Exploring the Determinants of e-WoM influence: An Empirical Study on Tourist visiting Varanasi

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A R T I C L E   I N F O

Article history:
Received 10.08.2018
Accepted 25.09.2018

Keywords:
e-WoM; source credibility; trust, awareness; tourist service booking.

A B S T R A C T

In the 21st century, as companies are changing their approach towards customer through e-commerce, electronic word of mouth has gained importance among the marketers. Customer as well as marketer can reach out to each other through e-WoM which is spreading at a rapid pace with the technological advancement in information communication technology. Earlier studies found that the customer gives importance to information from a credible source. It further found that customer purchases a product when they trust the recommendation by family or friends and buys a product when they are aware about it through e-WoM platform. These findings were brought in academic world after surveying globally, but the belief of Indian customers on e-WoM platform for online purchasing is yet to be checked. Hence it was felt to study the factors that facilitate this reach as e-WoM is spreading its presence over traditional means of communication in the digital era. This study aims to explore the determinants of e Word of Mouth influence on Indian Tourist for service booking. Further it tries to find the pattern of various factors that affects the e word of mouth influence on tourist intention to book a service. For the purpose, 225 Indian tourists, using snowball sampling, through online mode were surveyed. To achieve the objective, Exploratory Factor Analysis was used. Sample of our study includes the tourists visiting Varanasi for pilgrimage purpose, staying in various Guest Houses located near Dashashwamedh Ghat. The study found that Source Credibility enhances Trustworthiness and it is essential for a consumer to have awareness about the e-WoM before assessing a source as credible.

Introduction

Information Technology has touched every aspect of human life. Now a common man can almost do everything online with the help of advanced technology. A user can chat with his friends, make online purchases, pay their utility bills and can order any service online. Social media platforms and various other digital platforms have turned E Commerce into a lucrative and entertaining means of connecting with the world.

Online travel in India dominates the overall travel and tourism market. In the Year 2014, the online penetration in travel and tourism bookings increased to 40%. The Online Travel and Tourism Industry was expected to grow by 17.8% by the year 2016 increasing the total online penetration to 47% but the actual online penetration was capped at 43%. This scenario is likely to be improved by 2020 to 50% as there is a significant increase in Online Hotel booking, a sector which was lagging behind in the online presence. (Aruna, 2017; World Travel & Tourism Council, 2017). For online purchasing
the survey of Nielson (2015), found that, 56% of the customers give importance to information from a credible source only, 84% of the customers purchase a product when they trust the recommendation by family or friends and 43% of the consumers buy a product when they are aware about it through e-WoM platform. Though these factors are confirmed by Research Company like Nielson on customers around the globe, but the belief of Indian customers on e-WoM platform for online purchasing is yet to be checked.

Thus this study tries to ascertain the influence of determinants of e Word of Mouth on user and to understand the pattern of various factors that affect the e word of mouth influence on tourist intention to book a service.

Theoretical Framework

Source Credibility

In any form of communication, Source Credibility is an essential attribute as an individual always perceives information according to the credibility standard of the source. In the case of Word of Mouth, whether it is powered by internet or not, this attribute has a significant importance as it is an interpersonal form of communication.

Source credibility doesn’t imply about the message itself but it refers to perception of the recipient (Chaiken, 1980). It is defined as the “extent to which an information source is perceived to be believable, competent, and trustworthy by information recipients” (Petty and Cacioppo, 1986). Credibility is an informational attribute which can alter opinion of the recipient as per the need of the communicator and the need of the source is considered high if it is highly credible as compared to a low credible source (Hovland & Weiss, 1951). If the source of the information is rated highly credible and useful, then it also facilitates transfer of the available information (Ko et al., 2005). Source credibility is a process that describes how a user develops behavioural attributes such as attitudes and perceptions about a speaker in the communication process, and what it may mean for message acceptance and trust.

