

E-WOM'S INFLUENCE ON THE TOURISM INDUSTRY: A COMPARATIVE CYCLOPS STUDY

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ABSTRACT

In the digital age, electronic word of mouth is becoming more and more common. Customer reviews placed on easily available websites, blogs, and other platforms are the first thing that everyone or any organization takes into consideration. This influences how visitors feel about selecting a particular area or tourism destination. This indicates how e-WOM is positively influencing customer purchase decisions in the travel and tourism sector. To look into how word-of-mouth marketing through electronic media affects tourists. Additionally, it aims to demonstrate the importance of e-WOM in promoting travel destinations and increase consumer knowledge of e-WOM as a tool for purchasing. The Chandigarh region served as the study's site. Information regarding Chandigarh's tourism and hospitality industry was gathered from consumer and service provider surveys and interviews. 71% of consumers prefer travel websites when selecting a trip or tour, and 61% of consumers think that the reviews they have read online accurately reflect their real experiences. These findings clearly show the importance and acceptance of digital word-of-mouth in the decision-making process. Additionally, 60% of service providers think it's a very good way to expand their business. According to the study, Chandigarh tourists' judgments about which services to use are heavily influenced by word-of-mouth through electronic media. It also found that service providers that take internet reviews seriously are also greatly influenced by these recommendations.

Key Words: Tourism, e-WOM, Reviews, Consumer, Purchase decisions

INTRODUCTION

Word-of-mouth advertising has a greater impact on consumer behavior than other forms of advertising, such as personal selling, written and broadcast ads. To compete in the highly competitive tourism and hospitality industry, exceptional marketing skills are crucial (Engel, Blackwell & Kegerrie, 1969). With the development of information technologies such as the Internet, customers are able to enhance their position in relation to enterprises. The Internet is dynamic and user-friendly, allowing people to look up information about items or services they are interested in. As a result, consumers are increasingly inclined to rely on electronic word of mouth for their buying selections.

Chandigarh, located in the scenic Shivalik foothills, covers an area of 114 square kilometers and serves as the capital of the Punjab and Haryana states. It is known internationally for its distinctive architecture and urban design, and has been given the motto "CITY BEAUTIFUL" since it is a rare example of modernization coexisting with environmental preservation. Mr. Nek Chand's creative Rock Garden, as well as the famed Zakir Hussain Rose Garden, Asia's largest of its kind, add to the city's splendor. Every year, a considerable number of foreign tourists visit the Capitol Complex to see its architectural treasures.

According to the article "UT gets maximum footfall in 2013" in the journal *The Pioneer* notably, the city plays an important role in promoting transit tourism in this region because it is positioned on the tourism circuit that includes Delhi, Chandigarh, Shimla, Kullu, and Manali. The city serves as a gateway to Punjab's bountiful land, Haryana's historical battlefields, Himachal Pradesh's majestic hills, and the gorgeous valleys of Jammu and Kashmir. Annually, countless visitors visit here for a variety of reasons, and the number has been steadily increasing till 2014. This is seen in the tourist arrival data shown below:

Table 1: Domestic and Foreign tourists' arrival in Chandigarh

Year	Domestic tourist	Foreign Tourist
2012	9,24,589	34,130
2013	9,36,922	40,124
2014	8,85,597	22,998

Source: Chandigarhtourism.gov.in

Nonetheless, electronic media plays a significant role in the promotion of tourism in Chandigarh. E-word-of-mouth communication, such as online reviews, is gaining traction among tourism marketing managers. In the beginning, consumers seek information online before making a reservation. Whether the reviews are positive or negative, they raise awareness among tourists. This increases the likelihood that travelers will consider making a booking. The Internet plays an enormously valuable role in mediating between tourists and hotel companies by providing a convenient platform for acquiring information.

