Spreading the Word: Investigating Antecedents of Consumers' Word-of-Mouth Intentions and Behaviors in Restaurants: A Literature Review Paper

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Abstract:

Word of Mouth Communication is considered to be an effective interpersonal practice for sharing the feelings towards product/service/company to fellow consumers. With the advent of Internet, the consumers are now facilitated to share and exchange consumption-related information through online consumer reviews. This relatively new form of word-of-mouth communication, electronic word-of-mouth (eWOM) communication, has only recently received significant managerial and academic attention. Restaurant Industry is one of the flourishing sectors giving considerable returns to the Indian Economy. Many academic studies have looked at the effectiveness of traditional Word of Mouth behavior in generating loyalty/disloyalty towards restaurants. However, we felt there was a need for an extensive study that examines antecedents/factors that drive consumers to spread positive/negative WOM/eWOM in online consumer-opinion platforms for the restaurants. The literature analysis of this study will provide important implications for further research and practice.

Keywords: Word of Mouth, Electronic Word of Mouth, Online reviews, Antecedents, Social Influence, Consumer Behavior, Social Media, Restaurant Industry

Introduction

Word of mouth (WOM) is basically an informal communication between people and is generally directed towards decision making based on evaluation from what has been communicated by people who have consumed those goods or services. [1]. Consumers are becoming increasingly dependent on WOM to reduce the level of professed risk and the uncertainty when it comes to making consumption decisions and more specifically service purchase decisions. [2].

Past studies have been focused on understanding WOM from a generic perspective. However lesser research has been conducted to understand WOM elaborately in the hospitality sector. This

sector has gained huge importance owing to the growing interest of people in the service industry as a whole. Hence marketers need to consider this aspect and work towards providing the best experience to the customers to avoid any sort of negative publicity of their product/service/company.

Earlier studies attempted to understand the impact of WOM on customer's behaviors. For example, [3] found that WOM can positively affect tourist's decisions for traveling to a particular location. However, it seems that there has been however little effort in finding out the main factors influencing on propagating WOM about restaurants. The restaurant business is dynamic in nature and to survive in this competitive environment, marketers need to have a deeper understanding of consumer's preferences and formulate their strategies in a manner that an effective word of mouth is spread about their offerings. In current times online word of mouth or eWOM has gained huge prominence.

WOM/eWOM seems important for the publicity of restaurants. It is primarily because reviews of restaurant services and products are taken before actually consuming them so as to get a satisfying experience. [4].Therefore, marketers and researchers collaboratively need to be more aware about the e-WOM communication process and also understand the aspects that contribute to consumer participation in online word-of-mouth communication. By doing research on this, researchers will give a cue to the marketers/restaurateurs' and subsequently the marketers/restaurateurs' can work likewise for the best interest of their business.

Literature Review

o *Word of Mouth (WOM)-*

WOM communication is basically an interpersonal interaction [5], and it is considered to be an essential source of influence when it comes to consumer buying decisions. [6].

WOM is a productive means of circulating an opinion as most of the times it is given in person or face-to-face in conversation amongst people who are known to each other and sometimes it is also shared with acquaintances or friends. It is very tricky to forget a very good or very bad experience shared by a friend or an acquaintance. [5]. In comparison to the conventional seller/advertiser-generated sources of information and even some third party judgments, WOM

often has a greater influence on individuals' opinions and decisions. WOM is an experience-delivery mechanism. It helps in full adoption behavioral practice based on the credibility (which is a sheer result of natural honesty) of the word spread.

Researchers have studied WOM for decades and they have found out that WOM is instrumental in consistently shaping individuals' judgments' and behavior. Initial studies were fixated on how and why WOM was generated. Some studies observed that affirmative Word of Mouth about a product or service surges the odds of its consumption while negative Word of Mouth declines the odds of its consumption. [7]. Therefore further studies need to be done to elaborately understand the full-fledged potential of WOM practices.

o *Electronic Word of Mouth (e-WOM)-*

With the advancement of information technology WOM has now evolved and taken an electronic form (electronic word of mouth, eWOM) and this medium has an enhanced influence on business as it can reach a broader audience with minimalistic geographic and time barriers.

o *Difference between WOM and eWOM:*

- Primarily the difference between the two is observed in the medium used; WOM is generally physically given whereas eWOM is online. With the up gradation of technology this change has taken place. Physical=>Cyberspace. [8].

