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The relationship between motives to read electronic word of mouth (eWom) and online buying and communication behavior

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THE RELATIONSHIP BETWEEN MOTIVES TO READ ELECTRONIC WORD OF
MOUTH (eWOM) AND ONLINE BUYING AND COMMUNICATION BEHAVIOR

by

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A thesis submitted in partial fulfillment
of the requirements for the

Master of Science Degree in Hotel Administration
William F. Harrah College of Hotel Administration

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ABSTRACT

The Relationship between Motives to Read Electronic Word of Mouth (eWOM) and Online Buying and Communication Behavior

by

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Electronic word of mouth (eWOM) communication such as online hotel reviews is getting serious attention from marketing managers in the hotel industry. Consumers are becoming more comfortable with providing and receiving information online and doing so more frequently. In recent years it has become more common to see consumers seeking advice on restaurants, tourist destinations or hotels on the internet, reflecting the importance of eWOM in the hospitality industry. As a result, eWOM is becoming a major marketing tool for many goods and services in the hospitality industry. The factors that affect customers' involvement in eWOM in the hotel industry were identified and the relevance of these motive factors and their impact on consumer behavior are examined in this study. The results illustrated that consumers read online hotel reviews mainly to obtain benefits by getting buying related information and maximizing product benefits to costs. The findings also indicated that their motives for reading online hotel reviews strongly influence their behavior. By differentiating these individuals based on their motivation for reading eWOM, hotel managers can observe characteristics and behaviors of these different groups and effectively manage the impact of eWOM accordingly.

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CHAPTER I

INTRODUCTION

Traditional word of mouth (WOM) has been recognized as an effective marketing tool that has a significant impact on customer behavior. Although corporate advertising may develop awareness of products or services, information obtained through personal interaction has been shown to be more influential in consumer decision making. Many previous studies suggest that personal influence has a greater impact on potential, actual or former customers than advertising (Arndt, 1967; Dichter ; Herr, Kardes, & Kim, 1991; Katz, & Lazarsfeld, 1955).

The development of technology and the advent of the Internet have enabled sophisticated online communication. Consumers have now started to provide and receive consumption-related advice electronically through virtual communities. The Internet has emerged as an important channel for consumer communication. As a result of this emergence electronic word-of-mouth (eWOM) now serves as one of the most effective marketing tools in use today (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Marketing managers in the hotel industry are paying serious attention to eWOM communication such as online hotel reviews.

Similar to WOM, eWOM exerts a significant impact on consumer decision making. Previous research proved eWOM to be an important attribute that influences consumer behaviors such as loyalty and purchase decision (Gruen, Osmonbekov, &

Czaplewski, 2006; Lin, Luarn, & Yun Kuei Huang, 2005). Consequently, it is important to understand how much consideration consumers give eWOM and why consumers seek advice from virtual communities when making purchase-decisions.

Researchers have begun to study consumer motivations in involvement with eWOM (Gruen et al., 2006; Hennig-Thurau & Walsh, 2003; Hennig-Thurau et al., 2004). However, there has been limited research on eWOM communication in the hotel industry. The hospitality industry is known to be exclusively in a position to take advantage of the ongoing growth of electronic commerce (e-commerce) (Vesnaver, American Hotel & Lodging Association Technology Committee, 2002). With regard to this aspect, consumers' motivation for reading hotel reviews via the Internet is a critical research subject.

Problem Statement

The main purpose of this study is to examine the factors that affect consumers to be involved in eWOM in the hotel industry. This study focuses on a portion of a major study conducted to better understand consumer motivations to read and/or utilize eWOM regarding hotels. Specifically, the relationship between consumers' motivations for reading eWOM and their online buying behaviors are examined to determine the strength and significance of the influences of these motives. From an academic standpoint, this study will add to the literature by providing results related to the importance and impact of eWOM in the hotel industry. Practically, this study will help managers understand consumer behavior. Understanding why consumers read online hotel reviews will enable hotel marketers to effectively manage the impact of eWOM on consumer purchase

decisions.

Significance of the Study

Online hotel reviews provided on various websites are increasing in number. However, researchers have just started to examine online interpersonal communication. Very little research exists regarding online hotel reviews and the impact of such reviews on consumer behavior. While there are studies conducted on the impact eWOM has in other industries, the impact of eWOM in the hotel industry has not been studied. No research has looked at consumer motivation to read online hotel reviews. Questions arise about why people read online hotel review, and what effects eWOM has on their behavior. This study is important because the greater understanding marketers have of why consumer read eWOM, the better they will be able to manage the manner in which eWOM influences the purchase decision. With regard to this aspect, consumers' motives for reading online hotel reviews are an important research issue. Therefore, it is essential to understand how much consideration consumers give such online hotel reviews when making purchase decisions and what factors have the most influence on their behavior.

Research Questions

The following questions will be thoroughly examined and answered:

1. What are the demographic profiles and characteristics of eWOM users?
2. What are consumers' motives for reading online hotel reviews?
3. What are the relationships between motive factors and consumer behavior?

Hypotheses

The study's research hypotheses are:

H1a: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a negative comment.

H1b: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a positive comment.

H2: There is a relationship between consumer motivation for reading eWOM and consumer communication behavior.

H3: There is a relationship between consumer motivation for reading eWOM and consumer online buying behavior.

H4a: There is a relationship between consumer motivation for reading eWOM and number of times a consumer books hotel rooms online.

H4b: There is a relationship between consumer motivation for reading eWOM and the amount of money a consumer pays for hotel rooms online.

Anticipated Results

Anticipated results can be drawn from previous research. Online hotel reviews are expected to have a strong impact on refraining from booking a non-recommended hotel, booking a recommended hotel, and telling other people about the comment read. In addition, the results of the study will reveal comprehensive characteristics of hotel guests and their behavior. As mentioned above, it is important to know how much consideration consumers give online hotel reviews when making decisions and what factors have the most influence. This study will provide a better understanding of hotel

customers who purchase rooms via the Internet and use online hotel reviews when booking rooms. Understanding their behavior will enable hotel marketers to more effectively target this group by building positive images of the brand and creating positive presence on the virtual market place. Further study of the model will enhance the company's understanding of the websites used as a strategic marketing tool. This, in turn, may encourage other researchers to further test and refine the model.