REVIEW OR LITERATURE

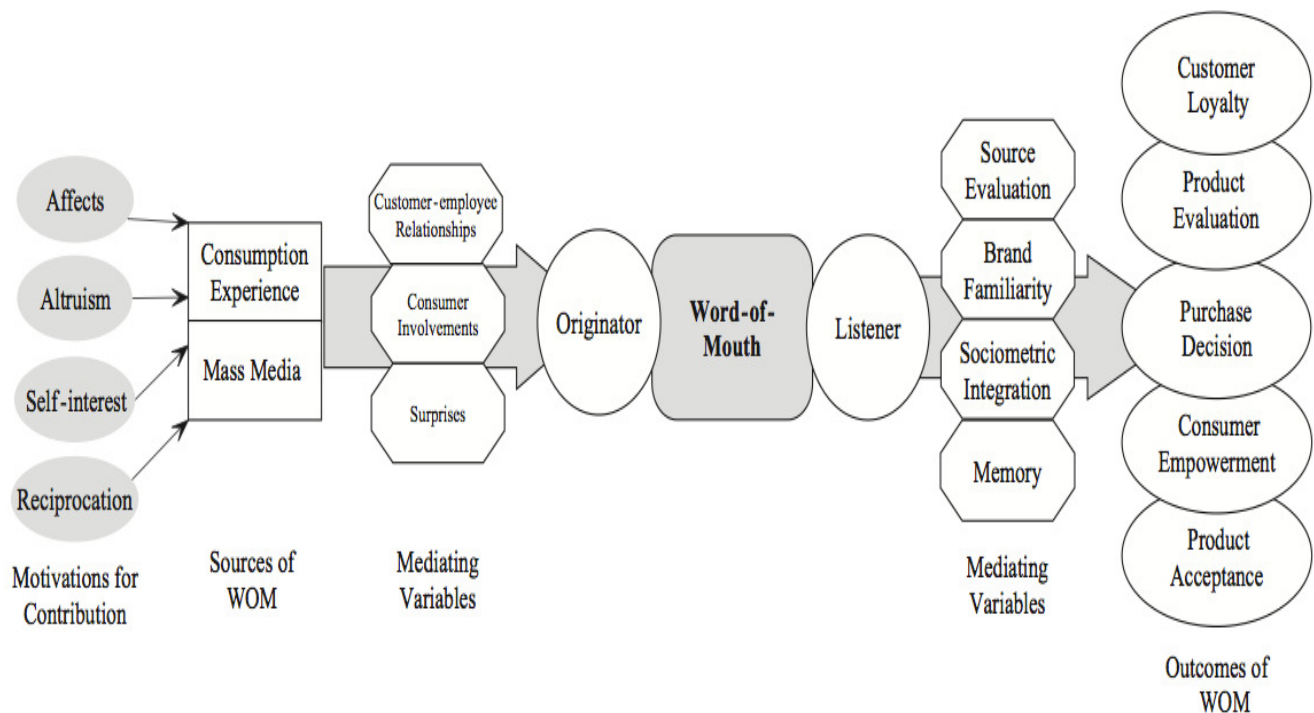
On the Internet, there is a lot of content about entertainment and reviews of items and services including books, restaurants, and hotels. (George & Scerri, 2007). User-generated Content (UGC) is an electronic communication phenomena facilitated by Web 2.0, the second generation of web-based services, that lets users to cooperate and exchange information online. (Cox et al., 2009). Because of the experience character of tourism items for which previous quality cannot be established, WOM and, more recently, e-WOM are heavily depended on by potential tourists to develop pictures. (Gretzel, Yoo & Purifoy, 2007; Pan et al., 2007; Cox et al., 2009)

Morgan, Pritchard, and Piggott's (2003) New Zealand based According to research, inadequate word of mouth (WOM) can have a significant impact on a destination's image, as disgruntled visitors share unpleasant opinions about their experiences. Crick's (2003) Caribbean study similarly warned that when locals display hostile feelings towards tourists, the result is negative WOM and a likely downturn in the industry. O'Neill, Palmer and Charters (2002) studied wine tourism in Australia, and found that visitors' WOM recommendations boost wine sales when vacationing opinion leaders return home and tell others of their experiences; Shanka, Ali-Knight and Pope's (2002) study of destination selection methods found that a majority of Western Australia travel decisions were based upon WOM communications; and Díaz-Martín, Iglesias, Vázquez, and Ruiz (2000) found, in their study of Spanish tourists, that while positive WOM increases expectations, it also makes it that much more difficult to satisfy these expectations, an interesting dichotomy.