Anderson (1971) described “Source credibility as a weight that can enhance the value of information in a message”. Similarly, Tormala & Petty (2004), defined source credibility as a “message source’s perceived ability or motivation to provide accurate and truthful information”. According to the Source Credibility theory given by Hovland, & Janis (1953) “people are more likely to be persuaded when the source presents itself as credible”. Source Credibility is considered to be “the judgments made by a message recipient concerning the believability of a communicator” (Callison, 2001).

Source Credibility of e-WoM that, when combined with other factors, that a receiver will be more involved in a e-WoM exchange than in an advertisement, which will lead to higher order beliefs and cognitions among the consumers. Through multiple exchanges via credible sources, one e-WoM message has a capability to reach and potentially influence many receivers (Lau & Ng, 2001).

Trustworthiness

In the e-commerce scenario, Trust plays a key role in consumer’s purchase decisions (Gefen 2000; Jones & Leonard 2008). If the trust of a consumer for a particular vendor increases, then it may lead to consumer inquiries which can subsequently boost the purchase intention from that vendor’s website (Gefen 2000; Hajli et. al., 2013). But if the trust for a vendor is low, especially for those who are selling new brand, then the consumer will hesitate to purchase for that Website. Quality and type (e.g. positive vs. negative customer reviews) of e-WoM have a significant influence on consumer trust (Awad & Ragowsky, 2008) and so Trust has been also defined as “General belief of the truthfulness of the message.”

Moorman et al. (1993) defined “Trust as a sense of expectation formed by individuals or groups of individuals in combination with their beliefs and behavioural intentions, which in turn can lead to the tendency to rely on transaction counterparts who can be trusted and assessed.” According to Pruitt (1983) “Trust is the belief that one party’s word is reliable and that it will fulfil its obligation in an exchange”. Morgan & Hunt (1994) conceptualized trust as existing when one party has confidence in an exchange partner’s reliability and integrity. Rousseau et al. (1998) defined Trust as “A psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another.” Moreover, McKnight et al. (2002) defined “trust as an outcome of long interactions among parties to a transaction.” Gefen (2000) defined “trust as the will to rely on online sellers.”

It has been also found that Trust has a positive impact on Transfer of Knowledge from supplier to consumer which in turn enhances the performance of new product development (Zhao & Lavin 2012). In the context of E-commerce, where consumer is always surrounded with perceived risk, Trust helps in minimizing this perceived risk of online purchase. In case of new products and services, trust plays an influential role in helping suppliers in order to engage with consumers to maximize the reach of their goods. Trust is an essential component in promoting and creating successful merchandise and so marketer should focus on this attribute. New security features in internet and spread of E word of mouth has helped the e-commerce sector to fill this void of Trust in Online purchase intention (Pan & Chiou 2011).

Awareness

User expertise is an important attribute of Electronic Word of Mouth. Park & Kim (2008) asserted that consumers with knowledge and expertise of e word of mouth are able to process and evaluate the available information according to his/her experience. Similarly, Bansal & Voyer (2000) found that Trust also boosts the confidence of the customer in making purchase decision and they do not seek other’s opinion before making actual purchase.

Currently, there are many digital platforms that provide online reviews. This has significantly increased the volume of
information available with the consumers to read and assess as consumers want to save time on searching and scrutiny the available information (Heath et al., 2006). But in order to make a purchase decision it is essential to find and judge the opinions of others (Birgelen et al., 2010); but, seeking information differs from consumer to consumer as per the need and experience. For example, individuals who are relatively new to internet or relatively spend less time on internet will less efficiently search the content compared with more experienced user (Frias et al., 2008), because experienced use search for an information in a more focussed and précised manner.

In fact, according to (Caruso, 1999), new users are unable to understand that who or what is operating behind their computer screen. Such consumers are unaware of the fact that firms can manipulate consumers opinions and so they have greater impact of e-WoM on their purchase decision. But as the awareness of a consumer about internet increases, he/she is better able to understand the strategic manipulation that happens on e-WoM.

