Electronic Word of Mouth (eWOM) on restaurants in Sarawak

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Abstract

Competitiveness in food service industry and the introduction of social media have created a challenge in restaurant industry. This is because restaurant operators need to adapt to the new trend of electronic communication technology which may give great impact to their companies. The purpose of this study is to identify the determinant factors of customer satisfaction which may direct or indirectly affect customer return intention and involvement of electronic word of mouth (eWOM) through social media. A review of the literature mentioning the type of restaurant experiences chosen and the development of eWOM was studied. Regression analysis was adopted to investigate the hypothesis formed. Identification and implementation of these technologies can help in building a sustainable competitive advantage for restaurants. The findings of this study revealed that restaurant experiences had a high positive relationship with customer satisfaction. Atmosphere and customer satisfaction also indicated the respective contributions made to eWOM.

Key Words: Customer Satisfaction, Electronic Word of Mouth (eWOM), Restaurant experiences

Introduction

In line with the advancement of technology, people are slowly adapting to electronic communication. So, restaurant operators ought to be more aware of the relative influence of various attributes which determine customer satisfaction. Word of Mouth (WOM) can influence consumers upon making a purchase decision (Liu and Jang, 2009). It is important in restaurant industry because service is intangible products which are hard to evaluate prior to their consumption. When WOM become digital, its scope has expanded to larger scale because there are various ways to manage digital WOM which is known as electronic word of mouth (eWOM). Satisfactorily restaurant experiences may trigger positive eWOM (Zhao, Lu, Zhang ad Chau, 2012). It is irony to dissatisfactory of restaurant experiences may give great impart to the restaurant as bad comment might spread like wild fire. Fornell (1992), Taylor and baker (1994), Patterson and Spreng (1997) mentioned that customer satisfaction is important to the marketer because it is generally assumed to be a significant determinant of repeat sales, positive word of mouth and customer loyalty.
Research objectives

The objectives of this study are to investigate the relationship between restaurant experiences towards customer satisfaction which contribute to eWOM among restaurant customers and to study the relationship between restaurant experience and eWOM.

Literature review

Customer Satisfaction

Oliver’s (1997) defined customer satisfaction as the consumer’s fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment. Customer satisfaction has been studied by a lot of previous researchers as a link between satisfaction and quality argued for different views in terms of relationship. Some think that quality leads to satisfaction (Negi, 2009). Cronin and Taylor (1992) support that satisfaction leads to quality and they see customer satisfaction as transaction specific meaning consumers get satisfied with a specific aspect of service while perceived.

Besides that, customer Satisfaction is defined as a customer’s overall evaluation of the purchase and consumption experience of a good or service (Cronin and Taylor, 1992). The primary goal for most service firms today is achieving customer satisfaction (Jones and Sasser, 1995). There are several characteristics that show the interest of measuring customer satisfaction, such as, the ability to build up customer loyalty, increase favorable word of mouth, lead to repeat purchases, and improve the company’s market share and profitability (Cronin and Taylor, 1992; Ryu, Lee and Kim, 2012).

Kim et al. (2009) found out that five extracted restaurant dimensions (food quality, service quality, price and value, atmosphere and convenience) had a significant effect on overall customer satisfaction. Andaleeb and Conway’s (2006) research showed that customer satisfaction was significantly influenced by the responsiveness of the employees, price and food quality. Wu and Liang (2009) reported that restaurant employees positively affect customer satisfaction. The findings of Liu and Jang (2009) indicated that food quality (taste, food safety, menu variety, food presentation), service reliability, environmental cleanliness, interior design, and neat and well-dressed employees significantly influenced customer satisfaction. There are some relations between service quality and customer satisfaction (Wicks and Roethlein, 2009). Furthermore, Soriano (2002) mentioned that there are many previous studies demonstrated the effect of service quality on perceived service performance and customer satisfaction.

In the study of Kasim and Abdullah (2008), they mentioned that satisfaction is a casual driver of repurchase intention of recommendation in a mobile commerce context. It is related to eWOM where mobile with Internet is common to spread infortainment nowadays. This is proved by Zhao, Lu, Zhang and Chau (2012) that customers with positive experience will emit WOM related to mobile shopping. So, it is imply in this study that customer with higher satisfaction will emit eWOM related to their dining experience. Thus, the relationship of customer satisfaction and eWOM is included in this study.

In a nutshell, customer satisfaction which has proven by various previous studies to be related to service quality, food quality, convenience, atmosphere, price and value, and customer loyalty are included in this study.

