Examination of a Word-of-mouth (WOM) Communication Process of Restaurant Consumers: Application of Critical Incident Technique

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Abstract

Given the widespread use of Word-of-mouth in the restaurant industry, how customers send and respond to WOM is an interesting issue for both marketing researchers and practitioners. The purpose of the study is to conceptualize Word-Of-Mouth (WOM) communication process of restaurant consumers. The objectives of the study are five folds: 1. To identify triggers and motivators of WOM sending; 2. To determine antecedents of WOM sending; 3. To investigate the conditions of WOM sending; 4. To identify central phenomena of WOM sending; 5. To examine results of WOM from a sender’s perspective.

The Critical Incident Technique (CIT) was applied to consumers who had experienced WOM sending. As a result of analyzing WOM activity by CIT, WOM were generated by specific motivators and triggers under particular conditions, only given specific antecedent such as customer satisfaction/dissatisfaction and restaurant’s differentiation factors. In addition, the generated WOM messages were identified as two facets: ‘Message Contents’ (core properties, multiple properties) and ‘Message Valence’ (positive, neutral, negative). To better understand consumers’ behavior, the study examined consumers’ responses to WOM. The results revealed that consumers changed their attitudes and thus increased visit intentions of the restaurant due to WOM. The findings can provide the restaurant industry with concrete measures as a basis for applying WOM to a competitive strategy of a company.

Key words: WOM, Motivators, Triggers, Antecedents, Message, Valence, Critical Incident Technique

I. Introduction

In highly competitive environment, Word-of-mouth (WOM) becomes one of the most effective methods in attracting customers to operations (Mazzarol et al., 2007). WOM has a power to voluntarily transfer customer’s experience to a number of people consecutively, instead of being confined to one’s experience. Since hospitality service product is intangible and purchasing hospitality services is highly risky prior to experiencing it, an influence of reference group plays an important role in others’ decision on purchases (Lewis & Chambers, 2000). Herein, WOM takes one of the most essential parts in promotion rather than advertising in the restaurant industry.

Numerous research addresses the relationship between WOM and decision on visiting specific restaurants (East, 1997; Jung & Kim, 2009; Longart, 2010). By applying Theory of Reasoned Action proposed by Ajzen and Fishbein (1977), East (1997) demonstrated that an intention to choose a certain restaurant has been increased after informants provide positive recommendations about the restaurant. Triggered by a publication of ‘Personal Influence’ by Katz & Lazarsfeld’s (1955), many research about WOM have been conducted. Particularly, marketing scholars focused on investigating the relationship between customer satisfaction and WOM, considering WOM as one of consumers’ post purchase actions (Lee et al., 2003). Likewise, most of previous research dealt WOM related to
restaurants with an outcome variable of service quality, customer satisfaction, service recovery, or reward program (Kim & Shin, 2000; Lee & Choi, 2002; Han, 2004).

However, while various previous research commonly discussed WOM as a stable and continuous phenomenon, some scholars noted that WOM has been induced not only from customer’s dispositional attributions but also from various situational factors in specific time and place (Belk, 1971; Summers, 1971). Mazzarol et al. (2007) explored WOM motivators and various factors boosting WOM, asserting that specific conditions and stimuli should be given to convert customer satisfaction into WOM. This study expanded the area of WOM research which has been limited to the impact of WOM on consumer behaviors and suggested WOM as a promotional tool for marketing practitioners in the restaurant businesses to adopt.

This research attempted to conceptualize Word-Of-Mouth (WOM) communication process of restaurant consumers. WOM exert a powerful influence on consumers’ purchase behavior especially in the presence of experience goods such as hospitality service (Murray, 1991). As the Internet and information technologies have provided extensive opportunities for consumers to share their evaluations of products online, WOM has long been recognized as an important external source of information for restaurant selections (Litvin et al., 2004). These WOM activities are intervened by various situational factors. Therefore, WOM of restaurant customers should be managed within the framework of a process. Despite of its importance, the process of WOM communication has been overlooked. Due to the absence of a literature concerned with WOM communication within a process, it is appropriate to apply an exploratory and qualitative methodology. The study contributes to the body of knowledge on the WOM research by offering effective use of WOM for marketing communications in restaurant businesses, while existing literature deals with WOM as outcome variable only.

II. Literature Review

1. Word-of-mouth in the restaurant industry

Research on WOM can be categorized into intentions, types, contents, effects, influence factors, ranges and limitations of WOM. Among them, most of previous studies compared relative impacts of WOM on others’ purchases with other types of information sources such as an advertisement to reveal influence and importance of WOM (Arndt, 1967; Kim & Hwang, 1995; Ryu, 2004).

Recent studies try to disclose a mechanism of an influence of WOM and its boundary conditions (Brown & Reingen, 1987; Brown et al., 2007; Park, 2009). Particularly, they deal with mediating or moderating roles of WOM in decision making process (Lucznick et al., 2001). In other words, various WOM communication research concentrated on examining direct or indirect factors which may influence the effect of WOM on consumers’ behaviors. Meanwhile, Longart (2010) argued that positive WOM resulted from intangible aspects of restaurants, such as satisfaction with food quality or uniqueness of restaurants. He also suggested that offering unexpected free menus can be a ‘surprise’ factor which induces positive WOM.

However, factors affecting the responses from receivers of WOM should be considered along with the factors influencing WOM senders. From a receiver’s point of view, one of the factors that enhance an effect of WOM is a perceived value of information and credibility of both information and informants. In addition, characteristics and valences of messages are found to have an influence on the effects of WOM (Richins & Root-Shaffer, 1987). Messages including product-related information, personal experience and recommendation are noted to influence perception formation and decision making of WOM receivers. (Sung et al., 2001; Lee, 2004). Negative messages are more powerful than positive ones especially in determining a purchase decision (Kim et al., 2006). On the other hand, other researchers claim that neutral messages are also effective in credibility and change of attitudes toward information sources (Bickart & Schindler, 2005). While WOM