

Customer Satisfaction, Word Of Mouth Communication And Word Of Mouth Intentions: A Study With Reference To Restaurants

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ABSTRACT

Business firms are concerned with getting more business so that they can earn more revenue. For that, they are using different kinds of marketing techniques and different proportions of the marketing mix. Word of mouth communication is a key aspect on which the customers rely on more than any other marketing communication. This study is empirically analyzing the behavior of customers who receive services from restaurants and assessed key elements of customer satisfaction and the intentions behind spreading positive as well as negative word of mouth communications. A business needs to provide customer satisfaction. Once the customer is satisfied the tendency to spread the positive Word of Mouth will be higher. A satisfied customer is a source of positive word of mouth communication

Key Words: Customer satisfaction, Word of Mouth Communication, WOM, WOM Intentions

INTRODUCTION

The ultimate success of any business depends on its ability to make a satisfied customer base. It is very apparent in perfectly competitive markets. Satisfaction is a mental or emotional state of well-being that can be defined by, among others, positive or pleasant emotions ranging from contentment to intense joy. In the holistic business perspective, customer satisfaction is not the only responsibility of any department in the organization. The entire organization needs to be worked together to achieve customer satisfaction. As the competition is increasing among various industries, organizations have started looking after new and modern methods to serve the customers to improve and sustain their competitive advantages. A key differential advantage that a firm or brand can possess is the favorable word of mouth recommendation by its satisfied customers. This Word of Mouth communication will attract more customers and this, in turn, results in increased revenue. This study is focusing on the customer satisfaction aspect and as the result of satisfaction, the word of mouth spreading aspect. Every customer has a certain set of expectations about any service before the service encounter. Once the customer receives the service he expected or more than he expected he will be satisfied.

OBJECTIVES AND HYPOTHESIS

1. To study the key elements of customer satisfaction in restaurants
2. To analyze the relationship between the satisfaction and the word of mouth spreading tendency
3. To analyze the intention behind spreading Positive Word of Mouth Communication
4. To analyze the intention behind spreading Negative Word of Mouth Communication

Hypothesis 1

H0: There is no significant relationship between the satisfaction and positive WOM Spreading Tendency

H1: There is a significant relationship between the satisfaction and positive WOM Spreading Tendency

Hypothesis 2

H0: There is no significant relationship between the dissatisfaction and Negative WOM Spreading Tendency

H1: There is a significant relationship between the dissatisfaction and Negative WOM Spreading Tendency

METHODOLOGY

A sample of 200 people from Ernakulum District has participated in the survey. Respondents are customers who are regularly having food from the restaurants. The questionnaire was distributed by the researcher himself. The selection of the respondents is based on the judgment of the researcher. The data was collected through a structured questionnaire. Primary sources were used mainly for the study. Likert scale is used as the main instrument for framing the questionnaire. Weighted average mean and correlation were used to analyse the data

REVIEW OF LITERATURE

Customer satisfaction refers to good or bad feelings or attitudes by customers after consuming products or receiving service (Fornell, 1992). It is an entire evaluation from customers for the whole service process or product attributes (Czepiel, 1974). In other words, the evaluation would be recorded for each factor of satisfaction for a product or service (Day, 1971). A smart marketer always measures customer satisfaction to retain long-standing customers. Customer satisfaction would keep a good relationship lasting longer between the customer and the company because it creates customer loyalty to the company and then makes the company more competitive in the market (Kotler, 2003).

Word of mouth was defined by Arndt (1967) as “oral person to person communication between a receiver and a communicator whom the receiver perceives as non-commercial, regarding a brand, a product or a service”. The key idea of word of mouth is directed towards sharing and communicating consumers’ knowledge and opinions about the products or services of particular brands with others. In general, word of mouth comprises any shared information about a brand that can be transmitted from one consumer to another through personal conversations or via other tools of communication (Brown *et al.*, 2005).