Importance of WOM in Tourism Industry

According to an online article of a magazine on the topic “**Impact of Electronic Word of Mouth (e-WOM) on Tourism Industry**” In contrast to expensive and planned marketing communication, word of mouth is seen as an unplanned, non-commercial communication that preferably verifies the other brand messages and is not controlled by the marketer. Furthermore, it is more credible than other sources of brand communications” (Kirsti Lindberg-Repo) Further factors emphasize the significance of interpersonal influence, particularly through word of mouth. First, as intangible items, tourism product offerings can only be appraised after consumption, emphasizing the value of word of mouth. Second, because the tourism business is largely seasonal and perishable, tourist destinations are subject to significant stress. Word of mouth could perhaps alleviate the tension of the off-season. Third, the market is intensely competitive, meaning that promoting word-of-mouth effect may provide an important competitive advantage to early adopters. (Stephen, Ronald, and Bing, 2008). Figure 1 demonstrates the ecology of positive and negative word-of-mouth effects on customer decision-making. The following industry research, along with many other evidences, demonstrate the significance of word-of-mouth throughout:

Figure 1: Positive & Negative Impact of Word of mouth on Tourism Industry

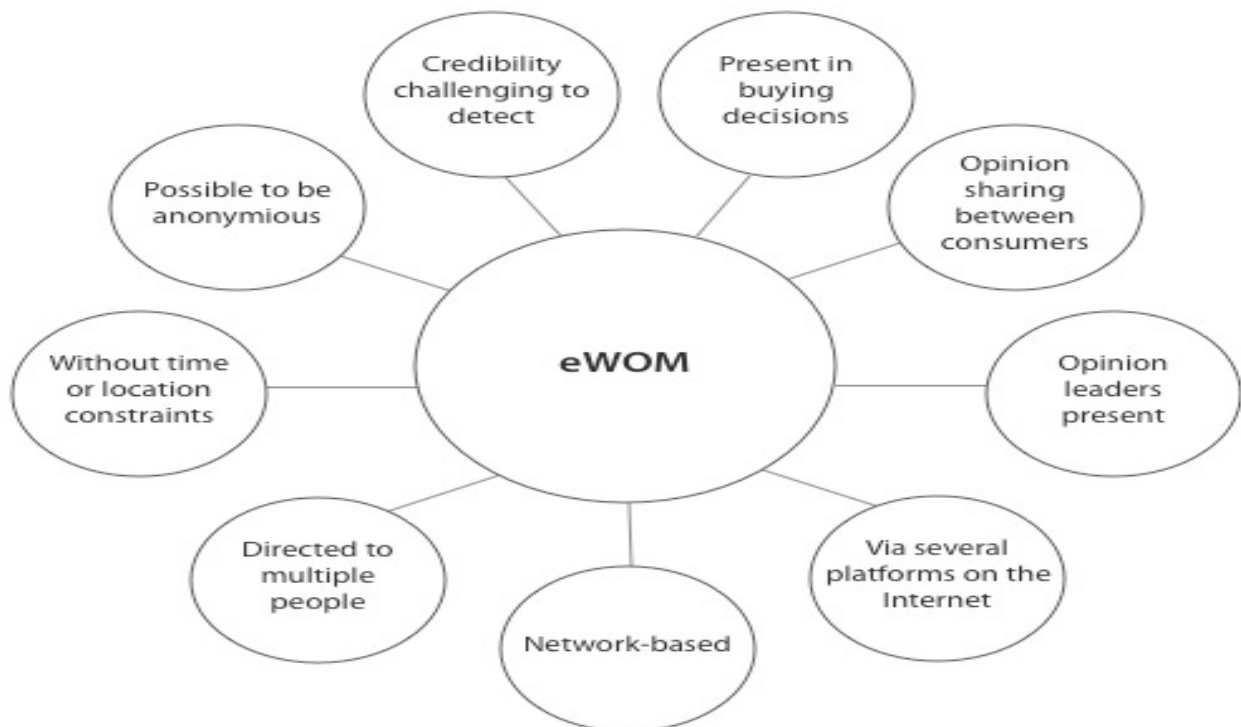


Elements Defining Electronic Word Of Mouth

Goldsmith and Horowitz (2006) emphasize the significance of the e-WOM research as an extension of traditional face-to-face communication. Breazeale (2009) takes it farther and recognizes that the Internet has totally altered the entire definition of word of mouth. A selection of journal articles is used to investigate what electronic word-of-mouth really is. As an example, this literature review adopts the sample collection method of Breazeale (2009).