Definition of Terms

The following terms are defined as they are used in this research study.

WOM: Arndt (1967) defined word-of-mouth communication as “a person to person communication where the person who receives information regarding a product, brand or service from a communicator perceives the information as non-commercial.” Word-of-mouth is a form of interpersonal communication between a group of people regarding their individual consumption-related experiences with products or services (Richins, 1984). It is also explained as informal communications intended for other consumers concerning the ownership, usage, or characteristics of specific products or services (Westbrook, 1987).

eWOM: Hennig-Thurau, et al. (2004) defined eWOM communication as “any positive or negative 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.” It is the form of sharing consumers' attitudes and behavior on the Internet (Lee & Hu, 2004).

E-commerce: Similar to traditional commerce, e-commerce involves the buying and

selling of products and services, however the transaction takes place on the Internet (Vesnaver et al., 2002). In e-commerce, transactions are supported by the application of the Internet. E-commerce provides instant access to information and enables consumers to evaluate products and complete a transaction.

Virtual community: Virtual community is a group of people who are involved in a social-exchange process that consists of mutual production and consumption without physical interaction (Balasubramanian & Mahajan, 2001). The social communication among this community is based on a common purpose and interest.

Online travel agency: Kim and Lee (2004) defined online travel agencies as “travel agencies providing value-added travel services to potential customers only through the Web interface such as Expedia.com and Travelocity.com.” Online travel suppliers can be explained as major airline or hotel companies making their resources available to potential consumers through the Internet along with their traditional distribution channels.

Online reviews: Chatterjee (2001) describes online reviews as comments or ratings regarding a product or a company provided with purchase information at online stores.

Motives: Assael (1998) defines motives as “the general drivers that direct a consumer’s behavior toward attaining his or her needs.” Motives determine consumer behavior and reveal the reasons why consumers behave in certain manners.

CHAPTER II

LITERATURE REVIEW

Introduction

Research has been conducted on various characteristics and effects of electronic word-of-mouth (eWOM). Although the development of technology and the Internet has changed the aspect of the hotel industry, literature discussing eWOM in the hotel industry is scarce. Some research has discussed consumer motivations in participating in eWOM communication (Goldsmith & Horowitz, 2006; Hennig-Thurau & Walsh, 2003; Hennig-Thurau et al., 2004). However, no research has been conducted concerning consumer motivation in involvement with eWOM in the hotel industry.

The purpose of this literature review is to better understand the concepts of interpersonal influence on consumer behavior and the motivation of consumers' involvement with online communication regarding products or services. There are four areas reviewed in this section. The first section will present information about the nature of word of mouth (WOM) and interpersonal influence, describing the importance of WOM and the interpersonal influence on purchase decision-making. The second section will discuss the influence of technology and the Internet on electronic commerce (e-commerce) and eWOM communication. The following section will describe why consumers engage in WOM communication by identifying consumer motives of providing and receiving consumption-related advice. The final section will cover

consumer motivations in involvement with eWOM. This overview will create an outline to indicate the importance of understanding consumer motivation in involvement with eWOM in the hotel industry.

Word of Mouth Communication

Personal Influence

Information from personal sources has been found to be significantly influential in consumer decision making. Katz and Lazarsfeld (1955) discuss personal influence as the one source of influence that determines the way people make decisions. People who provide this personal influence are identified as “opinion leaders.” The primary characteristic of opinion leaders is superior product knowledge and experience. These opinion leaders are distributed in all various groups on different levels. Consequently, all interpersonal relationships that exist in different groups are potential networks of personal influence and communication. The opinion leaders have been found to be more innovative than others. They lead communication which is a source of personal influence.

Katz and Lazarsfeld (1955) also revealed that personal influence has more impact on consumer behavior than formal media. Ditcher (1966) discusses the importance of person to person recommendation by pointing out that the influence and the value of personal recommendations can never be replaced by formal advertising. Consumers communicate in an active manner whereas advertising is one-sided and passive. Consumers provide and receive opinions, ask questions, and give answers in dynamic interpersonal ways. Therefore, personal influence can be more effective than advertising.

WOM senders and receivers

The process of word-of-mouth includes providing personal opinions about products or services based on purchase experiences and seeking purchase-related advice when making decisions. Herr, Kardes, and Kim (1991) discuss the effectiveness of WOM by arguing that WOM communications have stronger influence on judging products or services than less vivid advertising. They point out that WOM is information given face to face, therefore has a stronger impact than commercial information. Personal opinions based on purchase experiences also reduce risk through group action (Arndt, 1967). As a result, consumers trust face-to-face communication more than advertising when seeking information.

Consumers choose to either accept or reject information obtained through WOM communications in many different ways. The information provided by personal resources influences immediate as well as delayed product judgments (Bone, 1995). However, consumers receiving WOM do not always find the information valuable. In order for the consumer receiving the information to find it useful, both the sender and receiver of WOM need to place the same level of value on the aspects being communicated (Simonson, Nowlis, & Simonson, 1993). Otherwise, consumers receiving WOM are likely to avoid the alternatives provided to them by the senders. Bansal and Voyer (2000) also point out the importance of a connection between the sender and the receiver by stating that the WOM information will have a significant influence on the receiver's purchase decision if the tie between them is strong. They also revealed the significance that the level of activeness plays when WOM information is sought by stating that WOM has more power when the information is actively sought than when it

is not. Another critical factor is that the level of expertise of the WOM provider has an effect on the influence of WOM. Once receivers perceive senders to be knowledgeable, WOM information provided by the senders have strong impact on receivers' purchase decisions, causing receivers to seek information from those senders more actively. WOM is a fundamental human activity of immense power, therefore it requires involvement of human relation in order to create the impact (Balter & Butman, 2005).

Effects of WOM

WOM is fundamentally different from other alternative forms of marketing because it is the honest, real sharing of genuine opinions and information about products and services (Balter & Butman, 2005). WOM has been recognized to be a major force affecting consumer behaviors in the areas of consumer choice, loyalty and switching. Wangenheim and Bayon (2004) discuss the effects of WOM on consumer behaviors. In the study, WOM was discovered to have influence on switching decisions, perceived influence and attitudes, and subsequent decision making. WOM also contributes to the dissemination of information about products and services, indicating the power of WOM as a marketing tool. Knowledge and experience exchanged between customers has immense influence on managerially related outcomes such as the perceived value of the firm and future purchase intentions.

