Chapter 17

The Role of WOM in Affecting the Intention to Purchase Online: A Comparison Among Traditional vs. Electronic WOM in the Tourism Industry

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ABSTRACT

Recent studies have focused on the influence of online word-of-mouth (WOM) on tourist behavior. However, the role of traditional versus online WOM on travel decisions remains to be expanded. This chapter addresses this research gap by empirically investigating the impact of offline and online WOM on travel decisions across four different cohorts: Generation Y, Generation X, the Baby Boomers, and the Silent Generation. In addition, it explores generational differences with regard to online booking intentions. Findings reveal that traditional WOM affects travel decisions by all cohorts, with a higher impact for the Baby Boomers and the Silent Generations. Online WOM has a higher influence for younger cohorts, who also show a higher intention to purchase online than older generations. Still, the results show that senior individuals are well aware of the possibilities offered by the Internet as both an information source and a purchase channel.

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INTRODUCTION

Beyond the role of traditional word of mouth (WOM) from friends and relatives, the advent of the Internet and social media has boosted the importance of online social influence as a powerful driver of travel decisions (Tanford & Montgomery, 2015). With respect to tourism products, Jeong, Oh and Gregoire (2003) highlighted WOM communication from satisfied customers as the key factor influencing consumers’ choice of holiday destination. However, the advent of user-generated content (UGC)—such as online communities and social media—has changed the way in which people communicate (Nambisan & Baron, 2007). These ‘platforms’, particularly online review websites, can play a significant role in travel choice behaviour and decision making (Ladhari & Michaud, 2015), increasing awareness, providing information and helping form opinions and attitudes about purchasing products, and offering a means for sharing past travel purchase experiences (Mangold & Faulds, 2009).

Compared with traditional (offline) WOM, electronic or e-WOM offers greater convenience, anonymity, many-to-many communication and no restrictions in terms of time and space (Tsao, Hsieh, Shih, & Lin, 2015). Despite the increasing importance of e-WOM and online reviews in the tourism industry, this topic requires further investigation to consolidate theoretical knowledge about consumers’ usage of e-WOM in their decision processes (Confente, 2015; Sotiriadis & van Zyl, 2013), especially across age cohorts (Confente & Vigolo, 2018).

This study offers an important insight into the tourism and hospitality debate over the existence of differential impacts of online versus offline ‘influencing’ tools on tourists’ online behaviour. Examining this impact represents the main aim of this chapter. In addition, this difference will be explored across four generations, shedding light on the impact such antecedents have on behaviour intentions across cohorts.

The chapter opens with a literature review on the transition from traditional information sources such as offline WOM to online sources such as e-WOM, drawing out the differences between these two important marketing tools. It then focuses on the methodology, providing a description of the sample and survey procedure. Finally, results and theoretical and managerial implications are provided.

LITERATURE BACKGROUND

Information Sources for the Tourism Industry

Tourists tend to use a combination of information sources to help them in their decision to book a tourism product (Snepenger, Meged, Snelling, & Worrall, 1990). Specifically, they can use both offline and online sources. Online information sources include both commercial sources (e.g., hotel websites, tour operators and websites) and peer-to-peer sources (online reviews or online WOM) (Luo, Feng, & Cai, 2005). WOM from family and friends has long been regarded as one of the major influential sources in travel decisions, and particularly, in hotel booking decisions (Bieger & Laesser, 2004). The following sections review a selection of offline and online information sources as possible drivers of online purchase intentions.