker's mind as compared to a positive review. Reference [27] in their study analysed the people, process and physical evidence aspects of the service mix of hotels. They identified that majority of the perception was based on the people (service staff elements) i.e., the hotel staff and the physical evidence (core functions) i.e., hotel rooms, lighting, lobby etc. Further, ratings on the service staff had a greater bearing than the ones on the physical evidence aspects.

Reference [28] shed light on the impact of eWOM on customer satisfaction. They stated that exposure to positive eWOM before purchase increased satisfaction of consumption whereas negative eWOM decreased the same. This highlights the anchoring effect of prior information wherein consumers rely on an initial anchor, i.e., the existing eWOM and then their judgement of satisfaction tends to move in the same direction as the initial anchor. Further, eWOM has a stronger biasing impact when consumers over-rely on eWOM in their decision-making process and are less inclined to make efforts for processing information. Additionally, in case of such low-effort decisions, if the actual experience is contrary to eWOM, i.e., the eWOM was positive but the experience was negative or vice versa, then the biasing impact of eWOM on consumer

satisfaction reduces. Thus, positive eWOM may not have desired results in case of inconsistency with actual consumer experience thereby leading to lower consumer satisfaction. Reference [29] studied the interrelationships among eWOM, the image of a tourist destination, tourist attitudes, and the intention to travel to a tourist destination in Iran. It was observed that the perception created by negative experiences posted by tourists about one particular destination got carried over to other destinations in the region as well. The converse was also found to be true, i.e., positive reviews about one particular destination enhanced the image of other destinations in that region. The tri-components of attitude (cognitive, affective, behavioural) act as a predisposition and make a person act in a certain way. The various stages of decision-making are spread out temporally implying that reviews influence attitude formation at each stage by either enhancing, diminishing or changing the perceived image formed by a customer about a destination [30]. The balance in the tone of reviews needs to be skewed either towards the positive side or negative side as this helps people to decide better [31]. Primacy effect comes into play when consumers go through a sequence of reviews. The initial set of reviews seem to be in the consumers' memory rather than the reviews in the middle. Further, recency effect comes into play when the consumer sees the last few reviews [32]. Thus, the initial few reviews and the ones last seen by a consumer play a major role in shaping a consumer's overall perception about a restaurant, hotel or a tourist destination.

## Research Methodology

This is an exploratory study which has been conducted using quantitative data that was collected through an online self-administered questionnaire. The sampling frame for this study were consumers in the age group of 18 years to 40 years who are active on social media and make use of digital platforms with respect to availing tourism and/or hospitality services. The sampling technique is non-probability sampling. The type of non-probability sampling used is convenience sampling. The quantitative research in this study has been conducted using Discriminant Analysis technique and Pearson's correlation technique. Given that 7 parameters were considered for discriminant analysis and 3 parameters for correlation, a minimum of 100 responses were targeted as per a ratio of 1: 10. Pre-testing of the questionnaire was done to refine it regarding the wording, sequence and format and make it ready for data collection, after which it was floated as an online survey. Since a total of 195 responses were collected, the sample size for this study is 195 respondents which is a mix of graduate students, post-graduate students and working professionals between the ages of 18 years to 40 years.

### A. Quantitative Method – Discriminant Analysis

In order to understand how eWOM influences a consumer in his decision-making journey in the case of tourism and hospitality services, seven parameters or characteristics of eWOM were taken into consideration namely – length of eWOM, number of eWOM for a particular brand or company, tone of eWOM, its readability, its recency, the

platform where it is posted and the person giving the eWOM. These 7 factors were used to form the hypotheses (stated below). Readability means the eWOM was easy to comprehend for the consumer and was expressed in a simple, uncomplicated manner. Recency refers to when the eWOM was posted, e.g., in the last 1 month, or 6 months, or more than 6 months ago. Since the questionnaire designed was to be self-administered by the respondents, it was worded in a manner so as to appropriately communicate the above to the survey respondents.