Gruen et al. (2006) indicated that customer to customer know-how exchange is viewed as "the interactions among individuals that serve as an information source that enhances competency and knowledge." This customer to customer know-how exchange was discovered to be directly related with loyalty intentions, and indirectly influential to the overall value of the firm's offering.

Customer behaviors are found to be affected by both positive and negative WOM. Arndt (1967) found that the probability of purchasing a product was found to increase when receivers are exposed to favorable WOM. In addition, even a single favorable WOM communication is expected to create positive brand attitudes (Herr et al., 1991). On the other hand, the probability of purchase is likely to decrease when consumers are exposed to negative WOM communication (Arndt, 1967). The impact of negative comments on brand name has a significant direct influence on the attributions created by receivers of negative WOM communication (Laczniak, DeCarlo, & Ramaswami, 2001).

The effects of WOM may be particularly critical when products and services are not tangible most of the time such as those in the hotel industry because the products and services are difficult to evaluate or have faith attribute. This indicates the importance of WOM communication in the hotel industry.

Electronic Commerce

Online Market

The Internet is a platform for new commerce models. The emerging e-commerce has expanded and changed the market settings in the world economy (Chen & Tung-Zong Chang, 2003). Through the Internet, companies can simplify complicated business processes, reduce costs, develop relationships, and improve productivity (Yeh, Leong, Blecher, & Hu, 2005).

The World Wide Web is eliminating the physical limitations and allowing online suppliers to communicate directly with customers (Kim & Lee, 2004). As communication and information technology start to develop, new opportunities are

arising. One distinctive advantage of an online market is the ability to reach a large number of potential consumers without geographical limitations and time constraints (Chen & Chang, 2003). Consumers shop on the Internet because of price and convenience. Shopping online enables consumers to purchase products without having to physically leave the house or office. The Internet also enables consumers to compare products conveniently by providing a rich source of information.

This expansion of internet use by an increasing number of users also increased the volume of business transaction, indicating the strong demand for internet application in the hotel industry (Law & Hsu, 2005). In order to meet consumers' needs and demands, the Internet needs to be utilized more effectively in the hotel industry to adopt changes in this century's rapidly changing marketplace (Lee, Sung, DeFranco, & Arnold, 2004).

Information Technology Applications in Hotels

The importance of Internet applications in the hotel industry has been recently emphasized by both researchers and managers (Law & Hsu, 2005). Hotel business patterns are dramatically changed by the impact of e-commerce (Yeh, Leong, Blecher, & Hu, 2005). The use of the Internet is becoming a positive trend in the hotel industry. Marketers perceive the Internet as an important core competency for the hotel business as the number of consumers searching for information about hotels through the Internet started to grow. Yeh et al. (2005) stated that these Internet consumers have positive perceptions toward hotel e-commerce and IT applications. This change in consumer perception has changed the way hotels do business (Wolfe, Hsu, & Kang, 2004).

As travel and tourism accommodations rapidly became the largest category of products and the highest revenue-generating sectors of the Internet, the distribution

channels started to be revolutionized (Bennett & Lai, 2005). Most hotel companies now use the Internet as a distribution channel to transmit information. Additionally, booking hotels on the Internet has become more common among consumers (Lee & Hu, 2004). Travel agencies are also being influenced by the emerging e-commerce travel services (Bennett & Lai, 2005). Many travel agencies perceive the Internet as not only an e-commerce channel but also an information distribution channel. As a result, technology-based approaches, such as online marketing, are regarded as essential sources by hotel companies (Lee & Hu, 2004).

Internet marketing carries significant managerial implications for both hotel companies and consumers. The Internet enables mutual communications and instant information exchange. Therefore, Internet technology is now regarded as the core marketing tool. Hotel companies have shifted marketing strategies from a traditional focus on market share to technology-based customer retention since the use of technology in the customer interaction process is growing at a fast pace.

Online Community

As Internet technology is perceived as the core marketing tool, many travel agencies regard the Internet as an information distribution channel rather than just an e-commerce channel (Bennett & Lai, 2005). Consumers use websites of travel suppliers or online travel agencies, such as Expedia and Travelocity, not only to make reservations but also to receive and provide information regarding the purchase of such services (Law & Hsu, 2005).

As the Internet became a part of everyday life, people started to bring offline activities such as performing acts of commerce, engaging in discussion, sharing opinions,

or chatting to the online environment. Consumers are exchanging information by sharing their market knowledge, hotel experiences or concerns through Web-based forums (Lee & Hu, 2004). The Web is becoming the center of information and communication as an increasing number of consumers are using the Internet as a main communication tool (Wang, Yu, & Fesenmaier, 2002).

Information technology brought revolutionary changes and became a strong force that leads business in new directions. Online communities started to obtain greater importance as the Internet became a dominant organizing symbol, and this networked technology empowered consumers to become more connected. This form of sharing consumers' experience, attitudes, and opinions through online communities is called electronic word-of-mouth (eWOM) communication (Lee & Hu, 2004). Hotel companies and online travel agencies started to realize the power of eWOM as a key to their relationship marketing (Wang, Yu, & Fesenmaier, 2002). By monitoring consumers' discussion on Websites, hotel companies can better understand consumer behavior and make strategies to improve their products and services (Lee & Hu, 2004).

Electronic Word of Mouth Communication

Similarity of WOM and eWOM

The effectiveness of eWOM communication is viewed in the literature as very similar to that of traditional WOM communication as eWOM has evolved from traditional approaches of WOM. The similarity of eWOM and WOM communication is suggested by several researchers (Goldsmith & Horowitz, 2006; Gruen et al., 2006; Hennig-Thurau et al., 2004). Hennig-Thurau et al. (2004) studied different factors that

motivate individuals to be involved in eWOM and found that the results were similar to those of traditional WOM previously conducted by other researchers. Gruen et al. (2005) also pointed out that eWOM effects on consumers are very similar to WOM effects. This indicates that traditional face-to-face WOM mechanisms are similar to those in the electronic environment of the internet.