In past literature, word of mouth was widely accepted as a key traditional and highly effective element of marketing communication which is characterized by cost-effectiveness (Godes *et al.*, 2005; Hogan *et al.*, 2004). Similarly, Kotler *et al.* (2014) considered word of mouth as the main marketing tool that can be quickly transferred among customers at a very minimal cost. Nowadays, word of mouth has received higher importance from customers as a reliable communication tool because of their less interest and trust in advertising and other traditional media. According to Taghizadeh *et al.* (2013), word of mouth is a powerful marketing factor that received significant emphasis from various service providers, particularly, those whose businesses focus on intangible offerings. In such services, customers depend mostly on the given advice and recommendations by others, friends or relatives who had previous experience in using that service. Moreover, consumers usually tend to develop trust toward friends and relatives more than the communications initiated by the brand itself, and this confirms the significance of word of mouth as a marketing tool (Nget *et al.*, 2011).

The significance of word of mouth is well established as the most influential communication tool to drive consumers’ reactions toward a brand. A positive word of mouth is more effective than an advertising technique (Day, 1971). Hawkins *et al.* (2004) viewed word of mouth as a key factor that customers tend to rely on before making purchase decisions, and is reflected through and experiences shared by others toward certain products, services, and brands.

Tsiros, *et al.* (2004) pointed out that most researchers take multi-dimensional attributes to measure how customer satisfaction impacts behavioral intention of the customer. The behaviors of satisfied and dissatisfied consumers after their purchases have been extensively studied in the marketing literature. Satisfied customers are generally assumed to be a significant determinant of repeat sales, positive word-of-mouth, and consumer loyalty, whereas dissatisfied consumers are more likely to engage in compliant behavior or negative word-of-mouth. Therefore, firms engage in activities that encourage consumers to positively talk about their products to inform potential buyers of their products or maintain consumer loyalty. Firms also strive to handle consumers’ complaints and keep them satisfied to avoid a negative Word of Mouth and thus a bad reputation in the marketplace among competitors and other potential consumers. Negative word-of-mouth has been defined as a manifestation of consumer complaint responses to dissatisfaction with a product or service experience, or the behavior of communicating the incidents of the unsatisfied product or service consumption experience (Luo, 2007).