Service quality
Restaurant is under the category of service business (Zeithaml, Bitner and Gremler, 2009) because it is a vital factor to attract customers (Soriano, 2002). This is due to service quality influences customer satisfaction and loyalty (Lai and Chen, 2011). DINESERV is the scale developed by Stevens et al. (1995) to measure the perceived service quality of restaurant customers. DINESERV adopted the five dimensions of SERVQUAL which was developed by Parasuraman, Zeithaml, and Berry (1988). It had been used to measure customer expectations of service quality in three restaurant segments which are quick service, casual/theme, and fine dining (Stevens et al. 1995). Also, DINESERV was adapted and refined from SERVQUAL containing 29 statements on a 7-point response scale.

Precious studies found that DINESERV instrument have been used in to measure service quality in the restaurant business like the airport food service (Heung, Wong, and Qu, 2000), fine dining restaurants (Knutson, Steven, and Patton, 1995), mid-price Chinese restaurant (Wu, Goh, Lin, and Poynter, 1999) and quick service restaurants (Knutson et al., 1995; Huang, 2000). Many researchers mentioned just now have concluded that DINESERV is a valid and reliable index for measuring service quality in restaurant business.

Therefore, administrating DINESERV questionnaire to restaurant customers, a restaurant manager can review customers’ opinion towards restaurant’s quality, then identify the problems and get an idea to solve them. DINESERV also provides restaurant managers with a quantified measure of what are customer expectation in a restaurant. Those expectations are important to retain existing customers. The instruments are based on 5 service quality attributes which are reliability, response, tangibility, assurance and empathy.

Food Quality

Previous research revealed food quality, service quality and atmosphere as accepted categories for measuring restaurant experience which may affect customer’s satisfaction and re-patronage Intention (Ha and Jang, 2010; Jang and Namkung, 2009). Besides, there are lots of previous study showed that food quality is the major factor influencing customer’s satisfaction and post-dining behavioral intentions such as WOM and eWOM (Liu and Jang, 2009; Namkung and Jang, 2007; Pettijohn et al., 1997; Qu, 1997; Qin and Prybutok, 2008).

In addition to that, Kim, Ng and Kim, 2009 revealed that food is the most important part of the overall restaurant experience (Kivela et al., 1999; Raajpoot, 2002; Sulek and Hensley, 2004). The research of Suria and Mahmod (2013) revealed that the relationship between food quality and return intention is mediated by satisfaction. In other words, food quality trigger satisfaction which leads to future return intention.

In order to measure food quality in restaurants, previous studied by Qin and Prybutok (2008) defined cleanliness, healthy options, freshness and variety of food and beverages and food attributes to measure food quality in fast food restaurants. However, the study by Kim et al (2009) measured food by its freshness, taste and presentation. On the other hand, Namkung and Jang (2007) measured food quality using food presentation, menu variety, healthy options, food taste, freshness and food temperature as attributes. Liu and Jang (2009) who studied Chinese restaurants measured food quality using food presentation, taste and temperature and concluded that theses attributes are significantly related to customer’s satisfaction.

Atmosphere

Barber et al. (2011) mentioned that the concept of physical environment was introduced in 1970s and suggested that there are atmosphere or physical environment as possible influences in the purchase decision (Kotler, 1973). In other words, it means atmosphere generates an image of
the surrounding space in customers; mind and the customer’s perceived value of the space modifies their affective state, which may change their buying behaviour. Ariffin, Bibon and Raja Abdullah (2011) mentioned that pleasant scent in a restaurant will result in customers having good experience and favourable perceptions in their mind.

Soriano (2002) said that the importance of a comfortable atmosphere will increase continuously with time. In addition, Brady and Cronin (2001) found that environment attributes such as ambient conditions, design, physical factors and social are important predictors of service quality. In addition, service environment is determined as a key point in measuring consumer behavior, consumer social interaction, and their reaction to places. The time the customers stay in the restaurant may be influenced by the interior design of a restaurant (Wakefield and Blodgett, 1996), and environmental design is also one of the variables that gives an impact on service satisfaction. A strong visual variable of a physical setting that draws customer attention and stimulates emotional responses is Color (Bellizzi and Hite, 1992). In service settings, music is also a positive auditory variable for stimulating customer’s emotions and actions (Mattila and Wirtz, 2001).

Convenience

Seiders and Grewal (2002) defined service convenience as consumers’ time and effort perceptions related to buying or using a service. In other words, it means all types of convenience that reduce consumers’ time or effort in shopping, such as operating hours. They also produced a model expands service convenience based on consumer service activities into 5 types. The first one is decision convenience which is the time and energy costs about when and how to obtain a service. The second is access convenience which is the time and energy costs to request and receive a service. Third, it is transaction convenience which means the time and energy costs to effect a transaction. Fourth, it is benefit convenience which is the time and energy costs to enjoy a service. Last, post benefit convenience which means the time and energy costs to follow-up a transaction after enjoying the service.