Researchers and managers started to examine the importance of eWOM as the internet is increasingly becoming a large part of daily life. eWOM communication is perceived to be a reliable source of information by receivers just as WOM. This indicates a direct benefit and the importance of eWOM for companies. eWOM is also found to have significant influence on the perceived overall value of the firm's offering.

Effects of eWOM

The interactive aspects of online communications encourage consumers to build new or stronger relationships with companies (Thorson & Rodgers, 2006). There are many different forms in which eWOM communication can be generated such as e-mail, instant messaging, homepages, blogs, online communities, newsgroups, chat rooms, hate sites, review sites, and social networking sites (Goldsmith & Horowitz, 2006). These various forms are actively used by consumers for online communication.

Fong and Burton (2006) suggested that discussion boards are definitely providing a venue for eWOM to take place. Consumers provide and seek product recommendations through online discussion boards. The growth of online discussion boards are highlighted by researchers and marketers as they are regarded as critical marketing tools that lead to purchase alternatives.

Thorson and Rodgers (2006) discovered the persuasive effects of eWOM on

blogs. Personal decisions were found to be strongly influenced by experiences, opinions and thoughts provided in a blog forum. When individuals share their thoughts and opinions through such virtual communities, their behavior is more likely to be affected by the ideas obtained through such communities. Thorson and Rodgers also argue that providing consumers with the ability to exchange ideas and information through a blog will have a significant impact on a corporation's image. Similarly the sharing of experiences and thoughts about products and services influences the relationship between consumers and the company. Thorson and Rodgers studied the relationship between political candidates and their supporters and stated that the presence of a blog effected voting preferences. The result of their study suggested that the interactivity of that blog enhanced perceptions and awareness of the political candidate's website thus changing the attitudes toward the political candidate, and even voting preferences. This indicates the importance and the effectiveness of mediated interpersonal interactions.

The importance of eWOM was also discussed by Lin, Luarn, and Huang. (2005). They investigated the effects of eWOM on purchasing books and found that internet book reviews have critical influence on the receivers' book purchasing intentions. Consumers perceive internet book reviews as a reliable source of information when purchasing books and search for reviews when seeking information regarding a book. Interestingly, Lin et al. (2005) discovered that strong positive book reviews that appear ahead of negative comments reduce the effect of negative reviews. The effects of online book reviews indicate that consumers perceive other consumers' reviews as valuable source of information and their purchase decision is also effected by opinions of other consumers. Similar to the online book reviews, consumer reviews regarding products and services of

hotels are easily accessible through the Internet these days. There is an increasing number of hotel reviews provided by consumers on online travel agency websites and online hotel review sections of websites such as Expedia.com, Orbitz.com, or Travelpost.com. More and more consumers are sharing and exchanging their experiences and opinions about hotels through online communities. Although recent research on eWOM proves the effectiveness of eWOM in various fields, only limited research on eWOM communication in the hotel industry has been published to date.

Motives for traditional WOM communication

Identifying Motives

In order to examine the impact of eWOM communication on consumer decision making, the motives that drive consumers to engage in eWOM communication need to be identified. Motives indicate the reasons that direct and influence consumer behavior and help managers to understand their consumers (Assael, 1998). Given that eWOM and traditional WOM communication are conceptually similar, consumer motives for traditional WOM are also expected to be closely related to those for eWOM (Hennig-Thurau et al., 2004). Therefore, to study the motives of eWOM communication, it is necessary to first examine the motives of traditional WOM communication.

Motives for providing WOM

Dichter (1966) identified two different kinds of WOM: pre-decision and post-decision. These two different kinds of WOM do not happen at the same time; however, they both have the same objective. In Dichter's study, the importance of studying motivations of WOM speakers was discussed. He pointed out that the most effective

form of WOM for advertising products is the post-decision speaker. Dichter examined what motivates a person to talk about a product or service and introduced four different motives. He provided the most notable study of WOM communication motives by identifying four positive WOM communication motives: product-involvement, self-involvement, other-involvement, and message-involvement.

Product-involvement explains a mental or emotional tension generated by a consumer's purchase experience. Sharing experience with the product or service or recommending the product to others can ease this type of tension by restoring the balance. Unlike the product-involvement, self-involvement explains certain emotional needs that a consumer seeks to satisfy by focusing on the self of the person rather than the product. Talking about his/her experience with the product satisfies the consumer's need to reassure himself/herself. Other-involvement explains a consumer's need to give something to the other person. A consumer can satisfy the need to express sentiments of care, friendship, and love by sharing one's experience with the others. The main attitude in this involvement is the intent to help and to share. The product serves as the instrument that fulfills this need. Message-involvement explains consumer's intent to share information on which is generally stimulated by the way the product is presented through advertisements, commercials or public relations. Although Dichter's study is reasonable and noteworthy, it is limited to positive motivations.

Engel, Blackwell, and Miniard (1993) modified Dichter's study and renamed the categories as Involvement, Self-enhancement, Concern for others, and Message intrigue. They introduced an additional motive, Dissonance reduction, as a motive that explains a reason for spreading negative WOM communication. Engel et al. (1993) argue that

spreading negative WOM reduces cognitive dissonance following a purchase experience.

Sundaram, Mitra, and Webster (1998) added more motives to Dichter's study and presented the most comprehensive study of WOM communication motives to date by identifying eight motives for consumer WOM communication. This study provided four positive WOM categories and four negative WOM categories for engaging in WOM communication.

Positive WOM communication motives consist of Altruism, Product involvement, Self enhancement, and Helping the company. Altruism explains the act of doing something for others without anticipating any compensation in return; consumers intend to help others to have a satisfying purchase experience. Product involvement explains consumers' motives to vent the pleasant feelings about purchase experiences by providing eWOM. The purchase that is perceived relatively important or relevant generates excitement. Self enhancement explains consumers' intention to enhance their image among others and to be perceived as an intelligent shopper by sharing their positive consumption experiences. Consumers also desire to help the company by convincing others to patronize a particular company. This motive may be part of altruism, however, a separate category was identified because the idea is to help the company rather than the receiver of the WOM.