Based on this investigation, nine key components of e-WOM communication can be determined. Electronic word-of-mouth is the sharing of customer opinions about their experiences (1), and opinion leaders play an important part in the information sharing process (2). The engagement takes place over the Internet/online using various platforms (3), is network-based (4), and is directed at many persons (5). Electronic word-of-mouth is interaction that is time and location independent (6) and can be anonymous (7). Because of the online environment, users may face credibility concerns (8). Nonetheless, electronic word-of-mouth is becoming increasingly important in consumer decision-making (9). The next section delves more into these nine e-WOM aspects. Figure 2 depicts the various elements of e-WOM in a diagrammatic representation.

Fig 2. Elements of e-WOM



One of the most common examples of e-WOM is the website tripadvisor.com, which is the largest site for unbiased travel reviews and provides actual stories about hotels, attractions, and restaurants across the world. Real travelers update the unbiased evaluations 24/7.

The following extracts demonstrate that e-WOM is a very useful tool for marketing in the hospitality business, as well as for tourists/consumers when making purchasing selections. The study focuses on the following objectives.

- Examine how electronic word-of-mouth affects travelers.
- Analyze the influence of electronic media, including electronic word of mouth, on consumers.
- Explore the role of e-WOM in promoting tourist destinations.
- Assess awareness of e-WOM as a purchasing instrument.

METHODOLOGY

For the study, a qualitative research design was used. It comprised of two different questionnaires: one for tourists or customers and the other for tourism and hospitality service providers to determine their awareness and extent of e-WOM usage. The random sampling method was used to collect questionnaire responses from both domestic and overseas tourists. They were available at several famous tourist spots and retail arcades in Chandigarh. The questionnaires were completed within one month. A total of 70 questionnaires were issued to tourists, with 50 collected, giving an 85% response rate. A total of ten were rejected due to missing information and errors. Thus, 50 appropriate surveys were obtained from tourists. There was also a different questionnaire.

Two semi-structured surveys were created following a thorough examination of the literature. These included nine questions for travelers about the amount of their use and understanding of e-WOM, as well as six questions for tourism operators.

The statistical analysis was carried out with SPSS software and MS Excel. The hypothesis was developed, and the results and conclusions were drawn when it was tested.

RESULT AND DISCUSSION

Hypothesis

We assume the following statements to analyses the case further

Null hypothesis: Ho = There is no significant relationship between EWOM and Impact on Tourists

Alternate Hypothesis: H1= There is significant relationship between both.

Data Analysis

The analysis results suggest that 41% of the sample visits Chandigarh once a month, 16% visits weekly, and 14% visits Chandigarh on a monthly basis. Figure 1 illustrates that 49% of Chandigarh residents travel for pleasure, 19% for education, and 18% for business. We discovered that 71% of respondents prefer to plan their journey through travel websites, 15% prefer blogs, and 6% prefer alternative choices. (Fig 2)

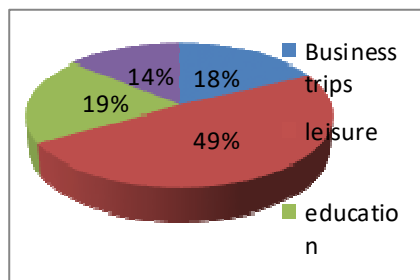


Fig 1

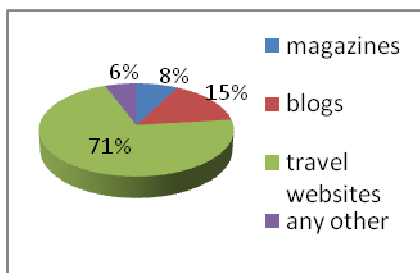


Fig 2

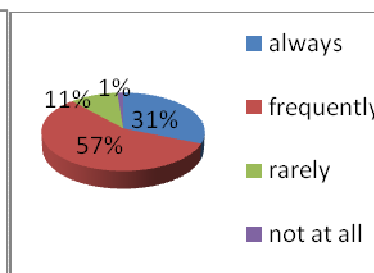


Fig 3

Figure 3 shows that 57% utilize real-time electronic media to make travel and tourism decisions, whereas 31% always use electronic media.