## HYPOTHESIS

### Hypothesis 1:

H0: There is no significant influence of the length of the eWOM on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the length of the eWOM on consumer decision-making in tourism and hospitality.

### Hypothesis 2:

H0: There is no significant influence of the number of eWOM for a particular brand or company on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the number of eWOM for a particular brand or company on consumer decision-making in tourism and hospitality.

### Hypothesis 3:

H0: There is no significant influence of the tone of the eWOM on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the tone of the eWOM on consumer decision-making in tourism and hospitality.

### Hypothesis 4:

H0: There is no significant influence of the readability of the eWOM on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the readability of the eWOM on consumer decision-making in tourism and hospitality.

### Hypothesis 5:

H0: There is no significant influence of the recency of the eWOM on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the recency of the eWOM on consumer decision-making in tourism and hospitality.

### Hypothesis 6:

H0: There is no significant influence of the platform where the eWOM is posted on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the platform where the eWOM is posted on consumer decision-making in tourism and hospitality.

### Hypothesis 7:

H0: There is no significant influence of the person giving the eWOM on consumer decision-making in tourism and hospitality.

H1: There is a significant influence of the person giving the eWOM on consumer decision-making in tourism and hospitality. s in the title or heads unless they are unavoidable.

## B. Quantitative Method – Correlation

In order to understand the interrelationships among whether eWOM helps consumers in better decision-making with respect to tourism and hospitality, the consumer's trust on such eWOM and whether the credibility of eWOM leads to higher intention to purchase, the method of Pearson's Correlation was used.

## Results and Analysis

### A. Discriminant Analysis

The 7 parameters namely – length of eWOM, number of eWOM for a particular brand or company, tone of eWOM, its readability, its recency, the platform where it is posted and the person giving the eWOM, were taken as the independent variables. The questionnaire consisted of a 7-point Likert Scale for each of these independent variables. The dependant variable was whether the consumer was influenced by eWOM or not with respect to tourism and/or hospitality services. The responses to this were collected as either 'No' or 'Yes' and coded as 1 and 2 respectively. The responses collected were subjected to Discriminant Analysis in SPSS to understand the influence of various parameters / characteristics of eWOM on consumer decision-making. Out of the 195 responses collected, 156 responses were taken as the Analysis sample and the remaining 39 were taken as the Validation sample. The results of the Discriminant Analysis are stated below.

Group Statistics				Valid N (listwise)	
Influence of eWOM on Consumer Decision-Making in Tourism and Hospitality				Unweighted	Weighted
	Mean	Std. Deviation			
No influence	Length of eWOM	3.2895	1.47708	76	76.000
	Number of eWOM for a brand or company	3.7105	1.64775	76	76.000
	Tone of eWOM	3.7500	1.51548	76	76.000
	Readability of eWOM	3.4868	1.64514	76	76.000
	Recency of eWOM	3.7237	1.70175	76	76.000
	Platform where the eWOM is posted	2.8816	1.60804	76	76.000
	Person giving the eWOM	3.6974	1.62497	76	76.000
Influence	Length of eWOM	3.0875	1.34253	80	80.000
	Number of eWOM for a brand or company	5.5750	1.21983	80	80.000
	Tone of eWOM	5.5500	1.20021	80	80.000
	Readability of eWOM	5.6000	1.21801	80	80.000
	Recency of eWOM	5.5500	1.25183	80	80.000
	Platform where the eWOM is posted	3.1125	1.36867	80	80.000
	Person giving the eWOM	5.6750	1.21983	80	80.000
Total	Length of eWOM	3.1859	1.40875	156	156.000
	Number of eWOM for a brand or company	4.6667	1.71846	156	156.000
	Tone of eWOM	4.6731	1.63100	156	156.000
	Readability of eWOM	4.5705	1.78565	156	156.000
	Recency of eWOM	4.6603	1.74318	156	156.000
	Platform where the eWOM is posted	3.0000	1.48975	156	156.000
	Person giving the eWOM	4.7115	1.73766	156	156.000

Figure 1. Group Statistics

The mean scores show that the respondents who were influenced by eWOM in their decision-making in case of tourism and hospitality services have a more favourable outlook towards the number of eWOM for a brand or company, tone of the eWOM, its readability, recency and the person giving the eWOM, as compared to those who were not influenced.