Negative WOM communication motives consist of Altruism, Anxiety reduction, Vengeance, and Advice seeking. Similar to altruism for positive WOM motives, negative altruism is when a consumer intends to prevent others from having unpleasant experiences or problems that they had encountered. The purpose is to help others by warning them about negative results of a particular purchase. A consumer desires to

reduce anxiety by venting his/her anger. Consumers can ease anger or frustration by expressing the negative feelings or sharing dissatisfying experiences with others.

Vengeance is concerned when a consumer reacts to the negative consumption experiences by retaliating against the company. The motive is to prevent others from patronizing the company by sharing negative experiences. A consumer intends to seek advice when he/she encounters negative consumption experience. Some advice to the problems can be obtained when sharing negative experiences with others.

The results of this study suggest that a superior product performance experience generated from selling high quality, reliable, and durable products and a satisfying employee-consumer contact experience are likely to lead to positive WOM. On the other hand, not solving problems to consumers' satisfaction is likely to motivate negative WOM conversations.

Motives for seeking WOM

Schiffman and Kanuk (1987) examined the needs of opinion receivers by observing how opinion leaders serve to fulfill those needs. The needs of opinion receivers are fulfilled by opinion receivers who provide new-product information and reduce perceived risk of the opinion seeker. Opinion leaders also help opinion receivers to reduce the search time for a product or service. They also examined the underlying motivations of those who receive product-related information and advice provided by opinion leaders. Based on Dichter's motive typology for opinion leaders, they theoretically derived three corresponding motives for opinion receivers; Self-Involvement Motives, Product-Involvement Motives, and Other-Involvement Motives.

Self-involvement motive indicates consumer's motivation to reduce his/her risk or

uncertainty regarding a purchase. This motive is derived from risk-related theoretical considerations. Consumers seek information regarding products or services before making a purchase decision to make sure that they are making the right purchase decision. Self-involvement motive also explains consumer's need and intent to reduce search time. Consumers find it difficult to make the right purchase decision when the market provides excessive information. It is increasingly difficult for consumers to search for the right alternatives. With the information provided by opinion leaders, opinion receivers will not have to spend as much time on shopping around and searching.

Product-involvement motive designates consumer's intent to gain knowledge about a product. Consumers seek to learn how a product is to be consumed or used. Such motives can be directly related to opinions of the receivers' specific consumption situations or experiences. In addition to production consumption and usage, consumers seek to learn what products are new in the market.

Other-involvement motive is derived from the social function of consumption. This motive explains consumer's need to ensure acceptance and to get approval of others regarding certain products. Consumers intend to evaluate the product and its related social prestige.

Motives for eWOM communication

Motives for providing eWOM

Hennig-Thurau et al. (2004) analyzed a variety of different motives for eWOM communication and their impact on consumer behavior. Based on previous research, they identified 11 distinct motives that may lead consumers to provide eWOM communication

on Web-based opinion platforms (Dichter, 1966; Sundaram et al., 1998). These 11 motives were derived from five different utilities: focus-related utility, consumption utility, approval utility, moderator-related utility, and homeostasis utility.

Based on the work of Balasubramanian and Mahajan (2001), Hennig-Thurau et al. identified three utilities; focus-related utility, consumption utility, and approval utility. Focus-related utility indicates the utility that consumers obtain when adding value to the community through their contributions. This utility is based on the theory that adding value to the community is an important goal of the individual. Concern for other consumers (Nagel, 1970; Paul, Miller, & Paul, 1993), helping the company (Sundaram et al., 1998), social benefits (McWilliam, 2000; Oliver, 1999), and exerting power are motives that fit into this utility. Consumption utility refers to consumers receiving value through direct consumption of the contributions of other community constituents (Balasubramanian and Mahajan, 2001). Consumers may post a comment on the Internet describing their experiences with a product and request other consumers to provide problem-solving advice. Post purchase advice-seeking motive is part of this utility. Approval utility is concerned when other consumers consume and support the first individual's own contribution (Balasubramanian & Mahajan, 2001). Self-enhancement (Engel et al., 1993; Sundaram et al., 1998) and economic reward (Lawler, 1984) are motives that fall into this utility. Based on the characteristics of platforms and the review of motive-related WOM literature, Hennig-Thurau et al. (2004) identified two additional kinds of utility. Moderator-related utility is derived when a third party makes the complaint act easier for a community member. Convenience (Harrison-Walker, 2001) and hope that the platform operator will serve as a moderator are motives that fall into

this category. Homeostasis utility is based on the concept that individuals have a basic desire for balance in their lives (Zajonc, 1971). When they experience dissatisfying consumption, the sense of unbalance is generated by either a strong positive or negative consumption experience. Balance can be restored by writing a comment on an opinion platform. Expression of positive emotions (Sundaram et al., 1998; Dichter, 1996) and venting of negative feelings (Sundaram et al., 1998) are motives driven from this utility.

Hennig-Thurau et al. suggest that social benefits, economic incentives, concern for others, and extraversion/self-enhancement are the major reasons consumers provide their experiences on online opinion platforms. The study also discovered that consumers may not be a homogeneous group in terms of their eWOM motivations; they can be separated into various motivation segments. This study delineated the motives of consumers who provide their opinions online and presented a notable model of motives for writing opinions online.

Motives for seeking eWOM

Hennig-Thurau and Walsh (2003) examined the relevance of eWOM motives for reading other consumers' online testimonials and their impact on consumer buying and communication behavior. Based on previous research, they identified eight theoretically derived motives; risk reduction, reduction of search time, to learn how a product is to be consumed, to learn what products are new in the marketplace, determination of social position, dissonance reduction, remuneration, and belonging to a virtual community.

