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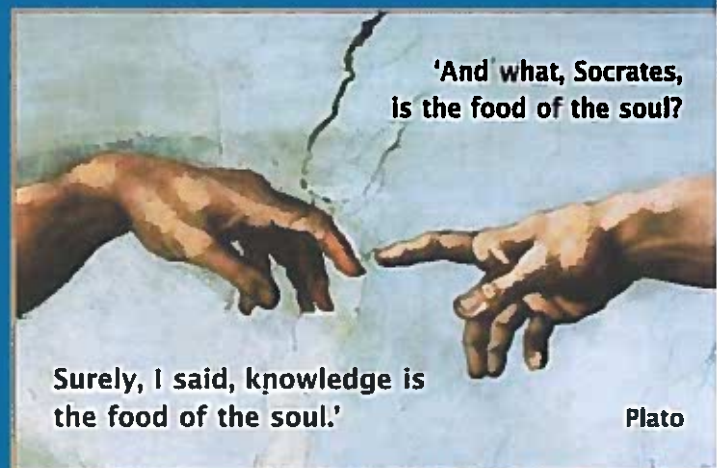
Marketing Places and Spaces

Shifting Tourist Flows

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E-Satisfaction and E-WOM in the Context of Online Hotel Reservations

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Keywords: e-WOM, E-satisfaction, online reviews, credibility, hotel reservations.

Abstract

Nowadays, tourists are increasingly informed, demanding and interested in booking hotels on the internet. Moreover, the number of customers who prefer and trust in sites with amateur reviews is increasing. The research model proposed will follow a website based approach in the context of online hotel reservations. Beyond highlighting the online reviews as an important and reliable source of information for tourists, this research incorporates antecedents of e-satisfaction and their implications on the e-WOM activity. The model additionally considers the moderating effect of perceived value of the hotel that has been booked on-line. With this research, we expect to contribute for future qualitative and quantitative investigations, in order to explain this important current trend of consumer behavior.

Introduction

Electronic word-of-mouth (e-WOM), seen and addressed as a new ramification of WOM, is an increasingly important topic of research, as evidenced by the growing number of publications in top level marketing journals in the last decade (Breazeale, 2009). In comparison with other types of communication, WOM is associated with high levels of credibility, implying high impact in the decision-making process, particularly in the tourism context (Kastenholz, 2002).

Tourism marketers are very keen to devise strategies to manage EWOM, bearing in mind the intangible characteristics, the emotional influences and the high risks involved in this process (Litvin, Goldsmith & Pan, 2008). On the other hand, tourism products are both seasonal and perishable, operate in very competitive markets, and some competitive advantages can be achieved with online interpersonal influence (Litvin et al., 2008).

Indeed, "the Internet has created a huge community of unconstrained consumer voices" (Bronner & De Hoog, 2010, p. 15). Thus, another important business concern, especially in an e-

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commerce perspective, is customer satisfaction, due to the low percentage of website visitors that purchase from a site during a visit.

Customer satisfaction is an evaluation based on their personal experience. It drives profitability and can be seen as an important complement to traditional measures of performance (Storbacka, Strandvik & Grönroos, 1994). In the online environment context, customer satisfaction is sometimes labeled as e-satisfaction, even in the tourism field (Kim, Ma & Kim, 2006).

Therefore, understanding the consumer's emotional and cognitive responses toward a website, and how e-satisfaction contributes to e-WOM, is very important (Ha & Im, 2012). A website is not just an information system, but also an interface with a vendor (Gefen, Karahanna & Straub, 2003), that is a potentially relevant relationship marketing tool.

Online Reviews (Usefulness and Credibility)

The decision-making process is strongly influenced by WOM. For instance, online recommendations can influence the product's sales (Hu, Liu & Zhang, 2008). In this process, anything reducing the perceived risk of purchase of highly involving products, which cannot be tested before consumption, and occurring at a frequently geographical, time and even cultural distance (Kastenholz, 2010), should be most influential.

Positive online reviews can significantly increase the number of bookings at a hotel. According to the findings (Ye, Law & Gu, 2009), a 10% improvement in reviewers' ratings can increase sales by 4.4%, and a 10% increase in review variance can decrease sales by 2.8%. Therefore, overall, it is expected that a tourist may feel more satisfied with a website that shows useful online reviews.

So, we propose:

- H1. Perceived usefulness will have an impact on e-satisfaction;

The number of customers preferring and trusting in sites with amateur reviews is increasing (Schmallegger & Carson, 2008). However, not all e-WOM may deserve the same trust. Tourists' reviews available on the web will only be accepted if perceived as credible by the reader (Wathen & Burkell, 2002). Internet users are vulnerable to the inaccuracy of web-based information and need to evaluate it critically to avoid misinformation (Iding & Crosby, 2009). The fictitious reviews are problematic, especially for websites that offer advice to its readers/ users. In some tourism websites, the main concern is to ensure the credibility of those travel reviews (Jeacle & Carter, 2011). Therefore we believe that the expertise, trustworthiness and reliability of those who left reviews, will have an impact on the website satisfaction.