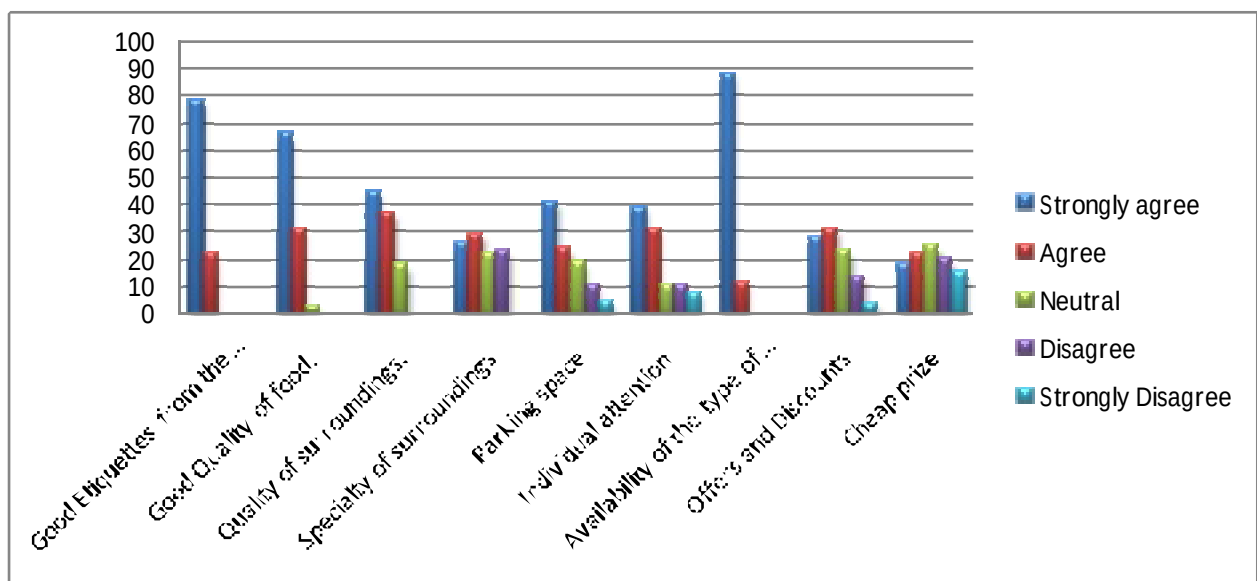
ANALYSIS

Table No: 1–The Key Elementsof customer satisfaction in restaurants

Reasons behind customer satisfaction in restaurants
Good Etiquettes from the service Staff
Good Quality of food.
Quality of surroundings.
Specialty of surroundings
Parking space
Individual attention
Availability of the type of food the customer likes
Offers and Discounts
Cheap prize

(Source-Primary Data)

Chart No: 1–Key Elements of customer satisfaction in restaurants

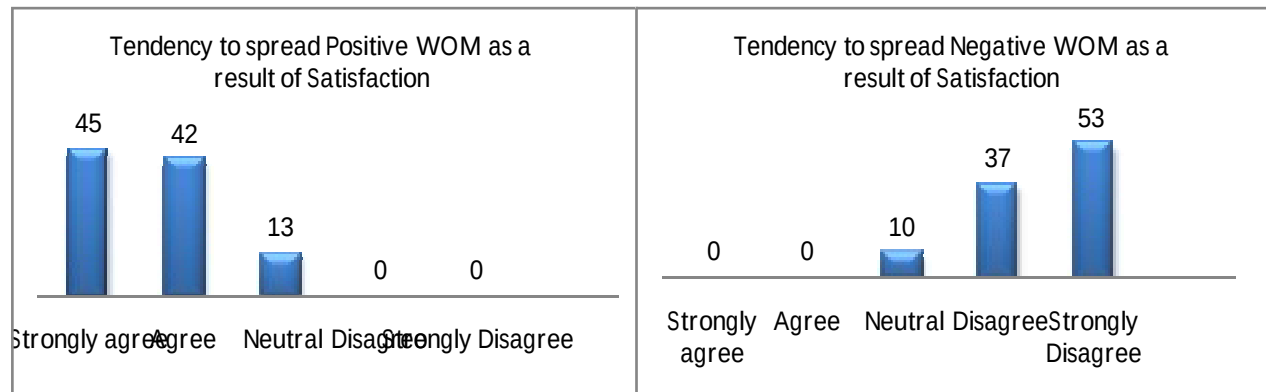


(Source-Primary Data)

The research is trying to find out the elements behind customer satisfaction in restaurants. The chart is showing the reasons behind customer satisfaction; there are several factors which contribute towards customer satisfaction. Good etiquettes, good quality food, and availability of food a customer likes are the many pressing elements. Quality of surroundings, the specialty of surroundings and individual attention also play an important role in customer satisfaction. Parking space is an element applicable to those customers who have a vehicle. It is found that offers and discounts and cheap prize are factors with the least influence on customer satisfaction. Customers

are giving more weight for other factors than offers and cheap prize. Customers are much concerned about quality than price discount and offer.

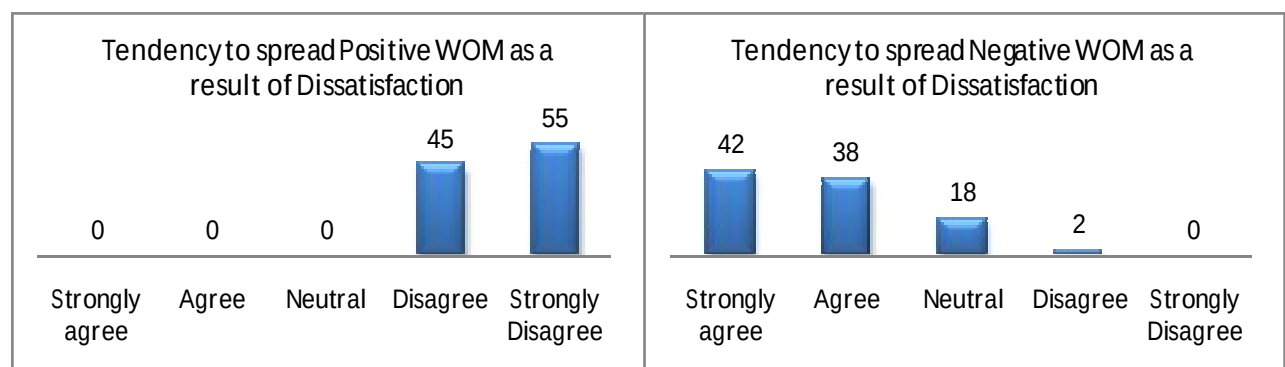
Chart 2- Tendency to spread Positive and Negative WOM as results of Satisfaction