Risk reduction and reduction of search time were drawn from Shiffman and Kanuk's (1987) self-involvement motivations. These motives can be explained as consumers' effort to reduce risk with regard to purchase decisions (Wiedmann, Walsh, &

Mitchell, 2001) and to avoid time-consuming search activities (Dhar & Nowlis, 1999; Spears, 2001). Learning how a product is to be consumed and learning what products are new in the marketplace are derived from Shiffman and Kanuk's (1987) product-involvement motivations. Opinion platforms enable consumers to search for information with regard to their specific consumption situations thus helping each individual to learn about specific products (Granitz & Ward, 1996). Consumers are also curious about new products in the market. Determination of social position developed from Shiffman and Kanuk's (1987) other-involvement motivations which explain consumers' intent to ensure acceptance by comparing their own evaluation with that of others. Dissonance reduction is derived from cognitive dissonance theory which indicates consumers' cognitive incongruence caused by conflicting information from other sources (Sweeney, 2000). This incongruence can be reduced by confirming consumers' assessment through unbiased information obtained from virtual opinion platforms. Remuneration and belonging to a virtual community are motives developed based on the specific characteristics of virtual articulations. Remuneration is derived from a unique characteristic of opinion platforms that reward consumers for reading contributions (Deci, Koestner, & Ryan, 1999). Consumers may also use the Internet to be part of a community and interact with others (Fischer, Bristor, & Gainer, 1996; Granitz & Ward, 1996).

Based on the eight motives indicated above, Hennig-Thurau and Walsh (2003) derived five motive dimensions; obtaining buying-related information, social orientation through information, community membership, remuneration, and to learn to consume a product. The first factor, obtaining buying-related information, includes risk reduction

and reducing search time which are both directly associated with consumer purchasing behavior. The second factor, social orientation through information, combines determination of social position and dissonance reduction. The third factor, community membership, contains belonging to a virtual community and learning what products are new in the marketplace which perceive online information exchange as part of community practice and experience. The fourth and fifth factors correspond respectively to the previous motives, remuneration and to learn how a product is to be consumed. However, considering the fact that it is not common to remunerate consumers for reading online hotel reviews, it may not be appropriate to apply the remuneration motive to the hotel industry.

The results of Hennig-Thurau and Walsh's (2003) study indicate that consumers read other consumers' statements on the Internet mostly to save time and to make better purchasing decisions. The study also suggests that the motives for reading online communications are strongly related to consumers' behavior by revealing that the motives are a strong predictor of the behavioral reaction to the online comments. Based on Hennig-Thurau and Walsh's approach, motives for reading eWOM are important attributes for consumer behavior. In order to test the relationship between the reading eWOM motives and consumer behavior, Hennig-Thurau and Walsh (2003) examined the impact of reading motives on change in consumer buying behavior and communication behavior. This was necessary as buying behavior and communication behavior are expected to be influenced by the reading of on-line articulations. They examined change in buying behavior by observing whether consumers refrain from buying a product in question when a report about the product is negative, and whether the consumers are

more likely to buy a product when a report is positive. Change in communication behavior was examined by observing how much the consumers are likely to tell other people about the product after reading a report regarding the product on the Internet.

Based on this, the following hypotheses were derived.

H1a: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a negative comment.

H1b: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a positive comment.

H2: There is a relationship between consumer motivation for reading eWOM and consumer communication behavior.

Goldsmith and Horowitz (2006) measured consumer motivations for online opinion seeking by revealing eight distinct factors. They point out the importance of studying eWOM motivation by stating the motivations play a direct role in shaping specific aspects of eWOM. Motivations indirectly affect behavior operating through mediators, and they act as moderators of other relationships.

Goldsmith and Horowitz (2006) performed a critical incident study to obtain qualitative data regarding motivation for seeking eWOM and introduced eight motives for seeking opinions online; perceived risk, influence of others, price consciousness, ease of use, accidentally, it's cool and saw on TV. Perceived risk is concerned when consumers desire to reduce risk by making sure that the product is worth buying. Getting information from other consumers who have already purchased the product reduces the chances of making a wrong purchase decisions. Influence of others explains how consumers are also influenced by others and seek online opinions when they see others

finding useful information through the internet. Price consciousness explains the importance of obtaining the best value for the money spent. Online opinions by others help consumers to find products with the lowest price or to purchase high quality products. Ease of use explains the convenience of searching information online. The Internet makes it easier for consumers to get information or to compare products by enabling them to conveniently search from home, work or school. Accidentally is a motive that explains passive searches. Sometimes the information comes to consumers when they are on the Internet. Consumers also get motivated to search for information on the Internet when they see television advertisements. Some consumers find it trendy to seek information via the Internet. Goldsmith and Horowitz (2006) examined the relationship between the levels of consumer motives for seeking eWOM and consumer buying activity. They adopted two criterion measures to examine consumer buying activity; online buying behavior and amount of online purchasing. Online buying behavior is examined by studying how likely consumers are to purchase products or services online. Amount of online purchasing was examined by observing the frequency of online purchasing and the amount of money consumers spend on purchasing products online. Additional hypotheses were drawn based on Goldsmith and Horowitz's work.

H3: There is a relationship between consumer motivation for reading eWOM and consumer online buying behavior.

H4a: There is a relationship between consumer motivation for reading eWOM and number of times a consumer books hotel rooms online.

H4b: There is a relationship between consumer motivation for reading eWOM and amount of money a consumer pays for hotel rooms online.

The results of their study suggested that consumers were approximately 16% more likely to be influenced by eWOM than traditional advertising media. The study also revealed that consumers with higher motivation to seek opinions online perceive eWOM as more important than advertising, indicating the importance of eWOM in e-commerce.

The studies above delineated the motives of consumers who share their opinions or seek others' opinions online. Combining the two studies, Figure 1 is developed as a hypothesized integrative model.

Summary

Motives are reasons for behavior, thus studying consumer motives is the critical foundational step in understanding consumer behavior. This literature review in the areas of traditional WOM, e-commerce, eWOM, and consumer motives has provided a foundation for the development of hypotheses for this study by supporting a relationship between motives and consumer behavior. This study identified six motive dimensions and four behavior dimensions based on the literature reviewed. The first motive dimension is obtaining buying related information. Risk reduction, reduction of search time, and ease of use are the motives identified in this dimension. The second motive dimension is social orientation through information which explains determination of social position and dissonance reduction. The third motive dimension is community membership. This motive is concerned with belonging to a virtual community and learning what products are new in the market. The fourth motive dimension is to learn to consume a product. The fifth motive dimension is price consciousness which explains

consumers' desire to maximize product benefits to cost. Finally, the last motive dimension is accidentally. This motive represents passive search where the information comes to consumers accidentally.