Tests of Equality of Group Means					
	Wilks' Lambda	F	df1	df2	Sig.
Length of eWOM	.995	.800	1	154	.372
Number of eWOM for a brand or company	.703	64.962	1	154	.000
Tone of eWOM	.694	67.983	1	154	.000
Readability of eWOM	.648	83.707	1	154	.000
Recency of eWOM	.724	58.708	1	154	.000
Platform where the eWOM is posted	.994	.936	1	154	.335
Person giving the eWOM	.674	74.382	1	154	.000

Figure 2. Tests of Equality of Group Means

- The above figure provides the Sig. values of each independent variable, i.e., influence of the independent variable on the dependent variable. Since the Sig. values for 'Number of eWOM for a brand or company', 'Tone of eWOM', 'Readability of eWOM', 'Recency of eWOM', and 'Person giving the eWOM' is less than 0.05, the null hypotheses (stated earlier) that these parameters of eWOM do not have a significant influence on consumer decision-making in tourism and hospitality are rejected. Thus, the alternate hypotheses (stated earlier) for these parameters are accepted, which indicates that these parameters of eWOM have a significant influence on consumer decision-making in tourism and hospitality.
- The above table shows that the Sig. values for 'Length of eWOM' and 'Platform where the eWOM is posted' is greater than 0.05. Hence, the null hypotheses for these parameters is accepted which entails that the length of eWOM and the platform where the eWOM is posted do not have a significant influence on consumer decision-making with respect to tourism and hospitality.
- The above results are also evident from the Wilks' Lambda values. The values of Wilks Lambda are closer to 1 for length of eWOM and the platform where eWOM is posted (thereby proving them insignificant) and it is lesser for the other independent factors.

Pooled Within-Groups Matrices							
	Length of eWOM	Number of eWOM for a brand or company	Tone of eWOM	Readability of eWOM	Recency of eWOM	Platform where the eWOM is posted	Person giving the eWOM
Correlation	Length of eWOM	1.000	.406	.394	.371	.273	.457
	Number of eWOM for a brand or company	.406	1.000	.571	.490	.422	.480
	Tone of eWOM	.394	.571	1.000	.495	.517	.495
	Readability of eWOM	.371	.490	.495	1.000	.523	.438
	Recency of eWOM	.273	.422	.517	.523	1.000	.476
	Platform where the eWOM is posted	.457	.480	.495	.438	.476	1.000
	Person giving the eWOM	.296	.321	.331	.267	.384	.409

Figure 3. Pooled Within-Groups Matrices

Figure 3 depicts the correlation of the independent variables with each other. Ideally, the independent variables should not have high correlation between them. From the above table, it is observed that there is no significantly high correlation (>0.7) between the independent variables. Hence, there is *no issue of multi-collinearity between the independent variables* for this study.

Eigenvalues				
Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	1.482 <sup>a</sup>	100.0	100.0	.773

a. First 1 canonical discriminant functions were used in the analysis.

Wilks' Lambda				
Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.403	136.817	7	.000

**Figure 4.** Summary of Canonical Discriminant Functions

- Canonical correlation is the strength of association between the dependent variable (whether eWOM influences the consumer decision-making or not) and all the independent variables put together. As per the table, the *canonical correlation is 0.773 – a high correlation, which is desirable.*
- It is desirable that the Eigenvalue be greater than 1, because higher the Eigenvalue, better the discriminant model/function is considered. In this case, *the Eigenvalue is 1.482 which is desirable.* The Sig. value in the Wilks' Lambda table should be less than 0.05. In the given case, the Sig. value in the Wilks' Lambda table is 0.000 which is desirable.