- eWOM has wider reach and range. The high range of eWOM indicates that it can cater to a huge number of people and it can be traced by anyone virtually or by any person inclined in the discussion concerned- be it about a particular product or a service or a company. [8]

- eWOM messages are typically anonymous in nature whereas physically transmitted information via WOM cannot be anonymous in nature. [8].

- eWOM is more tenacious and computable than its traditional counterpart. [9].

- Unlike traditional word-of-mouth (WOM), electronic word-of-mouth (eWOM) has a pool of positive and negative reviews given by former, actual and potential consumers on products and services via the internet in a timely, appropriate manner. It becomes very helpful for future reference and decision making. [9].

ဢ eWOM is emerging as a more prominent marketing tool than traditional WOM because of its speed, ease, breadth, and absence of face-to-face human communication and burden.

o *Challenges for* eWOM:

e-WOM has a huge potential but along with that there are some challenges too. Handling eWOM for marketing purpose and also using it for yielding progressive consumption decisions are difficult tasks. [10].

ဢ One of the challenging tasks is the inadequate knowledge of the successful attributes of growing eWOM channels namely social networking sites (SNSs), personal blogs and online customer reviews. [11].

ဢ Another challenge is the trouble in evaluating eWOM effectiveness because of misleading things like celberity endorsement, over-catchy messages, etc. [11].

o *Evolution of Internet and Importance of Social Media:*

Internet: The wide spread use of the Internet has made the interaction amongst people at a cheaper rate or at a nil rate and it becomes instrumental in helping consumers achieve an effective platform for discussing and expressing their opinions and experiences about products or services. [12].

These interactions are generally steered via online portals, blogs, forums, online communities, social networking sites, etc. [13]. By sharing personal experiences and opinions about products and services, the online users render help and also receive help in their decision-making processes.

Social Media: Social media has over the time become one of the most effective eWOM channels because of their uniqueness, elasticity, and interactivity [14]. The rapid development of SNSs [15] which is a part of the growth of social media and the popularity of SNSs [16] create a great potential for these topics to be included in the researches concerned. The salient features of SNSs should create an urge for the marketers to study e-WoM in SNSs separately and as a distinct phenomenon. However there are gaps in understanding links among SNS e-WOM behaviors and drives for seeking e-WOM, relationship and source features, message characteristics, and

community identification. Although research has been done to a large extent of the above aspects but an empiric's informed understanding is still missing. Relevant studies have showed the relevance of social media and evolution and it's somewhat impact on sale. However, few studies have investigated the purpose behind the spread of WOM/e-WOM.

- o *Influence of past online reviews:*

eWOM embraces an array of media tools. However online review is a major tool amongst all the others. Over the time consumers are relying more on online evaluations when they want to make purchase decisions or consumption decisions, mainly in the hospitality business. [17].The reason attributed for the same is the experience oriented nature and intangibility of the product or service concerned which actually helps reducing the professed risk amongst the mindset of people.

The social influence theory suggests that lot of times people experience pressure from others whenever they wish to make a decision. These pressures are called conformity pressures. It basically means to do something which society approves of rather than disagrees upon. Specifically, people conform or get socially influenced (while making decisions) from the people they are familiar with and/or from those they do not know [18]. The main causes for which the people follow others are: doing what others do can lead to making fewer mistakes; doing what others do is associated with lower mental exertion; and it can avoid the fear of losing reputation if there is deviation from the majority of others [18].

- o *Cue for Marketers:*

There are some things which every marketer needs to keep in mind for better reach and sales of product. Marketers need to ensure that electronic word of mouth is focused on appropriate platforms; they need to focus on evolving social networking sites and also focus on enhancing customer relations that can help their businesses. For instance big companies like Pepsi also relied on social media like Twitter and Facebook, to market its products and events since 2012. [14].