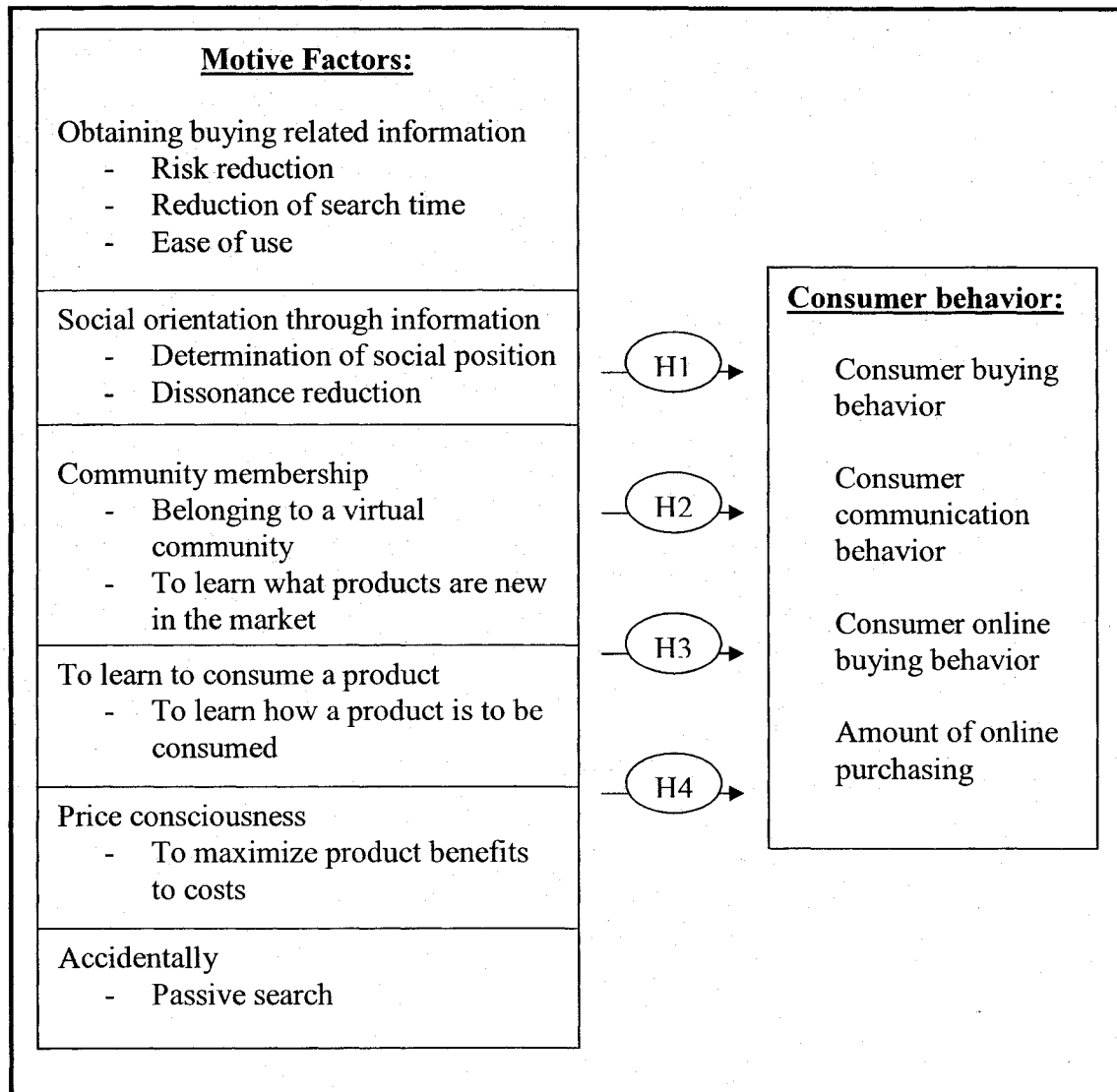


Figure 1. Integrative model of motivations to read eWOM and online consumer behavior.

Note. H1: The relationship between eWOM motives and consumer buying behavior.

H2: The relationship between eWOM motives and consumer communication behavior.

H3: The relationship between eWOM motives and consumer online buying behavior.

H4: The relationship between eWOM motives and amount of online purchasing.

CHAPTER III

RESEARCH DESIGN AND METHODOLOGY

Introduction

The primary purpose of this research is to examine antecedents of consumer motivation to read online hotel reviews. This research also attempts to observe the relationship between the motives for reading eWOM and consumers' buying decision and purchase behavior.

This chapter discusses the process of this study and explains how the research was accomplished by presenting the research methodology and research hypotheses. This chapter also describes the study method, data collection, measurement scales, and data analysis.

Research Hypotheses

The relevance of consumer motives for reading eWOM evolves from their potential impact on consumer behavior due to reading online hotel reviews. The findings of the literature review suggest a relationship between consumer motives for reading eWOM and consumer behavior. Unfortunately, no published research has examined the factors that affect customers' involvement in eWOM in the hotel industry. Therefore, this study aims to focus on the antecedents of consumer motivation to read and/or utilize eWOM regarding hotels. The following hypotheses were tested in the context of

purchasing a hotel room:

H1a: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a negative comment.

H1b: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a positive comment.

H2: There is a relationship between consumer motivation for reading eWOM and consumer communication behavior.

H3: There is a relationship between consumer motivation for reading eWOM and consumer online buying behavior.

H4a: There is a relationship between consumer motivation for reading eWOM and number of times a consumer books hotel rooms online.

H4b: There is a relationship between consumer motivation for reading eWOM and the amount of money a consumer pays for hotel rooms online.

Sample

The target population for this research was compromised of hotel customers who have read other consumers' hotel reviews on the internet since the main purpose of the study is to examine the factors that affect consumers to read eWOM regarding hotels. In order to identify the qualifying respondents for the study, a screening question inquiring whether the respondent has read other consumers' hotel reviews on the internet was utilized.