Structure Matrix	
	Function 1
Readability of eWOM	.606
Person giving the eWOM	.571
Tone of eWOM	.546
Number of eWOM for a brand or company	.534
Recency of eWOM	.507
Platform where the eWOM is posted	.064
Length of eWOM	-.059

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions.  
Variables ordered by absolute size of correlation within function.

**Figure 5.** Structure Matrix

Structure matrix gives simple correlations between each independent variable taken individually with the discriminant model / function. They are also known as Discriminant Loadings. The above table shows that except length of eWOM and the platform where eWOM is posted, all the other independent variables have high to moderate correlation with the discriminant model/function. The same was evident by the Sig. values also in Figure 2.

**Canonical Discriminant Function Coefficients**

	Function 1
Length of eWOM	-.314
Number of eWOM for a brand or company	.229
Tone of eWOM	.235
Readability of eWOM	.331
Recency of eWOM	.083
Platform where the eWOM is posted	-.361
Person giving the eWOM	.373
(Constant)	-3.743

Unstandardized coefficients

**Figure 6.** Canonical Discriminant Function Coefficients

Figure 6 gives the unstandardized discriminant coefficients for the independent variables and also provides the value for the constant (i.e., intercept). For this study, the Discriminant Model/Function is stated as follows:

$$D = -0.314 * \text{Length} + 0.229 * \text{Number} + 0.235 * \text{Tone} + 0.331 * \text{Readability} + 0.083 * \text{Recency} - 0.361 * \text{Platform} + 0.373 * \text{Person} - 3.743$$

Here, D = discriminant score which denotes the influence of eWOM on consumer decision-making in tourism and hospitality

Functions at Group Centroids	
Influence of eWOM on Consumer Decision-Making in Tourism a...	Function 1
No influence	-1.241
Influence	1.179

Unstandardized canonical discriminant functions evaluated at group means

**Figure 7.** Functions at Group Centroids

Figure 7 gives the group centroids which is the mean of all the discriminant scores for each of the consumer groups, i.e., the group of consumers who stated that eWOM does not influence them, and the group who stated that eWOM influences them.

		Influence of eWOM on Consumer Decision-Making in Tourism a...		Predicted Group Membership		Total
		No influence	Influence	No influence	Influence	
Original	Count	68	8	68	8	76
	%	89.5	10.5	89.5	10.5	100.0
Cross-validated <sup>a</sup>	Count	65	11	65	11	76
	%	85.5	14.5	85.5	14.5	100.0

a. Cross validation is done only for those cases in the analysis. In cross validation, each case is classified by the functions derived from all cases other than that case.

b. 85.9% of original grouped cases correctly classified.

c. 84.0% of cross-validated grouped cases correctly classified.

**Figure 8.** Classification Results

- The above table of Classification Results gives the Hit Ratio. The Hit Ratio denotes the correctness of the developed discriminant model in predicting the influence of eWOM on consumer decision-making in tourism and hospitality, when applied to the population.
- The threshold for Hit Ratio is above 60%. The table shows that Hit Ratio is 84%, which means the developed discriminant model is good for the intended purpose when applied to the population.

## B. Correlation

The technique of Pearson's correlation was used to understand the correlation among whether eWOM helps consumers in better decision-making with respect to tourism and hospitality, the consumer's trust on such eWOM and whether the credibility of eWOM leads to higher intention to purchase. Responses for 'whether eWOM helps consumers in better decision-making with respect to tourism and hospitality' were collected as 'No', 'Rarely', 'Sometimes', 'Frequently', 'Always' and coded as 1, 2, 3, 4, and 5 respectively. Responses for 'whether consumers trust the eWOM with respect to tourism and hospitality' were

collected as 'No', 'Rarely', 'Sometimes', 'Frequently', 'Always' and coded as 1, 2, 3, 4, and 5 respectively. Responses for 'whether the credibility of eWOM leads to higher intention to purchase' were collected as 'No', 'Yes' and coded as 0, and 1 respectively. The results are stated below.