Farquhar and Rowley (2009) mentioned that convenience is the ability to reduce consumers’ non-monetary costs such as time energy and effort when purchasing or using goods and services. Anselmsson (2006) included parking, way-finding and ease of movement as important attributes of retail center convenience. Apart from that, researches carried out by Orel and Kara (2014) established trading hours as attributes of retail center convenience. Thus, suitable operating hours and parking capacity are included in the instrument for measuring convenience of the restaurant.

Access convenience is reported by Seiders et al.(2007) that access convenience has an interaction with satisfaction to influence customers’ future intention. In their research, it found that a shopping environment comprising of convenient transport, sound facilities, clear signs and comfortable environment directly affected satisfaction. Other than that, Grewal, Levy and Kumar (2009) also mentioned that location is a factor that affecting customer experience. It is considered as a crucial determinant of customer experience.

Price and Value

Price and value are also an important factor in determining customer satisfaction and return intention as the price they are paying represents value for money. Value may have a different meaning to different individuals. Value is what the consumer gets for what they give (Yuksel and Yuksel, 2002). Price fairness is positively related to customer satisfaction and loyalty (Liu and Jang,
In contrast, perceived unfairness of price can trigger negative behavioral responses such as complaining and spread negative word of mouth.

Other than that, Kim (2009) revealed that price factor in restaurant can prior customer satisfaction and return intention when compared to food quality. This means that price and value plays a role in determining customer satisfaction and return intention on restaurants. Moreover, a study by Qu (1997) also revealed that price and value was significantly related to the customer’s satisfaction and their intention to return. As a result, it is believed that price and value is a critical factor to be included in this study in determining the customers’ satisfaction and their return intention.

Soriano (2002) stated that the level of quality to be demanded is determined by the price to be paid. This is because customers have increased their expectations regarding to get a better quality and service, while seeking a better value for their money. He found that service and value of meal are equally important when compared with all another factors. Customers regarded price and value considerations as part of the service bundle (Johns and Howard, 1998).

### Electronic Word Of Mouth (eWOM)

Word-of-mouth moves people to share their experience. WOM communication either positive or negative evaluate the encountered service. The Internet has emerged as platform for electronic word-of-mouth (Hennig-Thurau et al., 2004).

The earliest research (Katz and Lazarfeld, 1955) revealed that WOM is more effective in influencing consumer purchase than advertising or personal selling. Recent studies have examined WOM on the Internet. For instance, Bickart and Schindler’s (2001) findings suggest that product information on online forums has greater credibility, relevance and more likely to evoke empathy with consumers than information on marketer-designed websites.

After that, Hennig-Thurau et al. (2004) found that eWOM participants exhibit a similar set of motivations as participants of traditional WOM. Such findings suggest that WOM mechanisms play a role similar to the manner on the Internet. However, just like in the physical world, any economic leverage of eWOM may elude marketers as customers learn how to separate social value received by interaction with other customers from economic transactions with a company (Balasubramanian and Mahajan, 2001).

Hennig-Thurau et al. (2004) defined eWOM as a statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet. They also mentioned that eWOM may be less personal as it is not face-to-face but it is more powerful because it is immediate, has a significant reach, is credible by being in print, and is accessible by others.

Jeong and Jang (2010) mentioned that the impact of eWOM on customers’ decision-making is important, especially in the hospitality industry. When restaurant customers articulate eWOM, inexperienced customers gain an opportunity to enhance their understanding of tangible factors and to reduce their risk in terms of intangibles. Making a decision to dine at a particular restaurant involves significant risk, which may eventually lead customers to become dependent on the interpersonal influence of eWOM (Lewis and Chambers, 2000). They also mentioned the impact of positive eWOM on restaurants is significant because it is likely to help the restaurant build a positive image and, more important to increase customers’ intentions to purchase. Positive WOM is generated by an antecedent, a satisfactory restaurant experience in terms of restaurant attributes such as food, service, atmosphere and price. This is supported by Serra Cantallops and Salvi (2014) who reported that online notifications, reviews, opinions or recommendations have become a source of opportunities. Thus, understanding the types of experiences that are likely to trigger positive eWOM is useful for restaurant operators to retain or attract new customers which can help to
maintain their profit margin. eWOM is the main contribution of this study as previous studies had proved the significance of word of mouth (WOM) upon satisfaction. Thus, this study will contribute to the proven of the effectiveness of the endorsement of eWOM on restaurants.