Variation in the available information can also create friction for the relatively new user or inexperienced user and so previous negative experiences play a pivotal role for him while judging about an online information source (Cheema & Papatla. 2010). Thus, an experienced user will more likely to question e-WoM sources (Mayzlin, 2006). These frictions may reduce the impact of e-WoM for experienced individuals as compared to relatively inexperienced users. Some consumers may become experts on the Internet by spending more time on it. To analyze the reputations that websites have developed over time, it takes time and experience on the side of the user (Ward & Lee, 2000).

**Literature Review**

Mack et al. (2008) conducted a test to ascertain the source credibility of consumers perceive corporate and personal blogs and to compare the perceived credibility of blogs to that of traditional word-of-mouth. The findings suggest that while consumers do not generally equate the overall credibility of blogs with that of traditional word-of-mouth, some consumers do appear to attribute similar levels of authoritiveness, a dimension of credibility, to them.

Buda & Zhang (2000) studied the moderating role of Source Credibility in their study and found that consumers respond to the most recent positive information and credibility of the source may play a role but only if they can remember it. Interestingly enough, credibility information was presented last in all conditions. It appears that source credibility may get discounted under some conditions but not when it is presented as one of the last pieces of information a consumer receives about a product.

Nowak & McGloin (2014) studied the outcome of the product reviews on perceived credibility, source trustworthiness and purchase intention. They found that information processing theory also plays a vital role while making consumer attribution about source credibility and subsequently e word of mouth can influence the consumer purchase intention.

Cheung et al. (2008) studied the impact of Source credibility in reference to the information adoption model. They concluded that Source credibility may prove to be more helpful in determining information usefulness when there is more indication of who the poster is and who they represent as any user can freely register and post comments without any signature or authorization check.

Brown et al. (2007) demonstrated that Web site factors again assumed a predominant place in individuals’ evaluation of source credibility, and thus the Web site can be seen as being an actor in the social networking process. However, users also appeared to spend at least some effort on attempting to evaluate individuals who provided information to the Web site, as well as the Web site itself. They also identified that expertise about a source on the basis of their knowledge.

Mishra & Singh (2017) studied various Determinants of E-WoM credibility to influence buying behaviour. They found that Source Credibility is a very significant determinant as a user put his faith on the Source from where he/she receives the information about a product or services. When perceived source credibility is high, E-WoM is considered influential than perceived source credibility is low.

Liu (2006) suggested that though e-WoM is a useful information source in the movie market, it correlates with box office revenue mainly through an informative role on awareness but not a persuasive path of attitude changes. It is clear that WOM increases awareness among potential moviegoers, which is confirmed by the highly significant effect of volume. He also found that WOM operates mainly through increased awareness and the argument that the experiential/ intangible nature of movie consumption enhances the need for WOM lead to an interesting prediction; namely, the effect of WOM on to-be-released sequel movies should be less than that on non-sequels because moviegoers have more information about and experience with sequels as a result of the mostly successful prequels.

Vermeulen & Seegers (2009) suggested positive as well as negative reviews increase consumer awareness of hotels. These effects are stronger for lesser-known hotels. Results furthermore make clear that familiarity with a hotel makes consumers resilient to the effects of online hotel reviews. Online reviews improved hotel awareness more for lesser-known hotels than for well-known hotels.

Duan et al. (2008) analyzed that e-WoM’s awareness effect also takes the central stage in the positive feedback mechanism. Consumers need to distinguish the “true” and “honest” opinions from all kinds of feedback and recommendations on the web. Under such circumstances, consumers choose their information source and try to establish the mechanisms that help consumers to find trusted information sources.
Steffes & Burgee (2009) found that information, that an individual derive from e-WoM forums, to be equally influential in their decision as their own primary experience. Furthermore, the information gained from the eWOM forum is more influential in their decision than speaking with friends in person. Thus a user who is aware about various e-WoM forums can generate more information than other user.

