A literature review of Electronic word of mouth in Bed and breakfast Industry in India

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Introduction

Technology and the internet have helped in the easy migration of advertisements from the traditional billboard to the digital ads, which ultimately exposed the consumer to a large number of advertisements. This transformation brought more opportunities to the consumers, as they were exposed to a large amount of information about different services in a short span of time, while on the other hand this huge information made it difficult for them to plan their purchases easily. This incapability of not being able to make good decisions provoked them to look for information online in the form of online recommendations or electronic word of mouth (eWOM) (Arndt, 1967).

Both the forms of word of mouth ie traditional WOM and newer electronic WOM, are looked into by the researchers, wherein, they have studied the impact of EWOM on buyers and their judgement of a product or a service (Bone, 1995; Engel et al., 1969; Feldman and Lynch, 1988) and the influencing role of ewom in the case of purchase intentions (Brown and Reingen, 1987; Herr et al., 1991). Consumers have huge dependency upon eWOM when they are in the process of buying new services/products (Arndt, 1967; Richins, 1983).

When a consumer is in the process of buying any new product or service, they always look for information about it in online space, in the form of suggestion or product/service reviews, in order to reduce the risk associated with it, which is mostly about buying an incorrect product or a wrong service and be more confident about their purchase decision (Pitta and Fowler, 2005). The importance and popularity of EWOM has successfully placed it in the list of marketing instruments that has high impact when it comes to influencing consumers (Bickart and Schindler, 2001; Kumar and Benbasat, 2006; Zhang et al., 2010).

With all these studies that are conducted in the academic and industry, it is seen that EWOM is turning out to be a very powerful tool for marketing, which is motivating even more researchers to look at it from different lenses (Chevalier, 2006). Currently, the researchers conducted in the field of EWOM are fragmented, which makes it difficult to draw any useful conclusions from it. To add, scholars have studied the impact of EWOM on other industries like retail industry, but none so far have studied the impact of EWOM on the B&B industry.
Online reviews are a burning topic not only in retail industry, but also in the tourism industry because hotels and B&B’s are adopting digitalization and post this consumers need more information on the type of experience which will be provided to the buyers, which they can have from reviews from other consumers (Gretzel, 2006). These prominent changes in the digital world have made it necessary for conducting research in this area, which explains these new episodes in detail and accordingly create and apply appropriate digital marketing strategies in order to capitalize on these changes.

Overview and Study Background

Hospitality is explained as an affectionate, kind and offering reception, in which the host amuses guests in a fun and relaxing way that rejuvenates the guests. Indians are known for their kind hospitality worldwide- aphorisms like “Atithi Devo Bhava”- commenced in India. This rich hospitality history of India has portrayed it as leading countries in the hospitality and tourism sector (Raghubalari & Smritee Raghubalan, 2010). Accommodation is considered to be the backbone of the tourism sector. Without an accommodation that matches the requirement of the customers, it is almost impossible to grow tourism (David Carr, 2011).

Hospitality industry can be further branched into event planning, lodging, theme-based parks, transportation, restaurants, cruise lines, and more. In addition to this, India is worldwide famous for spiritual tourism too. Hospitality industry has many subunits under its umbrella, like food servers, bartenders, housekeeping and more. As this sector is more diversified and if it is to be conducted on a large scale then proper management needs to be done in terms of marketing and human resources.

In Indian economy, the Hospitality industry is a large division under service industry which has high contribution towards the foreign exchange earnings. It’s direct contribution to GDP for the time frame 2013-2023 is believed to grow 7.8 per cent per annum. Hospitality industry in India had a market size of US$ 117.7 billion in 2011 and is predicted to be US$ 418.9 billion by 2022 (Hospitality insights, 2012).

Accommodation is an elementary factor in tourism. The category, size and essence of accommodation decide about the profit from tourism (Henning & Willems, 1999; Nuntsu, Tassiopoulos & Haydam, 2002). Accommodation for tourists refers to conventional hotels and alternative accommodations like bed and breakfast rooms, service apartments and commercial homes that provide paid stays to the tourists for short-term. A differentiating feature here is the local touch which is provided by the alternative accommodation.