**Research methodology**

This is a descriptive research. The hypothesis testing is used to investigate the key factors that lead to the customer satisfaction and contribute to eWOM on restaurants. 600 questionnaires were distributed to more than 10 restaurants in Sarawak. Being assisted by the restaurant operators, data were collected. Convenience sampling was adopted for data collection. The collected data were analyzed using descriptive statistics, reliability test, linear and multiple regression. The reliability of scales used was analyzed using Cronbach’s Alpha coefficient score and all variables indicated a fairly high reliability scores. The questionnaire comprised of 3 sections namely restaurant experience which were adopted and adapted from DINESERV instrument by Stevens et al. (1995), customer satisfaction (Liu and Jang, 2009) and eWOM (Serra et al., 2014). The framework of this study is shown as below:

**Figure 1. The Conceptual Framework of Study.**

H1: Restaurant experiences are significantly related to customer satisfaction on restaurants.
H1a: Service quality is significantly related to customer satisfaction on restaurants.
H1b: Food quality is significantly related to customer satisfaction on restaurants.
H1c: Price and value is significantly related to customer satisfaction on restaurants.
H1d: Atmosphere is significantly related to customer satisfaction on restaurants.
H1e: Convenience is significantly related to customer satisfaction on restaurants.

H2: Restaurant experience is significantly related to eWOM on restaurants.
H2a: Service quality is significantly related to eWOM among patrons on restaurants.
H2b: Food quality is significantly related to eWOM among patrons on restaurants.
H2c: Price and value is significantly related to eWOM among patrons on restaurants.
H2d: Atmosphere is significantly related to eWOM among patrons on restaurants.
H2e: Convenience is significantly related to eWOM among patrons on restaurants.

H3: Customer satisfaction is significantly related to eWOM on restaurants.

**Results**

A total of 600 paper questionnaires are distributed in the main towns and cities in Sarawak. However, only 393 questionnaires are used in the data analysis. The remaining questionnaires are unusable for various reasons such as incompleteness, erroneous and no respond from the respondents. However, it shows 65.5% of response rate. The result of descriptive statistics indicated
that 178 (45.3%) are male while 215 (54.7%) are female. The highest respondents came from age ranged 26-35 with 37.4% while the least was elderly aged 56 and above (1.5%). The results of regression analysis are shown in tables below.

### Table 1. Multiple Regression for hypothesis 1

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R²</th>
<th>Beta</th>
<th>t value</th>
<th>Sig.</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>0.131</td>
<td>2.229</td>
<td>0.026</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1b</td>
<td>10.219</td>
<td>4.681</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1c</td>
<td>0.736</td>
<td>2.821</td>
<td>0.005</td>
<td>215.909</td>
<td></td>
</tr>
<tr>
<td>H1d</td>
<td>0.081</td>
<td>2.100</td>
<td>0.036</td>
<td></td>
<td></td>
</tr>
<tr>
<td>H1e</td>
<td>0.444</td>
<td>11.070</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 shows the results of multiple regression analysis for hypothesis 1 (restaurant experience is significantly related to customer satisfaction). The result shows that restaurant experiences are significant when regressed with customer satisfaction with the value of service quality (β=0.131, t=2.229, p<0.05), price and value (β=0.121, t=2.821, Sig. =0.005) and atmosphere (β=0.081, t=2.2100, p<0.05). In contrast, food quality (β=0.219, t=4.681, p=0.000) and convenience (β=0.444, t=11.070, p<0.05) show bigger t value with zero significant value. The coefficient of determination (R²) with 0.736 shows that 73.6% of customer satisfaction is explained by restaurant experience factors (service quality, food quality, price and value, atmosphere and convenience).

### Table 2. Regression Analysis Results for hypothesis 2

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R²</th>
<th>Beta</th>
<th>t value</th>
<th>Sig.</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>H2d</td>
<td>0.23</td>
<td>0.628</td>
<td>6.482</td>
<td>0.000</td>
<td>24.184</td>
</tr>
</tbody>
</table>

Table 2 shows the result of regression between restaurant experience, and eWOM. It sees that only atmosphere is significant to eWOM (β=0.628, t=6.482, p< 0.05) while other variables like service quality (β=0.038, t=257, p>0.05), food quality (β=0.088, t=754, p>0.05), price and value (β=-0.024, t=-0.227, p>0.05) and convenience (β=0.026, t=0.257, p>0.05) do not have a significant relationship with eWOM in the study. Besides, coefficient determinant (R²) of 0.238 shows that 23.8% of eWOM are explained by atmosphere attribute of restaurant experiences.