Correlations		Better Decision Making due to eWOM	Trust on eWOM	Higher Intention to Purchase
Better Decision Making due to eWOM	Pearson Correlation	1	.797 <sup>**</sup>	.702 <sup>**</sup>
	Sig. (2-tailed)		.000	.000
	N	195	195	195
Trust on eWOM	Pearson Correlation	.797 <sup>**</sup>	1	.750 <sup>**</sup>
	Sig. (2-tailed)	.000		.000
	N	195	195	195
Higher Intention to Purchase	Pearson Correlation	.702 <sup>**</sup>	.750 <sup>**</sup>	1
	Sig. (2-tailed)	.000	.000	
	N	195	195	195

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

**Figure 9.** Classification Results

- The above figure shows that there is a *high correlation (0.797) between better decision-making due to eWOM and the trust on eWOM*.
- Further, there is a *high correlation (0.702) between better decision-making due to eWOM and a higher purchase intention*.
- Similarly, there is *high correlation (0.750) between the trust on eWOM and higher purchase intention*.
- For all these correlations, since the Sig. value is less than 0.05, such correlations are *statistically significant*.

### C. Other Findings

Some other notable findings from the responses received are stated as follows.

- 80.6% of the respondents stated that eWOM influences them the most in the third stage of the consumer decision-making process, i.e., in the Evaluation of Alternatives, when availing a tourism and/or hospitality service.
- More than 50% of the respondents stated that the platform or source of eWOM that influences them the most are online review portals/opinion sites (e.g., Zomato, TripAdvisor, Quora). Social media was considered to be the second highest source of influence.
- Respondents also revealed that with respect to recency, eWOM posted within the last one month influenced them the most.
- Further, majority of respondents revealed that positive eWOM increases their probability or intention to purchase whereas it was vice versa in the case of negative eWOM.

### Summarisation and Managerial Implications

- The studies conducted so far have focused on the motivations of a person (sender of the message) to post eWOM, the valency of the message, effect of eWOM on customer satisfaction and consumer decision-making as a whole and not much emphasis has been placed in understanding the various parameters of eWOM that influence at different stages of the consumer decision-making process.
- The current study augments the existing research literature on eWOM by placing focus on the receiver of the eWOM or the consumer and investigates further by

identifying the various characteristics of eWOM that shape the decision-making process or buying behaviour of consumers.

- The results of discriminant analysis imply that the parameters or characteristics of eWOM which significantly influence the consumer decision-making process with respect to tourism and hospitality are – number of eWOM for a particular brand or company, the tone of eWOM, its readability, recency and the person giving the eWOM. The results also imply that the parameters or characteristics of eWOM which do not significantly influence the consumer decision-making process with respect to tourism and hospitality are – length of the eWOM and the platform where eWOM is posted.

- The results of correlation indicate that there is a high correlation among 'better decision-making due to eWOM', 'trust on eWOM' and 'higher purchase intention'.
- The influence of eWOM on consumer-decision making in tourism and hospitality underscores the emergence of newer sources of e-marketing or online marketing which could be leveraged upon proactively by companies and brands.
- Consumers today increasingly go online to obtain information regarding a tourism or hospitality service prior to availing it. Thus, tourism and hospitality marketers can benefit by taking into consideration the findings of this study as it would help them to connect better with their customers (present as well as potential) and influence the latter at the right stage of their decision-making process because contrary to traditional word-of-mouth, eWOM leaves a digital footprint which could be monitored.