Furthermore, the study of Figure 4 demonstrates that 28% of respondents strongly believe that electronic word of mouth influences their purchasing decisions, whereas 22% neither agree nor disapprove.

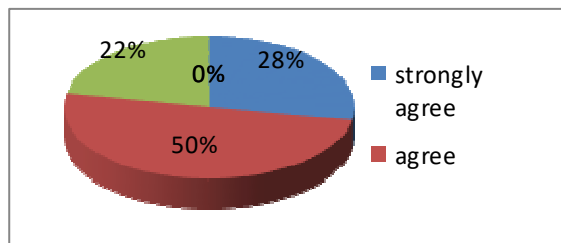


Fig 4

To test this further we applied hypotheses test i.e. Non Parametric Chi-square test to study the relationship between categorical variables.

Frequencies

Statistics

Electronic word of mouth

N	Valid	50
	Missing	2

Electronic word of mouth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly agree	14	26.9	28.0	28.0
	Agree	25	48.1	50.0	78.0
	neutral	11	21.2	22.0	100.0
	Total	50	96.2	100.0	
Missing	System	2	3.8		
Total		52	100.0		

Chi-Square Test

Electronic word of mouth

Impact on tourist	Observed N	Expected N	Residual
strongly agree	14	16.7	-2.7
Agree	25	16.7	8.3
neutral	11	16.7	-5.7
Total	50		

Test Statistics

	Electronic word of mouth
Chi-Square	6.520 ^a
df	2
Asymp. Sig.	.038

The value of $p = .03$ which is less than $.05$ that shows that the test is significant.

Chi square value = 6.520 which is more than 5 so, the test is not considered to be invalid.

Therefore, our **Null hypothesis is rejected and there is significant relationship between E-WOM and impact on tourists.**

According to Figure 5, around 53% of people believe that e-WOM is successful, 27% believe that it is highly effective, and 18% say they are satisfied with it, with 2% finding it utterly unacceptable.

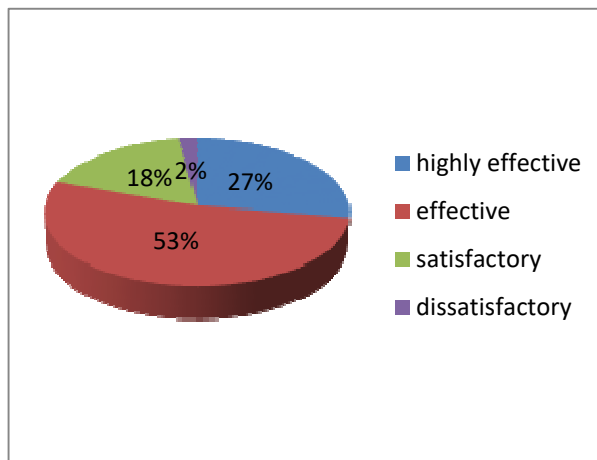


Fig 5

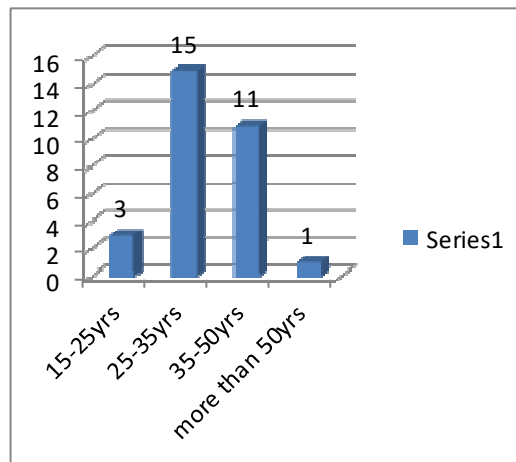


Fig 6

Fig 6 tells us that the majority of persons who use electronic media are between the ages of 25 and 35, while the minority are older than 50. We have also analysed that 25-50% of the business comes through e-WOM and that selection is greatest, while throughout our data analysis process, we discovered that more than 75% of the business is the least selected alternative.. (Fig. 7)