Frias et al., (2008) found out that individuals who are relatively new to internet or relatively spend less time on internet will less efficiently search the content compared with more experienced user because experienced use search for information in a more focussed and précised manner.

Kim et al. (2009) synthesized a model of consumer trust in the context of e-commerce on the basis of the theory of reasoned action, the extended valence framework, and expectation-confirmation theory. They tried to understand the way consumers formulate their pre purchase decisions, but also how they form their long-term relationships with the same website vendor by comparing their pre purchase expectations to their actual purchase outcome. The results indicate that trust directly and indirectly affects a consumer’s purchase decision in combination with perceived risk and perceived benefit.

Awad & Ragowsky (2008) found that trust plays a more significant role in intention to shop online for women than for men and that online WOM quality is an antecedent of online trust. They found that heightened levels of online trust are associated with greater intention to shop online - but this effect differed across genders. The relative importance of trust has been shown to be related to the degree to which a person depends on other people where the more a person depends on others, the greater that person's need to trust. They also found that women, who show greater reliance on networks of people, place a greater emphasis on trusting an online retailer before making a purchase.

Resnick & Zeckhauser (2002), while studying about Internet auction sites, found that significant trust is required to conduct transactions, yet the instruments that normally help sellers convince buyers they are reliable are for the most part not available in Internet auction transactions. Auction sites have developed ingenious feedback systems, based on various e-WoM tools that enable sellers (and buyers) to build reputations from satisfied customers.

Haji et al. (2014) found that consumer trust in relatively new brand can be better understood by a trust model where social commerce perspective of a consumer is influenced by various social commerce constructs. They found that three dimensions recommendations and referrals, ratings and reviews, and forums and communities are vital for creating social commerce construct. This social commerce constructs, which are influenced by the three dimensions, have a significant positive influence on consumer trust in new products and service.

It is evident from the literature the availability of literature in Indian context has been sparse. Also, whatever studies (India and Abroad) have been conducted so far are not comprehensive in nature as either researchers have studied only one or the other determinants affect on the e-WoM. So this dissimilitude in business environment and the need to study the effect of determinants of e word of mouth influence on tourist service booking necessitates the research in this area.

Problem Statement

Researchers have been trying to understand the complexities of the Tourist decision making while making online service booking since long, but so far, they have not been able to completely understand it. The app based web service has also given the user access to the multiple information sources. Determinants of Electronic Word of mouth shape the perception of the consumer in opting for digital services for service bookings.

Online travel in India dominates the overall travel and tourism market. In the Year 2014, the online penetration in travel and tourism bookings increased to 40%. The Online Travel and Tourism Industry was expected to grow by 17.8% by the year 2016 increasing the total online penetration to 47% but the actual online penetration was capped at 43% (Aranca, 2017; World Travel & Tourism Council, 2017). For online purchasing the survey of Nielson (2015), found that, 56% of the customers gives importance to information from a credible source only. 84% of the customers purchase a product when they trust the recommendation by family or friends and 43% of the customers buy a product when they are aware about it through e-WoM platform. Though these factors are confirmed by Research Company like Nielson on customers around the globe, but the belief of Indian customers on e-WoM platform for online purchasing is yet to be checked.

Thus this study tries to ascertain the influence of determinants of e Word of Mouth on user and to understand the pattern of various factors that affect the e word of mouth influence on tourist intention to book a service.

Research Methodology

Data Collection

An online questionnaire was created using professional survey-design software and a link to the questionnaire was sent to the study sample by email. The questionnaire was primarily composed of closed-ended questions measured using a 7-point Likert-type scale and was pilot-tested with 30 users of e-WoM. The sample was selected along purposive lines with a focus on identifying international travellers who had recently read ORs when searching for information on accommodations while planning their holidays. An email was then sent to convenience sample international tourists who were active on various e-WoM platforms. A snowball sampling method was then used to expand the sample. This method is appropriate for this study since readers of various type of e-WoM on accommodations may represent a small percentage of the overall population and therefore might be difficult to identify or to contact. The questionnaire was available in English. A total number of 225
respondents completed the survey. Of these, 25 were excluded from subsequent analysis because respondents did not complete all of the questions or because answers were not consistent or accurate.