- o *Restaurant Industry in India-*

The restaurant industry is highly competitive in nature. In the current market scenario, it is necessary that right customers are attracted and retained for a sustainable long period of time. However for this to happen it is essential that the restaurateurs have a deeper understanding of the needs, wants and opinions of customers. Considering the increasing importance of WOM, WOM is an important tactic for marketing for entire restaurant industry. Restaurants with big budgets also put WOM as one of the essential marketing activities. However the restaurants with limited promotion budgets depend primarily on WOM. Services being experiential and intangible in nature, WOM come as a handy evaluator for decision making. [18].Therefore, WOM can be considered as an important medium for restaurant industry as a whole.

o   *WOM w.r.t Restaurant Industry-*

A positive association has been found between a restaurant's income and its social media reviews. Restaurant's revenues get seriously influenced by online ratings and reviews. Social media spread of word of mouth is more effective than physical spreading of word. *Positive reviews* can help enhance/reshape an establishment's image and *negative reviews* can translate into lost image and lost money. Therefore it is mandatory to take social media seriously for all the industries. In spite of the fact that sometimes there is lack of authenticity in the reviews or opinions shared, still people do check it and subjectively adhere to it.

From previous studies it is evident that WOM/eWOM as a topic has gained momentum in the minds of researchers. *The purpose behind undertaking this research study is to find out which are the factors (antecedents) which lead to spreading word of mouth offline or over the consumer opinionated platform.*

o   *Antecedents of WOM/e-WOM-*

Antecedents of WOM/eWOM simply put means that the factors that influence people to share a word online or offline. [19].

Antecedents of Good Consumer Dining Experience: Atmospherics play an important role in affecting the consumer behavior. This is especially true when it comes to customer loyalty towards a particular restaurant. For example, various parameters of the physical environment/ servicescape have been identified which considerably affects a consumer's attitude and preference towards a restaurant and dining experience. This is inclusive of consumer opinions towards restaurant food and services, consumers connect, attitudes and emotional attachment toward the restaurant and overall satisfaction with the dining experience [19] [20].

o   *Antecedents of WOM/e-WOM in restaurants:*

[21] introduced the meal experience model, which explains various elements which a restaurant offers and which help in spreading WOM. He categorized those elements in order of importance as: (1) food and drink; (2) service; (3) cleanliness-hygiene; (4) value-for-money (VFM). [22] studied two types of restaurants (quick service and upscale) and observed that food quality, service quality, and ambience are the main elements which help in the spreading of WOM.

[21] recognized eight eWOM predictors: platform support, expelling negative feelings, concern for other consumers, extraversion/positive self-enhancement, social benefits, economic incentives, helping the company, and advice seeking. Somehow only four of the eight predictors (concern for other consumers, extraversion, social benefits, and economic incentives) were considered the main elements which influenced the consumers to indulge into comment writing. [34] revealed that the following factors affect the utility of WOM/eWOM: 1. Information (IV), information relevance (IV), usefulness (IV), source trustworthiness (IV), social motivation (IV), relationship closeness (IV), frequency of online interaction effects (IV), strong ties (IV), information quantity (IV), e-WOM valence(IV), strong identification with SNS(IV) leads to e-WOM usefulness. (DV) {IV-Independent Variable, MV- Moderating Variable, DV- Dependent Variable}.

Some researchers have tried to understand the psychological intentions for giving WOM, including product involvement, concern for others, anxiety reduction and vengeance [24]. Different studies revealed different parameters or aspects which led to people spreading word of mouth.

Research Objectives

೫ To identify the factors that are likely to drive a customer spread a word about the restaurant.

೫ To identify variety of behavioural outcomes-Restaurant Selection/Customer Patronage that follow post WOM conveyance in the restaurants.