Bed and Breakfast is a shared economy (Kenney & Zysman, 2016; Eckhardt & Bardhi, 2015), that makes use of the smartphone or web application for providing an on-demand mutual access to a large network of users about the products and services (Bardhi & Eckhardt, 2012 ). Statistics Canada (2017) estimated that between November 2015 and October 2016, 2.7 million adults engaged in the Sharing economy and had invested $1.31 billion. Some of the examples of sharing economy which consumers are using are Uber, Airbnb (Zervas, Proserpio, & Byers, 2016). Bed and Breakfast is growing and has generated instability for other similar sectors like hotel industries and is said to have a lasting effect on their work (Allen & Berg, 2014) by creating a new type of work (Sundararajan, 2013)
In the Indian context, given the Destination Marketing Organization's push to promote Bed & Breakfast and Homestay accommodations, this section is practically unexplored in terms of scientific study. This is a stimulus for carrying out this study. Many researchers have studied the motivational aspects and explained the reasons why tourists choose alternative accommodations.

India is on its way to becoming one of B&B's key revenue generators, as almost one million Indians have traveled globally to B&B. In about 10 years, India is projected to be one of the largest B&B markets in the world, with an approximate demand of 230 million urban Indian millennials seeking fresh and exciting ways to travel (Economic Times, 2017).

Guttentag (2015) identified B&B as an innovation that has caused a great deal of disruption to the hotel and tourism industries, and as the industry is rising, it has become more important to research the weaknesses and strengths of B&B, especially from the point of view of consumers, but none of these studies have been carried out empirically so far.

In addition to this B&B, it is often known as a replacement for hotels and various other forms of accommodation. Recent work conducted in answering these questions has often only explored the supply-side viewpoint (Neeser, 2015; Zervas, Proserpio, & Byers, 2015b). Morgan Stanley's report (Nowak et al., 2015) was the only study that focused on sharing the demand-side analysis received.

**Electronic word of mouth and hospitality industry**

EWOM is considered a very strong and highly reliable means of communication (Harrison-Walker, 2001). The WOM Outcome highlights not only the person who shares it, but also the person who receives it (Sweeney et al., 2012). It, in effect, also makes it very interesting to consider the factors that lead in the successful production of a ewom. In today's world, both positive and negative EWOMs are considered important, strategically, and one of the reasons why they are important and value-added is because they are related to customer frustration and satisfaction (Anderson, 1998; de Matos and Rossi, 2008).

Electronic word of mouth plays a very important role in the hospitality industry, as visitors use Web 2.0 today to get all the information, they need about tourist destinations and accommodation and to share their experiences online (Munar, 2010). Another explanation why EWOM is becoming increasingly relevant is that hospitality facilities are intangible and therefore travelers seek to get the most detail before booking a B&B or any other lodge (Cox et al., 2009). EWOM is especially important for travelers in the planning (Saranow, 2004) and final purchase phases.

The Internet has opened information doors for travelers, and this seems to be a matter of concern to the hospitality industry (Ye, Law & Bin, 2009; Burgess et al., 2009). Online branding cannot be regulated by corporations, and prospective and current customers are constantly engaging (Munar, 2010). This means that people running bed and breakfast services should gather all the EWOMs they have found about their listing and use it constructively in order to improve consumer satisfaction through the improvement of services and the resolution of online issues (Litvin et al., 2008).
Bed and breakfast industry and Online Review Websites

Bed and Breakfast (B&Bs) are small, unique and highly individualized places with limited customization that have gained popularity among guests who do not choose to stay in traditional hotels (Lituchy & Rail, 2000; Lee, Reynolds & Kennon, 2003). B&B accommodations are said to contribute to the overall diversity of tourism and are also popular for offering a warm and comfortable environment to the guests.

The property and the experience to be given in detail must be defined on the B&B website. It's becoming relevant because people who view your listing online don't know what to expect, giving a major advantage to chain hotels with a strong brand identity (Kline et al., 2004). Previous research has shown that Word-of-Mouth is a highly effective marketing strategy for B&B. In the B&B, it is important for owners or business managers to ensure that services of consistently high quality are given for positive reviews from guests. B&B owners should offer quality service for the first time because they do not have a second chance to please their guests; this offers hotels the ability to use their marketing strategy to shield themselves from negative reviews from customers (Kaufman & Weaver, 1998).