Table-1: Factor loading and Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Construct</th>
<th>Item</th>
<th>Factor Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust</td>
<td>Alpha=0.88 Regular E WoM increases my trust</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.88 Neutral e WoM is more trust worthy than positive e WoM</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.88 Source credibility in important in e wom</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.89 I trust the ewom</td>
<td>0.80</td>
</tr>
<tr>
<td>Source Credibility</td>
<td>Alpha=0.83 Source Credibility enhances Trustworthiness</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.82 I have a good knowledge about the computers</td>
<td>0.86</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.86 I only believe e WoM received through credible source</td>
<td>0.78</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.85 I forward the message received through credible source</td>
<td>0.73</td>
</tr>
<tr>
<td>Awareness</td>
<td>Alpha=0.84 I am aware about e WoM platforms</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.84 I filter the information received through e WoM</td>
<td>0.93</td>
</tr>
<tr>
<td></td>
<td>Alpha=0.93 I prefer a high overall rating of a service before purchase</td>
<td>0.79</td>
</tr>
</tbody>
</table>

Table-2: Descriptive Statistics

<table>
<thead>
<tr>
<th>Construct</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trustworthiness</td>
<td>200</td>
<td>1.00</td>
<td>7.00</td>
<td>4.3775</td>
<td>1.64672</td>
</tr>
<tr>
<td>Source Credibility</td>
<td>200</td>
<td>1.75</td>
<td>7.00</td>
<td>4.8963</td>
<td>1.41959</td>
</tr>
<tr>
<td>Awareness</td>
<td>200</td>
<td>1.00</td>
<td>7.00</td>
<td>4.2033</td>
<td>1.98987</td>
</tr>
</tbody>
</table>

Construct Measures

Most of these items have already been used in previous e-commerce, information systems, and e-WoM research (Filieri & McLeay 2014; Park et. al., 2007; Cheung et. al., 2008). The dependent variable was e Word of Mouth and adopted by Cheung et al., (2008) in e-WoM research. Factors for the measurement of construct was tested and developed by Filieri & McLeay (2014). For the test, only three items were used.

Sample Profile

Sample of our study includes the tourist visiting Varanasi for pilgrimage purpose, staying in various Guest Houses located near Dashashwamedh Ghat. The majority of respondents were between 26 and 35 years old (80.6% of respondents), or less than 25 years old (13.8%). The disproportionate predominance of this age cohort may represent a limitation of the study. However, this age cohort represents the typical age of many users of e-WoM and other social media and is also known as the generation Y cohort (Blackshaw and Nazzaro 2006). KMO test were done to check the sample adequacy and the KMO value was found to be 0.871 which proves that sample was adequate.

Data Analysis

Reliability as well as the convergent and discriminant validity of the model was assessed. Reliability was assessed for each construct using Cronbach’s α, which is the most widely used measure of reliability among researchers (Nunnally 1978). Values can range between 0 and 1, with higher values indicating higher reliability among the indicators. Nunnally (1978) suggests that a value of 0.70 indicates good item reliability. Cronbach’s alpha values for the items of the present study were between 0.824 and 0.937 (see Table 1). All items had an overall Cronbach’s alpha value of 0.916, which confirms that the model is reliable.

Results

The resulting relationship among the factors i.e. Trustworthiness, Source credibility, Awareness and e word of mouth was strong and highly significant. Variance of all the three factors was high which is indicative of good overall explanatory power. After Varimax rotation, the total amount of variance is redistributed over the three extracted factors. So, the Weightage of Trustworthiness was found to be higher than the Source Credibility and Awareness. The Mean score of Source credibility (4.8963) is higher than Trustworthiness (4.3775) and Awareness (4.2033) which shows that level of influence of Source Credibility over e-WoM is higher than Trustworthiness and Awareness.