(Source-Primary Data)

From the study, it is revealed that the tendency to spread a positive WOM by a satisfied customer is very high. It is found that a vast majority of customers will talk to others about the events which have given them satisfaction. 13% respondents are neutral in their opinion. No respondents expressed that they do not tend to spread WOM even if they are satisfied. The tendency to spread Positive WOM as a result of dissatisfaction is analyzed and it is revealed that a customer will not spread negative WOM once he or she is satisfied.

Chart 3 - Tendency to spread WOM as a result of Dissatisfaction



(Source-Primary Data)

Chart 4 shows the relationship between positive WOM and dissatisfaction. It is revealed there is no tendency to spread positive WOM once the customer is unsatisfied. It is proved that dissatisfaction does not lead to Positive Word of Mouth. It is found that there is a strong tendency

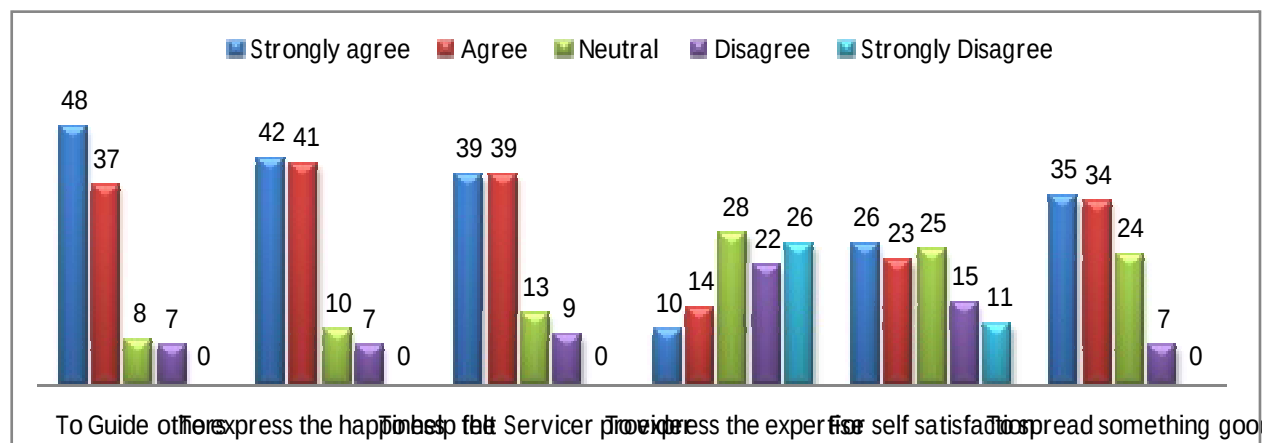
to spread Negative WOM as a result of the dissatisfaction of the customer. A customer is highly tended to spread negative WOM from his dissatisfaction. Majority of respondents having an opinion that they will spread negative WOM once they are unsatisfied

Table 2 – Intention behind spreading Positive WOM

The Intention behind spreading Positive WOM
To guide others
To express the satisfaction felt
To help the service provider
To express the expertise
For self-satisfaction
To spread something good

(Source-Primary Data)

Chart 4- Intention behind spreading Positive WOM



(Source-Primary Data)