### Conclusions and Recommendations

The services of the tourism and hospitality industry are largely intangible products. For businesses engaged in tourism and hospitality, it is essential to understand how the eWOM for their company or brand is influencing their consumers. This would not only help them to evaluate their offerings but by understanding the factors or characteristics of eWOM that significantly influence consumer decision-making, they can leverage on eWOM as a potential marketing tool in today's digital age.

This study proposes a quantitative model for the tourism and hospitality industry to understand the influence of eWOM on the consumer decision-making process along with providing knowledge about few key characteristics or parameters of eWOM that significantly impact such decision-making.

The results of this study could be used by managerial and other personnel in the tourism and hospitality industry (e.g., moderators of consumer opinion platforms) to aid in increasing their bookings by continuous monitoring of online portals and devising strategies to increase the authentic, unbiased eWOM for their organisation. To do so, eWOM from persons who have a certain amount of social currency could be highlighted on the online platform. They could be motivated to solve queries of other potential users as an alternative to a company representative answering the query. This would increase the trust factor of the solution, and the responders could be rewarded on their online profiles through tags such as 'Most Helpful' or 'Most

number of queries answered' or 'Most timely responses'. Essentially, consumers with a certain social currency could prove to be valuable online intermediaries between a present and potential consumer of the services that the hospitality or tourism brand has to offer.

Moreover, instead of generic emails sent to consumers registered with the company wherein the email content talks about the features/quality of the service, the content could be developed to highlight recent user experiences. This would also help to reach out to consumers who have limited social activity online but use their email frequently because of its ubiquitousness today, both personally and professionally. Taking timely corrective action on the basis of feedbacks and comments on customer service levels with a view to improve service quality could positively impact existing customers. This would lead to repeat bookings, increased advocacy and ultimately help in loyalty building and in turn reinforcing the initial consideration set of the consumer during the next purchase intention. The overall recommendation for businesses would be to work towards ensuring that the eWOM for their brand or company mitigates scepticism or hesitancy before availing the service and also reduces dissonance after the service has been availed so as to favourably shape consumer decision-making towards their company or brand.

### Limitations

There were a few limitations in this study. The literature review for this study indicated that research on how eWOM shapes the consumer decision-making process in tourism and hospitality is relatively new. Hence, there is limitation on the availability of research literature in this area. Given that the study made use of convenience sampling with a small sample size of 195 graduate and post-graduate students between the ages of 18-40, the influence of eWOM from the perspective of a group of consumers that is more diverse in terms of age and occupation could not be studied. The study explores few key eWOM characteristics that influence consumer decision-making. However, there can be various nuances to such influence and numerous other independent variables could impact the dependent variable (e.g., the impact of fake reviews and the resultant consumer behaviour). Each such characteristic or parameter could not be incorporated in the study. Thus, the study results are limited by the width and diversity of the sample population along with the resources of the researchers.

### Future Scope

As services in hospitality and tourism continue to evolve, the future research could study how eWOM has influenced this evolution and shaped buying behaviour. Future scope of study could also consider taking a sample consisting of persons from varied professions or occupations and diverse age groups. Further, the other parameters or characteristics of eWOM apart from the ones already studied in this research could be considered for future studies. Moreover, the sample size could be larger so as to incorporate diversity in responses for better statistical analysis. This would help to understand the impact of eWOM on consumer decision-

making in tourism and hospitality in a comprehensive manner.

Today there is easy access to internet, easy availability of technologically-equipped devices, and development of websites on which users can share their experience by uploading images and videos. Hence future studies in this domain could explore audio and visual eWOM, the impact of such non-text eWOM and how it differs from text-intensive eWOM in influence. Future research could study the optimum ways for tourism and hospitality marketers to act upon eWOM. This would help to understand strategies that most effectively aid them in acting upon negative feedbacks. Further, studies could also be conducted into how negative eWOM could be used by managers to identify deficiencies in their tourism and hospitality services and thereby build a favourable brand image, induce customers to re-avail the services and thus increase their customer base.

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