Framework

<u>Antecedents</u>
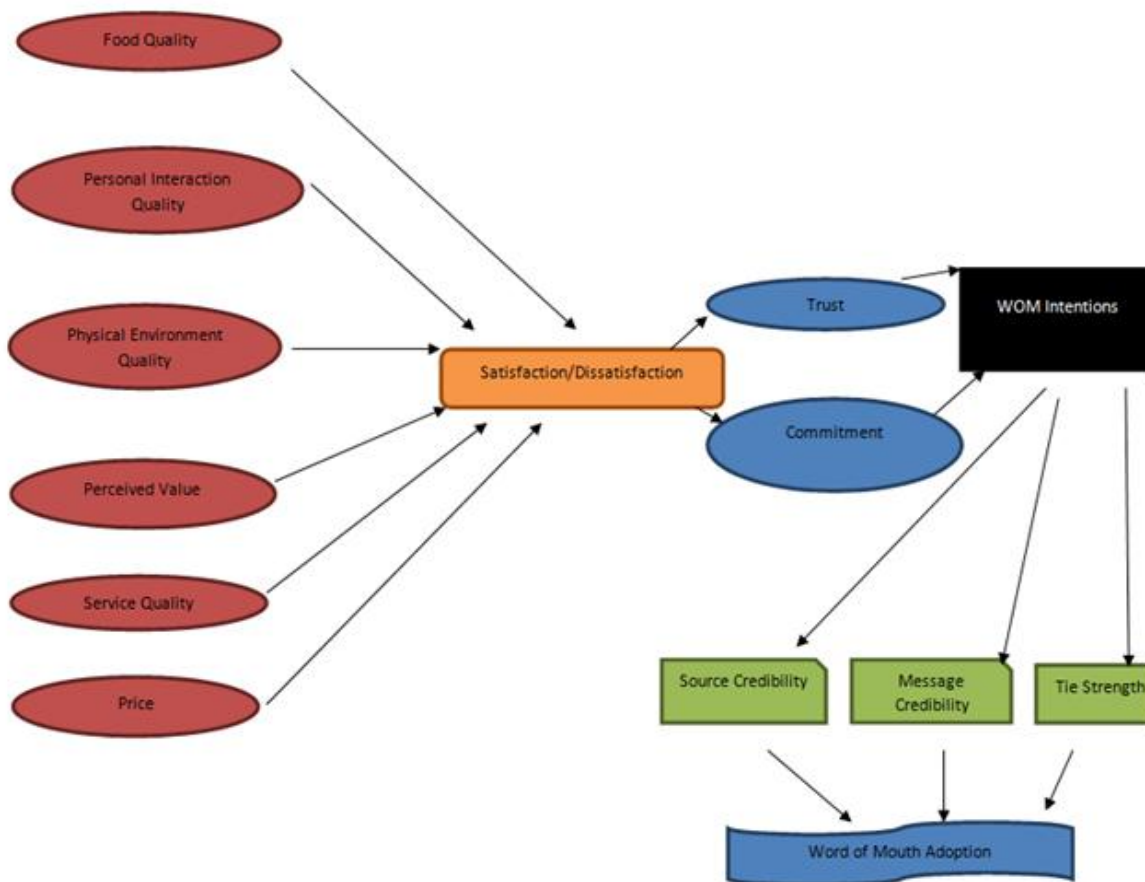
Conclusion

Past research studies have identified the importance of WOM and evolution of traditional WOM to e-WOM. Some researchers have worked on finding the factors which motivate people to spread the word. This literature review provides a base to analyze in a bifurcated manner- WOM, e-WOM and the restaurant industry. Also it helps us understand that in this dynamic market social media communication is very essential to be prioritized by the marketers. However

sometimes there is still a gap in understanding the key antecedents which encourage the consumers to engage into spreading this WOM/e-WOM communication. Lot of companies fail to capitalize e-WOM behavior on online mediums effectively. It is also of interest to know that which attributes lead to positive or negative WOM. Theoretical and practical implications of the five factors for promoting eWOM in social networks are expected to be drawn from the findings of this literature review.

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