With its 450 million Internet users, India is the second largest digital market after China and is projected to undergo a digital metamorphosis in the coming years. 59% of the country's population is expected to have access to the Internet and an additional 2 billion gadgets are expected to be connected to the network by 2021 (KPMG’s India Trends 2018: Trends Shaping Digital India). The Internet has a significant change in consumer behavior from physical buying behavior to online purchasing behavior (Willemsen, 2013; Qiu et al., 2012; Van Noort and Willemsen, 2012).

Marketing is a critical feature for B&Bs and is overlooked much of the time. But as travel is evolving and people choose to book online, owners can accept emerging technologies and use them to promote and advertise themselves online (Huang, 2008). Websites listing B&B services while promoting their businesses should provide a clear description of the property in detail, along with the experiences to be provided. This is becoming particularly relevant in the case of intangible facilities where visitors do not know what to expect (Kline et al., 2004).

Online reviews are gaining value not only in the retail sector, but also in the tourism sector, as when it comes to making an online booking for a small property, there is a high chance that the traveler will be able to read online reviews on other websites, Gretzel (2006). Travelers use the internet to schedule their journeys.

In view of the recent growth of B&B, service research is, of course, very small, although it is increasingly attracting the attention of researchers in tourism and other fields. Most of the work available today was published mostly during this period. Much of the B&B work has been conducted by industry bodies, and not much has been conducted by academics. Such apparent changes in the digital environment necessitated the need for research in this field to understand such new episodes and to establish and apply relevant digital marketing strategies to capitalize on these changes.

Nowadays, there is a situation in which consumers do not trust organizations and advertisements that these companies describe how good their product or service is. While the traditional form of
marketing is low, WOM appears to have a competitive advantage (McDonnell, 2005). However, very little work has been done on this important topic. Electronic word of mouth is considered to be very significant and has been recognized by many researchers as a highly efficient form of communication (Derbaix and Vanhamme, 2003). Electronic Word of the Mouth is a means by which the sender's personal influence is used to change the behavior or attitude of the receiver (Merton, 1968).

Influencing opinions through the use of EWOM in communication has been recognized by many researchers, thus highlighting the need for opinion leaders (Katz and Lazarsfeld, 1955). The ability of people to convince others to take specific action or to influence their opinions is seen to be of interest to companies seeking to market their products / services (Rogers, 1995). The use of the power of EWOM as a promotional tool is considered to be helpful and has been proven in many studies (e.g. Arndt, 1967; Buttle, 1998; Dye, 2000).

The goal here is not only to establish or ensure that there is a positive EWOM around the product / service, but also to offer equal importance to the reactions of the receivers or how the receiver reacts to the content created by the consumer. Merton's (1968) supports the conceptualization of EWOM, but there are a range of studies that concentrate only on producing user-generated content (e.g. Harrison-Walker, 2001; Brown et al., 2005). The factors that have a prominent role to play in enhancing the possibility of a consumer acting on the advice of the sender and eventually changing the perception of consumers remain less studied and more specifically in the case of the Bed and Breakfast industry. A thorough understanding of the factors affecting the acceptance of EWOM will also allow marketers to understand how best they can use the power of EWOM as a marketing tool (Wilson, 1991).

Most of the previous studies have focused mainly on understanding the method of producing user-generated content, and very little work has been done to understand the effects of EWOM (Charlett et al., 1995; Bansal and Voyer, 2000). Research on EWOM, and specifically in the Bed and Breakfast industry, is much less and more precisely less in the Indian context. The present study therefore works on recognizing the effect of EWOM on buying decisions in the Bed and Breakfast industry.

**Electronic Word-of-Mouth (eWOM)**

The power of influence created by word-of-mouth communication has been established and well recognized in consumer literature (Arndt (1967), Herr (1991), King (1970)). Previous studies have shown that consumers view word of mouth as highly credible and convincing in nature than mainstream media, such as print advertising, radio, TV advertisements and more.