Discussion and Managerial Implication

E Word of Mouth is constantly growing among high-involvement consumers. As the importance of e-WoM on a consumer’s decision is increasing, businesses are interested in gaining a better understanding of the factors that strongly predict consumer’s e-WOM behaviour. The findings of the
Source credibility emerged as the most important factor among the three selected factors. Source credibility was another important component in the study. It was found that Source Credibility enhances Trustworthiness and it is essential for a consumer to have a good knowledge about the e-WoM before assessing a source as credible. Source credibility is also significant because a consumer only believes in e-WoM when it is received from a credible source. A consumer forwards the e-WoM with another consumer if and only if when the source is credible. Thus, marketers should focus on enhancing the credibility of its website because a consumer will proceed further if and only if he/she finds the source credible. It is also essential for the marketer that user comes to know about him through a credible source as it further enhances the confidence of the customer on the service provider. So, selecting a credible source of information is also essential for the marketer.

Trustworthiness is an important component for electronic word of mouth and it was found that a consumer trust e-WoM. Regular electronic word of mouth increases trust of consumer about a product or service. It was also found that neutral e-WoM is more trustworthy than positive e-WoM. So, marketer should work on appropriate e-WoM strategy to enhance initial trust among the consumer for a product or service.

Awareness about e-WoM is another factor of our research. Awareness about e-WoM enhances user’s expertise of using information from various digital platforms. Awareness also enables the consumer to filter the available information in a precise manner. Awareness also shape the consumer purchase decision because the consumer prefers high overall ratings before purchase of a service or product. Thus, marketer should implement strategies to boost awareness about their product or service on various e-WoM platforms through simplified means.

The result of this study helps the marketers and researchers to understand the factors of electronic word of mouth. As it was found from our study that Source credibility has a greater influence on e-WoM as compared to Trustworthiness and Awareness, so the marketers and researcher should focus more on source credibility before designating there e-WoM strategy. A consumer believes that source credibility enhances the acceptability of other factors such as trustworthiness and so it is more important for the consumer. Information from a credible source prompts an individual to accept the information and then share it to other consumer.

Limitations

The present study has a number of limitations. The present study has tested the model only among high-involvement consumers; therefore, a replication of the study among low-involvement consumers would be useful. Despite the strength of snowballing for being a convenient and economic method to collect data, the researcher has limited control over the composition of the final sample. However, snowball sampling was appropriate because this research was not aiming to measure the variation of the variables across a population. Moreover, the present study did not distinguish two main traveller motives: business and leisure. The present study considered only three factors of e-WoM but there are several other factors which can be incorporated in future studies.

Conclusion and Scope for Future Studies

In the E-commerce era, E word of mouth has gained a tremendous significance and so it is essential to understand the determinants that affect the reach of Electronic word of mouth. Though there are several determinants which influence electronic word of mouth but on the basis of earlier studies, it was found that source credibility, Awareness and Trustworthiness are the most prominent determinants of e-WoM influence. The study provides us with an insight of various factors of Electronic word of mouth that influence customer service booking. The result of the study provides us with preliminary evidence of influence, i.e. source credibility; awareness and trustworthiness are influencing e-WoM. Source credibility emerged as the most influential determinant of e-WoM followed by Trustworthiness and Awareness.

Future research should focus on exploring experiences that may trigger negative eWOM. Also, future studies should encompass the role of opinion leaders on e-WoM influence. Future research should collect data from different sample such as mining restaurant companies’ websites or hospitality and tourism related online resources. Future studies can enrol other factors which can have significant effect on e-WoM in their studies. Future studies can also be focussed to confirm the explored factors by applying confirmatory factor analysis and applying regression.

References


