

Chapter 2

How Do Online Reviews Affect Business Travelers' Accommodation Choices? The Application of Theory of Reasoned Action (TRA)

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ABSTRACT

This research focused on parameters of online reviews that affect business travelers' attitude and subjective norm on intention to purchase. The sub-constructs of attitude include: the quality of offered service, the value of money, hotel business facility, hotel security, food and beverage, and service recovery. Panel database, which was provided by Qualtrics, was used to examine the hypotheses of this study. Data was collected from 275 business travelers who stayed at a hotel in the last six months and read e-comments in advance of the purchase. Results of hypotheses testing indicated that quality of offered service, the value of money, and subjective norm have a positive effect on business travelers' intention to purchase. The findings of this research can help both hoteliers and online-review website operators. Since business travelers are considered an important target market in the hotel industry, hoteliers need to put more emphasis on these factors to attract more business travelers.

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INTRODUCTION

Hospitality customers use and evaluate the service experience prior to paying for it (Susskind, 2005). Additionally, service industry customers can share their experiences through the Internet to help potential consumers make more informed choices (Buhalis & Law, 2008). Travel website comments are used by hoteliers and travelers to measure the level of customer satisfaction with the services and overall quality of customers' lodging experiences. E-comments are a resource which allows hoteliers to understand the causes of customer dissatisfaction. According to Zheng, Youn, and Kincaid (2009), the protection of the profitability of products and services is dependent upon maintaining a high level of consumer satisfaction. This means lodging professionals have to be proactive about monitoring comments and taking action because the Internet has empowered consumers through easily available information (Kotler, Bowen, & Makens, 1999).

As Colgate and Norris (2001) mentioned, service failure is one of the concerns that hospitality and tourism managers have to face everyday. Service failure can occur at any point during the process of the customer's stay. Some of these failures include problems with customers (Bailey, 1994), communication complications (Bolfing, 1989), issues with employees, and equipment or information system failures (Lewis & Clacher, 2001). According to Zeithaml, Parasuraman, and Berry (1990), complaints occur when there is a service failure or when a promise is not met. This means that if there is a difference between a customer's pre-purchase expectation and her or his post-purchase perception of the product or service, then complaints occur. Holloway and Beatty (2003) discussed the importance of addressing customer complaints through organized service recovery programs to preserve customer satisfaction and maintain loyal customers. Successful service providers use this approach because the cost of attracting new customers is five to ten times higher than retaining existing customers (Shea, Enghagen, & Khullar, 2005). Au, Law, and Buhalis (2010) pointed to the importance of both negative and positive comments in helping hoteliers understand their strengths and weaknesses. In this regard, electronic comments (e-comments) made by previous guests are an important resource (Harrison-Walker, 2001). A personal experience posted on any website can be accessed by millions of users around the world instantly and can affect a company's reputation in both negative and positive ways. Despite the growing amount of e-comments from hotel customers, there is still a lack of comprehensive research in this area (Harrison-Walker, 2001).

In addition, since word of mouth (WOM) can also influence customers' information searches and their buying decisions (Brown, Broderick, & Lee, 2007), a majority of customers prefer to rely on WOM as a fast and objective source of information (Litvin, Goldsmith, & Pan, 2008). Although in recent years many studies have focused on guest satisfaction and service quality in the hospitality industry, very few have focused on guest e-comments. The goal of this research is to examine the influence of e-comments read by business travelers when selecting a full-service hotel for business travel.

LITERATURE REVIEW

Theoretical Framework (Theory of Reasoned Action)

In order to understand, explain, and predict human behavior, Fishbein and Ajzen (1975) developed an organized theoretical framework. According to this theoretical framework, people base reasonable decisions on the available information. Fishbein and Ajzen (1975) called this the Theory of Reasoned

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