### Table 3. Linear Regression Analysis Results for hypothesis 3

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>R²</th>
<th>Beta</th>
<th>t value</th>
<th>Sig.</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>0.104</td>
<td>0.476</td>
<td>6.728</td>
<td>0.000</td>
<td>45.261</td>
</tr>
</tbody>
</table>

Table 3 explains the results of regression analysis of customer satisfaction as an independent variable with the eWOM as the dependent variable. It sees that coefficient of determinant (R²) is 0.104 which means only 10.4% of the varience in the eWOM is explained by the customer satisfaction factor. Besides, the B value shows 0.476 which means one unit of customer satisfaction will cause an increment of 0.476 unit on eWOM. The t statistic (31.253) tests the
significant of the slope, which is equivalent to testing the significance of the linear correlation between customer satisfaction and return intention. However, the F-ratio of 45.261 is significant (P<0.05). The results explain that customer satisfaction is significant to eWOM but with weak relationship.

Discussion and implication

Customer satisfaction has gained its importance in business world as it may bring vast influence to the business. In this study, it is proved that restaurant experience is significantly related to customer satisfaction. Convenience is the most influential factors when compared to other restaurant experience. Thus, it has given an insight to the restaurant operators that service convenience is playing its role in triggering customer satisfaction. For example, parking and suitable operation hours. Moreover, this finding also give some insights for policy makers such as the local municipal for giving convenience to the restaurant operators during sport tournaments periods like World Cup and Olympic so that the operating hours can be extended. This is also benefited them as the annual renewal of license is part of the municipal revenue.

The other restaurant experience factors like food quality, service quality, price and value and atmosphere also playing their respective roles in triggering customer satisfaction on restaurant. The results have provided some insights for restaurant operators to keep their restaurant in tip-top condition to maintain the satisfactorily level for patrons. They might need to decorate their restaurants from time to time in accordance to festive seasons. Besides, the local municipal can assist the success of the restaurant operators by providing free courses in handling cleanliness in restaurant and so on. Besides, a famous restaurant may contribute to local tourism industry too.

When testing restaurant experience with eWOM on restaurant, atmosphere is the only factor which is significantly related to eWOM. This can be said that liking beautiful things is part of human nature. It is also the intention for people to share beautiful and exotic things and environment with their friends. Sharing location and posting pictures are very common among people especially youngsters. So, eWOM slowly takes its place in this era of science and technology. eWOM can spread easily in line with the invention of smart phone and apps such as WeChat and Facebook. This finding has given some insights for restaurant operators. They might need to consider the decoration, interior and exterior design of the restaurant to give good impression to their new or existing customers. Besides, this finding also gives implication for banks upon approving the loan. This is because they can make a prediction of ability of loan repayment upon reading the proposal by their prospect borrowers.

A restaurant becomes popular most likely because of its high satisfactorily rating by its customers. It is proven by this study that customer satisfaction is significantly related to eWOM. Customer satisfaction is only one of the factors that is contributed to eWOM on restaurants. There are other unidentified factors in this relationship. However, this finding has given some insight for restaurant operators that they need to maintain customer’s satisfactorily level towards their restaurants in order to have chance for eWOM which playing a role as free advertisement for their company. In order to maintain customer’s satisfaction on restaurant, restaurant operators should upgrade their service quality, food quality, atmosphere, price and value, and convenience. Due to that, this give some insights for the local municipal too to provide free course like food handling to the restaurant managers.
Limitation and future research

It is undeniable that nothing is perfect. There are a few limitations that have been identified in this study. First of all, it does not represent 100% of response rate as data obtained might not be reliable enough to represent the sample size and conclude the entire study.

Secondly, the geographical areas coverage in current study has limitation too. The data collected only from one state in Malaysia which is Sarawak. Thus, the purpose of generalizing it to accommodate for whole Malaysia may not convincing. Due to that, in order to hit the aim of generalization, similar studies can be carry out in different states in Malaysia. This is due to cultural difference may produce different results.

It is recommended that more attributes of restaurant experience can be studied in the future to identify more factors which is significantly related to eWOM. Atmosphere is the only significant attribute of restaurant towards eWOM. Thus, it is recommended to study different factors which may contribute to eWOM. For example, table setting and background music.

Conclusion

In conclusion, restaurant experience plays a role in triggering customer satisfaction. Besides, it also triggers customers to spread eWOM. It is an important finding as it can prove that Sarawakians are in pace with the invention of telecommunication. Smart phone and internet are popular and user friendly. Also, one of the tested restaurant experience attribute, atmosphere is also tested and proved to have significant relationship with eWOM. This has benefited many parties especially restaurant operators so that they can keep this information in mind upon managing and doing future planning.

Reference