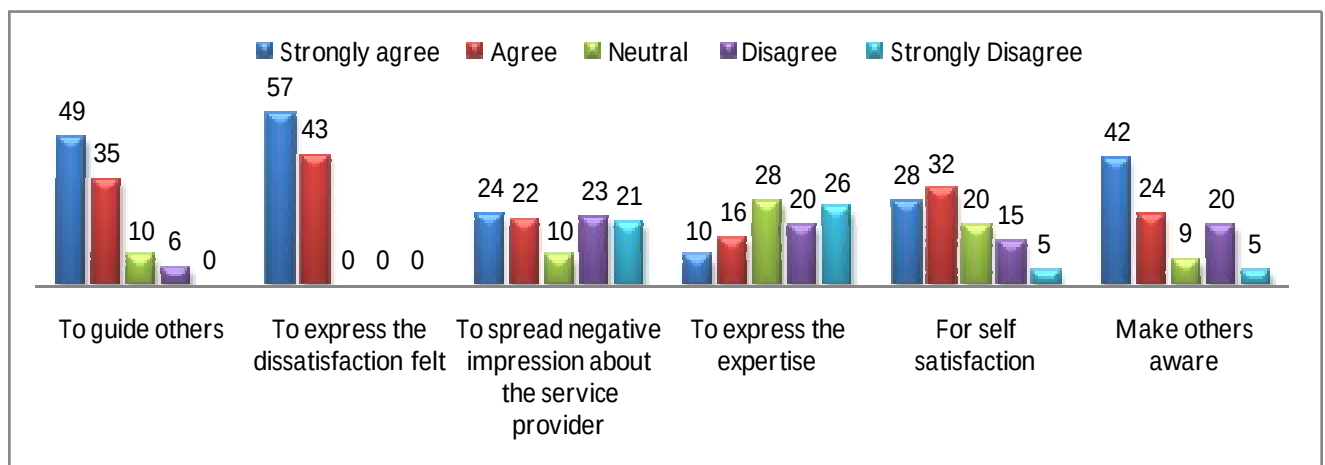
Chart 4 describes the intention behind spreading WOM communication. The study explored the reasons why customers spread WOM. It is found from the study that most people spread WOM to guide others, express the satisfaction felt and to help the service provider. People also want to spread something good. Respondents' having an opinion that expressing expertise is not a reason for spreading WOM. And self-satisfaction is also found to be an important reason behind spreading positive WOM. In the analysis, it is revealed that a satisfied customer wanted to help the service provider by spreading positive WOM and thus, encouraging others to avail of the service.

Table 3 – Intention behind spreading Negative WOM

The intention behind spreading Negative WOM
To guide others
To express the dissatisfaction felt
To spread negative impression about the service provider
To express the expertise
For self-satisfaction
Make others aware

(Source-Primary Data)

Chart 5 - Intention behind spreading Negative WOM



(Source-Primary Data)

The study also tried to find out the Intentions behind spreading Negative WOM. It is revealed that to guide others, to express the dissatisfaction and making others aware are the reasons behind spreading negative WOM. Most of the respondents expressed that the prime reason is to express the dissatisfaction they felt. It can be interpreted that once a customer is dissatisfied, then the tendency to spread it to the rest of the world is very much high. An unsatisfied customer needed to express the dissatisfaction felt and spread negative impressions about the service provider. By doing this he is stopping the prospective customers of that business from availing the service from the service provider. It is also revealed that if the customer felt dissatisfaction about the service received, then he will be unsatisfied, the customer will spread negative WOM for expressing his dissatisfaction and by doing this he will feel some sort of self-satisfaction

Table 4- Correlation Tests for the relationship between the customer satisfaction and WOM Spreading tendency

Hypothesis	Independent variables	Dependent Variables	Pearson's Correlation	Significance level at 5 %
H1	Satisfaction	Positive WOM Communication	0.921	0.000
H2	Dissatisfaction	Negative WOM Communication	0.983	0.000

In the correlation between Satisfaction and positive WOM communication, Since the Pearson's Correlation value is 0.921 and the significance level is less than .05 in at 5 % level of significance we can reject the null hypothesis and accept the alternative research hypothesis that there is a relationship between the satisfaction and positive Word of Mouth spreading tendency

In the correlation between Dissatisfaction and negative WOM communication, Since the Pearson's Correlation value is 0.983 and the significance level is less than 0.5. Since the significance value is less than 0.5, we can reject the null hypothesis and accept the alternative research hypothesis at 5 % significance level that, there is a relationship between the dissatisfaction and negative WOM spreading tendency.