Hence:

- H2. Source credibility will have an impact on e-satisfaction;

Website quality

Website quality can be seen as the consumer's judgment about a site's overall excellence and fitness for use (Polites, Williams, Karahanna & Seligman, 2012). Researches indicated that both emotional and cognitive evaluations about the website influence satisfaction (Ha & Im, 2012).

Some authors address website quality in terms of system quality (i.e. website design and usability) and information quality, which should both be recognized important determinants of e-satisfaction (Polites et al., 2012). Website design influences consumer emotions and perception about the website content (product information). However, the perceptions of information quality may play a more important role in satisfaction and WOM generation for experience goods (Ha & Im, 2012).

Therefore:

- H3. System quality will have an impact on e-satisfaction
- H4. Information quality will have an impact on e-satisfaction

E-WOM as the Outcome

As addressed, consumers search for information before the purchasing process, in order to reduce uncertainty and perceived risks. Moreover, people also like to post their own opinions on review sites or virtual communities, not only for information or entertainment purposes. There are a myriad of reasons or motivations for generate E-WOM (Bronner & De Hoog, 2010), and they differ according to the type of the site used.

"Satisfied online shoppers are more likely to recommend the web site to others than dissatisfied shoppers" (Ha & Im, 2012) p91. In fact, several researches confirm the significant effect of satisfaction on WOM. (eg. (Matos & Rossi, 2008). Therefore, the satisfaction level regarding the online booking website may influence the tendency to write online reviews, in order to share the experience and advice other tourists, for instance.

So, it is expected that:

- H5. E-satisfaction will have an impact on e-WOM activity.

Perceived Value of the Hotel (Moderator)

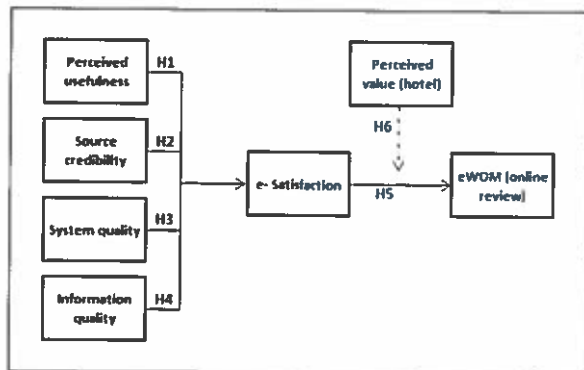
Perceived value has an influence on WOM, and it has been addressed as a predictor of and has a correlation with the WOM activity, especially in the service context (Matos & Rossi, 2008).

The real value, or the post-purchase perceived value, arises after the consumption of the product (Sánchez, Callarisa, Rodríguez & Moliner, 2006). So, tourists will compare the information gathered with their own experience at the destination in order to see if the expectations were achieved (Seabra, Abrantes & Lages, 2007). Thereby, when a hotel exceeds the customers' expectations, it is likely that they feel motivated to share their own positive experience with other

tourists. The online environment can also be ideal for customer revenge (Park, Lehto & Park, 2008).

Therefore, the perceived value of the hotel may influence the tendency to leave comments on the web. In fact, the hotel is the product sold by an online booking agency. Therefore, in our model (Fig. 1), arises as a moderator variable.

Figure 1 – Research model



So:

- H6. The perceived value of the hotel will mediate the effect of e-satisfaction on e-WOM activity.

Methods and Materials

Polites and their peers addressed the e-satisfaction concept as "overall satisfaction with an e-vendor's website" (Polites et al., 2012, p. 2). The research model proposed follows a similar approach, i.e., a website based approach, in the context of online hotel reservations.

Beyond highlighting the online reviews as a reliable and important source of information for travelers, with possible implications in their booking decisions, this research has other important objectives. First of all, we would like to test some e-satisfaction antecedents, and understand which ones exert more influence: the website characteristics or the online reviews usefulness and credibility. Second, we will test if the degree of satisfaction regarding the website influences the posters, i.e., those tourists who post comments on different websites regarding their own experiences. Finally, we also would like to test if the perceived value of the hotel may mediate this relationship, or, if not, understand their role in this process.

Conclusions and Implications

The extraordinary growth in the E-WOM phenomenon is an indicator of the perceived usefulness, credibility and independence of the tourist's opinions transmitted on-line, compared to traditional tourist information sources. The diversity of research in the last decade highlights the

increasing importance of these issues for researchers in different contexts and perspectives. However, "a comprehensive WOM model that incorporates antecedents of satisfaction has not been extensively explored" (Ha & Im, 2012, p. 83).

The research model proposed incorporates antecedents of e-satisfaction and implications of e-satisfaction on the e-WOM activity, using a website based approach in the context of online hotel reservations. The model additionally considers the moderating effect of perceived value of the hotel that has been booked on-line and experienced in reality. We expect that the model proposed might contribute to better explain this important phenomenon.

The online travel market is of considerable size, and continuing growth is predicted over the coming years (Fesenmaier & Cook, 2009), so new avenues and opportunities may arise for research.

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