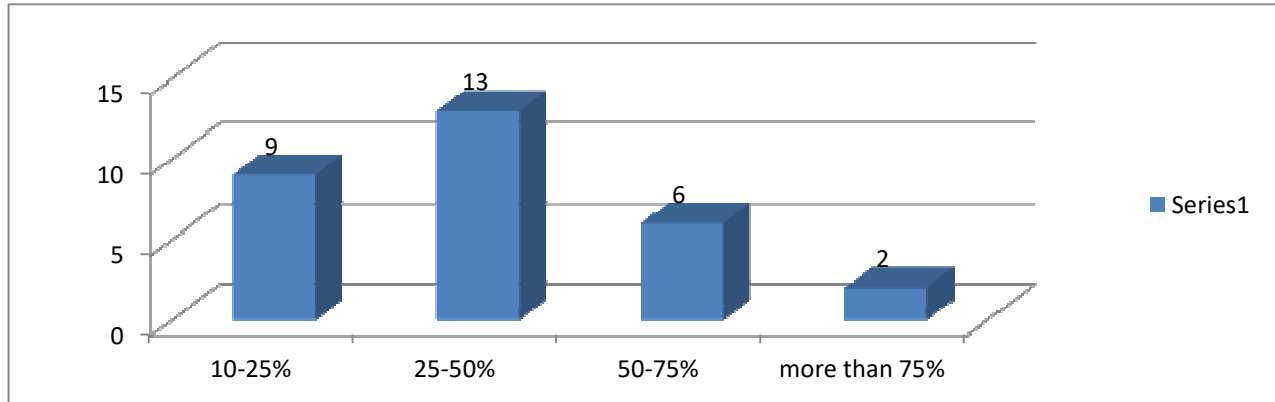


Fig. 7

CONCLUSION

FROM CONSUMER POINT OF VIEW:

The goal of this study was to investigate E-WOM in Chandigarh and its impact on travel decisions. Based on a review of the literature, a conceptual framework was built for determining the influence of e-WOM on types of travel decisions. The following appraisals were used in this study: online travel community use, amount of activity, information source, and information type. According to the report, three-fourths of people use travel websites to arrange their trips. While one-quarter of the individuals are guided by travel blogs, only a handful of people resort to periodicals to make travel decisions. The use of the Internet in this phase of time is very common, so the use of real time electronic media (online forums, communities, etc.) plays an important role in making travel and tourism decisions, and from this study, we see that more than half of the population frequently use the real time electronic media as a reference tool, and a major population always checks the real time media before proceeding, but there are people who rarely or never use the real time media. One typically googles a new place before visiting it, hence the influence of e-WOM on the hospitality business is enormous, as it is heavily reliant on incoming visitors. The survey found that people "strongly agree" and "agree" that e-WOM had a significant impact on their purchasing intentions. The most noteworthy aspect of this study is that 'no one' (among the persons we surveyed) rejected the influence of e-WOM on their purchase intentions, but several participants were unable to decide whether they agreed or disagreed with the aforementioned statement.

FROM SERVICE PROVIDER POINT OF VIEW:

To comprehend the significance of electronic word of mouth in Chandigarh's travel and tourist business, an analysis of the service providers industry was essential. We discovered that the majority of the business for tourism service providers, such as tour operators and hotels, comes from people aged 25 to 35. People over the age of 35 were least interested in using the tour operator's services since they were experienced enough to organize their own tours. The electronic word of mouth were usually employed by the age group of 18-30 years since they are well aware of the technology, thus most of the individuals who contemplate focusing on the electronic word of mouth belonged to this particular age group.

Thus, soliciting feedback via email and websites is the most convenient method of gathering feedback for the benefit of their organization. The service providers embraced both positive and negative feedback, and they were continually looking for ways to improve their organization. They learned and developed from negative feedback. In case of negative reviews the majority of the service providers we evaluated apologized to the guest for poor service, while some offered a discount for the next visit or service. It was an unusual situation in which the organization took no effort to fix the problem. Finally, it was established that service providers welcomed electronic word of mouth in the promotion of their organizations and found it to be extremely useful in deciding on activities for the advancement and development of their individual organizations.

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