DISCUSSION AND CONCLUSION

The study empirically evaluated the Word of Mouth Communication and its different aspects. The study analyzed the key elements behind customer satisfaction in the hospitality industry with special reference to restaurants. The study was also analyzing the relationship between the satisfaction of a customer and his Word of Mouth spreading tendency. Addition the study analyzed the intentions behind spreading positive WOM and negative WOM

The study revealed the major reasons behind customer satisfaction as a result of availing service from a restaurant. The major factors which contribute towards customer satisfaction are good etiquettes from the service staff, Good quality of food and availability of food a customer likes. Quality of surroundings, the specialty of surroundings and individual attention also play an important role in customer satisfaction. Parking space is an element applicable to those customers who have a vehicle. It is found that the offers & discounts and cheap prize are less influential. It can be interpreted that, customers are more concerned about other factors than monetary factor because there may be a perception in the minds of customers concerning an association with price and quality, cheap price is perceived as less quality food. Customers have expectations about the service before he receives it, once the customer gets more than the expectation, the customer will be satisfied. The study investigated the tendencies to spread WOM. There are relationships

between Customer satisfaction and WOM. There is a strong tendency to spread positive WOM when the customer is satisfied and customers having a strong tendency to spread negative WOM when he/she is unsatisfied. There is no tendency to spread Negative WOM as a result of satisfaction and positive WOM as a result of dissatisfaction.

The study exploited the reasons why customers spread positive WOM. It is found from the study that most people spread positive WOM to guide others, express the satisfaction felt and to help the service provider. People also want to spread something good. And self-satisfaction is also found to be an important reason behind spreading positive WOM. In the analysis, it is revealed that a satisfied customer wanted to help the service provider by spreading positive WOM and thus, encouraging others to avail of the service. Respondent's having an opinion that expressing expertise is not a reason for spreading WOM.

The study found out the logic behind spreading negative WOM. It is revealed that- to guide others, to express the dissatisfaction and making others aware are the reasons behind spreading negative WOM. Most of the respondents expressed that the prime reason is to express the dissatisfaction they felt. It can be interpreted that once a customer is dissatisfied, then the tendency to spread it to the rest of the world is very much high. An unsatisfied customer needed to express the dissatisfaction felt and spread negative impressions about the service provider. By doing this he is stopping the prospective customers of that business from availing the service from the service provider. It is also revealed that the customer felt dissatisfaction about the service received and thus he is unsatisfied, he will feel a sort of self-satisfaction once he spread negative WOM about the service. It is found from the Pearson's Correlation test that there is a relationship between satisfaction and positive WOM spreading tendency. And there is a relationship between dissatisfaction and negative WOM spreading tendency.

It is also found that the tendency of spreading negative WOM as a result of dissatisfaction is more than the tendency to spread positive WOM as a result of satisfaction. Hence it can be suggested that the service providers should be highly concerned in avoiding dissatisfaction so the harm effect as a result of negative WOM can be avoided. As the absence of dissatisfaction is not satisfaction, first the service providers should focus on avoiding dissatisfaction through which negative WOM can be avoided. Then the surge in the satisfaction can be focused so that positive WOM can be increased.

Word of Mouth communication is very important as far as any service provider is concerned. Before availing any service, the tendency of seeking Word of Mouth by a prospective customer is high. From this study, it is revealed that the tendency to spread a positive WOM by a satisfied customer is high and same time the tendency to spread negative word of mouth by an unsatisfied customer is also high. The various reasons behind positive and negative word of mouth revealed. For making a business successful a service provider needs to do things more than marketing techniques, which is making the customers satisfied and keep the customers satisfied. The satisfaction of customers tend to the growth of the business.

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