This convincing impact on the purchasing intention by WOM has been further strengthened with the development of the Internet, as this eWOM contact has contributed to a range of additional virtual frameworks. Consumers use the internet to post their opinions or reviews on different products on blogs (e.g. xanga.com), forums (e.g. zapak.com), review-based websites (e.g. Epinions.com), newsgroups, and social partners (Cheung, 2012). Growing technology and the internet have given rise to a new type of global communication that marketing scholars and industry experts call "Electronic World-of-Mouth (eWOM)" which can be described as a "informal
method of communication between people in relation to a brand, a product / service or a business" (Harrison-Walker, 2001, p. 63).

Communication is one of the core elements of human behavior. Individuals exchange a considerable amount of information daily, meeting face to face for a cup of coffee, talking on the phone, exchanging emails, or chatting via social media channels. Because ewom originates from individuals rather than corporations, it provides a more reliable source of consumer product-related knowledge than TV, print or internet ads (Nielsen, 2013). This can be due to the higher perceived legitimacy and persuasiveness of consumer-generated versus corporate-initiated communication (Lopez and Sicilia, 2014). EWOM is a valuable source of product knowledge, with more than 61% of customers reporting online reviews prior to purchasing decisions (Charlton, 2015).

The application of information technology to the hospitality industry has resulted in a major shift in the hospitality industry, with the transition from paper-based hotel guest books to web-based reviews and the look and feel of many review websites (Susskind, 2005). As a result, guests prefer to write and post reviews on either official hotel websites or hotel review websites by turning conventional Word-of-Mouth into electronic Word-of-Mouth (Litvin, Goldsmith, & Pan, 2008).

As explained in the previous section, there are several online channels where eWOM can be shared and this is already being studied by academics. Some of the ewom studies are performed on the basis of various digital channels (Hennig-Thurau et al., 2004; Cheung and Lee, 2012) such as shopping websites (Erkan and Evans, 2016b), blogs (Shin, Song and Biswas, 2014) and social networking sites. Recently, work by Hennig-Thurau, Wiertz and Feldhaus (2015) has clarified the growing form of eWOM ie microblogging of WOM. Whereas Luarn, Yang and Chiu (2015) have studied ewom on social media platforms.

Many additional elements of eWOM can be studied based on the type of platform that is being shared, such as studying eWOM on platforms like Facebook and Twitter. Wolny and Mueller (2014, p. 565) added to eWOM's academic literature by discussing that, in addition to traditional text-based reviews, eWOM may also include a 'non-textual format. For example: like a product or brand on Facebook, or tweet on Twitter. Hoffman and Daugherty (2014) added to this knowledge by noting that ewom can include not only text but also graphics / images.

Many aspects of EWOM has been studied like there has been researches where only a single component of ewom is studied. Apart from this a group of researchers studied the eWOM intentions (Cheung and Lee, 2012; Lee, Kim and Kim, 2012; Strizhakova, Tsarenko and Ruth, 2012; Okazaki, Rubio and Campo, 2013; Yang, 2013; Jin and Phua, 2014), EWOM involvement (Wolny and Mueller, 2013). A few researches based on the effectiveness of eWOM ie the effect of positive / negative ewom (Tsao and Hsieh, 2012). Several scholars addressed the various elements of eWOM (Chu and Choi, 2011; Chu and Kim, 2011; Abrantes et al., 2013). Abrantes et al. (2013) analyzed the strength of relationships, i.e. weak or strong links between individuals participating in eWOM and others in social networking sites.

Apart from researching the dimensionality of eWOM, there are several other researchers who have evaluated the relationship between eWOM and other constructs (Reichelt, Sievert and Jacob, 2014; Erkan and Evans, 2016a; Hsu, Chih and Liou, 2016), such as the relationship between the credibility of eWOM and the acceptence of eWOM (Hsu, Chih and Liou, 2016); features of eWOM
information for example: credibility, quality and attitude towards information (Erkan and Evans, 2016a). There are also research on the attitude of the recipient towards eWOM and the incentive to use eWOM media or research such as ewom reputation, incentive to read ewom (Reichelt, Sievert and Jacob, 2014).

The buying preferences and actions of customers can be influenced by the sort of feedback they read. There are several studies in social psychology that describe actions and intentional relationships, since purchasing intention is also a general construction of intention (Morwitz, 2014). Purchase intentions are very relevant for marketing managers and there are several studies that have used these purchase intentions to forecast future sales of their goods (Morwitz, 2012). Purchase purpose is based on customer perception, quality evaluation and multiple external influences (Fishbein & Ajzen, 1975). Purchase purpose helps to understand whether or not a customer buys a commodity (Hsinkuang et al., 2011). Buy intention is an indication that consumers can behave on the basis of their expectations, the experience they wish to have, alternative evaluation and ultimately determine whether or not to buy a specific service / product (Dodds et al., 1991).

Another important outcome of these studies was that EWOM is considered to be highly reliable and therefore considered to be more effective than other forms of communication (Jalilvand and Samiei, 2012). Despite the fact that EWOM has received more attention from marketers and academic researchers, it has never been seen as a mainstream theme for marketing research. The growth of the Internet has increased the word-of-mouth conversation to a large extent, and the strength of the eWOM has increased at a very rapid rate, as a result of which EWOM is becoming a very popular topic in marketing and consumer research in particular.

Online networks such as forums are seen as an important source of customer knowledge (Dellarocas, 2006). There are also many other sources for reviewing products and services such as company websites, online advertisements, but the forums are seen to have improved credibility and relevance (Bickert and Schindler, 2001). Dellarocas (2006) found in his research that there are some manipulations that are performed online in ways where people will anonymously post reviews of a particular product and often exchange negative reviews with others.

There is much research that has shown that online reviews not only affect purchasing decisions but also have a direct effect on the selling of goods. Most of the studies discussed above have empirically studied the market outcomes that are considered to be the direct result of eWOM, ie Success is attributed to the volume of reviews, the value of the eWOM, or in some cases both. Previous research (Dellarocas et al., 2003) provided a range of evidence that the overall volume of feedback or EWOMs had a critical impact on the sales of the product or service. In the same way, Dellarocas et al. (2003) also found in his study that the total volume or total number of comments had been written in the digital platform helps in predicting box office revenue. In their qualitative study (2005), Boush and Kahle, 2005, pointed out that an online analysis spread through multiple channels gives businesses the ability to respond directly to their customers.

Consumers now spend time reading online digital reviews (eWOMs) before making any purchase-related decisions. Previous studies have concluded that there are certain factors that result in the overall acceptance of EWOM (Okazaki, 2009). With the growth of internet and media platforms, people are now receiving more options for sharing their reviews online, as it can be seen that
consumers share their reviews and recommendations on different blogs, forums, social networking websites and even on corporate websites. With Web 2.0, different social networking sites have become a popular platform for consumers to share feedback (Kozinets, 2010).

EWOM also seems to have an important role to play in customer decision-making (Lopez and Sicilia, 2014). EWOM can have an effect on online (Erkan and Evans, 2016b) and offline purchase intentions (Baker, Donthu and Kumar, 2016; Erkan and Evans, 2016a) and actions (Cheung and Thadani, 2012) as well as hotel room intentions (Sparks and Browning, 2011; Ladhari and Michaud, 2015). EWOM may also have an impact on individual trust (Lim et al., 2006; Sparks and Browning, 2011; Ladhari and Michaud, 2015), brand or company loyalty (Gauri, Bhatnagar and Rao, 2008; Garnefeld, Helm and Eggert, 2011). While there is a considerable list of potential eWOM studies, there is very limited understanding of the effect of eWOM on purchasing intentions in the case of B&B Industry.

CONCLUSION

This paper has reviewed the literature with a view to providing a clearer understanding of EWOM in the context of purchase intention, specifically in the case of B&B industries. To this end, the review found that, in keeping with numerous studies, EWOM is a reliable source of information for consumers and has high potential for influencing consumer behavior. The B & B industry is an old concept, but it gained importance recently, and because this concept recently got popular, there are no empirical studies which are conducted on it. The review of the theoretical framework also revealed a gap in the literature on EWOM influence in B&B industry and how this ultimately affects the end consumer. In the field of tourism, eWOM is considered the most influential pre purchase source of travel information (Sotiriadis and Van Zyl, 2013) and all the review of literature suggests that more research should be conducted in this new field, studying the impact of EWOM on purchase decision in B&B industry.

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