The sample of the population is obtained from a large Las Vegas resort hotel located on the Las Vegas Strip. Although it would be ideal to select sample data from the

entire population of hotel guests who have read online hotel reviews, this study applied a convenience sampling method since it is difficult to have access to the whole population. Convenience sampling refers to sampling by units or people who are most conveniently available (Zikmund, 2003). Las Vegas hotels have a greater diverse range of customers than the average hotels in the U.S. and the participant property is known to have various ranges of customers, thus suggesting that the sample from this hotel is likely to represent the diversity of the population.

The hotel agreed to support the study and sent out a total of 29,000 invitation emails to participate in this study containing a link to the Internet survey to their customers who booked a room through an online travel agency. The Internet survey was designed by inputting the questionnaire into an online survey program, Survey Monkey (www.surveymonkey.com). The survey was open for respondents on April 6, 2007 and was closed on April 9, 2007. A total of 1,566 surveys were gathered, a response rate of 5.4%, however in order to qualify for the study participants had to have previous experience reading other consumers' hotel reviews on the Internet. As a result only 1,000 of the 1,566 respondents qualified for the study. Only 816 surveys are determined usable out of the 1,000 qualified respondents.

Online Data Collection

An online questionnaire was used to measure consumer motives to read hotel reviews online. All demographic groups are not fully accessible via the Internet, however, online sampling is appropriate for a study of this nature because respondents participating

in the Internet survey may be good representative of population targeted at Internet users (Zikmund, 2003).

Some advantages to using web-based surveys are reduced waiting periods when receiving responses, lower cost, the ability to be interactive, easier data entry, and access to real-time data (Zikmund, 2003). An Internet survey enables the researcher to control which questions a respondent will be asked based on answers to previous questions. This ability of an Internet survey made is easier for this study to identify the qualified respondents for the survey by asking a qualifier screening question, thus allowing a more accurate sample for the study. Also, the survey was designed to randomize the items. On the other hand, web-based surveys have a disadvantage of having low response rates and survey design problems. For this study, the advantages of the web-based survey identified are found to outweigh the disadvantages.

Survey Instrument

The basic structure of the questionnaire is as follows: a screening question to identify qualified respondents, websites the individual visited to read hotel reviews, the level of the motive for reading eWOM, impact of eWOM on the behavior, individual's online purchasing behavior and demographic information. In addition, other components such as importance of eWOM compared to advertising and consumers' purchase decision involvement were added. However, this study focuses on consumer motivation to read eWOM and the impact of the motives on consumer behavior. Thus, the responses to those questions were not used in the analysis of the data for this study. A copy of the instrument can be viewed in Appendix 1.

The question on whether the individual has ever read an online hotel review was asked in order to identify qualified respondents for this study. The next question regarding the websites the individuals visit to read online hotel reviews was asked to determine which websites are more frequently used among eWOM users within the hotel industry. The respondents were asked to select more than a single website if applicable. Expedia.com, Travelocity.com, and Orbitz.com were the most popular websites visited by the respondents. 78.4% of the respondents have visited Expedia.com. 66.6% and 54.1% of the respondents visited Travelocity.com and Orbitz.com respectively. Hotels.com was visited by 52%, tripadvisor.com 21.3%, and travelpost.com was visited by 1.7% of the respondents. The following section of eWOM motives were included to examine the factors that affect consumers to read online hotel reviews. These questions are similar to those used in articles written by Hennig-Thurau and Walsh (2003) and Goldsmith and Horowitz (2006). Questions asking about consumer behavior were divided into two sections: impact of eWOM on the behavior and individual's online purchasing behavior. Three questions were asked to study consumers buying behavior and communication behavior after reading eWOM regarding hotels. Four questions were asked to observe individual's online purchasing behavior and the amount of online purchasing. The last section covered the demographic information including gender, age, education, income and ethnicity.

Questionnaire Development and measurement

The initial survey was developed from literature and modified to fit into the hotel industry. Hennig-Thurau and Walsh (2003) and Goldsmith and Horowitz (2006)

provided a good foundation for both motive dimensions and behavioral variables for this study. Combining these two studies and applying them to the hotel industry, six motive dimensions and four behavioral variables were identified.

The questionnaire was pre-tested on 15 graduate students to evaluate the wording and layout. Pre-test respondents were informed in advance that the purpose of the test is to evaluate the questionnaire. The pre-test was sent to the respondents in an e-mail invitation format with the link to the actual Internet survey. At the end of the pre-test, no modifications were made.

Twenty two items were employed in order to measure six motive factors. The questionnaire rated all the motive items on a five-point Likert response format, in which 1 represented the lowest agreement, “strongly disagree,” and 5 the highest, “strongly agree.”

The significance of reading motives stems from the presumption that consumers react to the eWOM they read (Goldsmith & Horowitz, 2006; Hennig-Thurau & Walsh, 2003). For example, the fact that consumers read eWOM to obtain buying related information is likely to make a change in their buying decision due to the comments they read. Based on Hennig-Thurau and Walsh’s (2003) work, two behavioral dimensions, consumer buying behavior and communication behavior, were measured as outcome variables. Consumer buying behavior was measured in two different contexts; after reading a positive comment and after reading a negative comment: “When a comment is negative, I refrain from booking the hotel in questions,” and “When a comment is positive, I am more likely to book the hotel room.” Consumer communication behavior explains potential change in the readers’ offline word-of-mouth communication behavior

after reading online hotel reviews. The item capturing consumer communication behavior was “Reading other consumers’ comments leads me to tell friends or family about the hotel.” Both constructs were measured on a five-point scale where 1 represented never (never change my behavior) and 5 represented always (always change my behavior).

Based on Goldsmith and Horowitz’s (2006) study, two more criterion measures, online buying behavior and amount of online purchasing, were computed from self-reports of buying behavior by each individual. Online buying behavior consists of two items: “I use the Internet to purchase hotel rooms online,” and “I often purchase hotel rooms online.” A five-point Likert scale was provided where 1 represented the lowest agreement, “strongly disagree,” and 5 the highest, “strongly agree.” Amount of online purchasing also consists of two items. The first item was an open-ended statement asking “Approximately how many times do you book a hotel room online per year?” The second item asked respondents to report the amount of money they spent on booking hotel rooms on the Internet over the past twelve months. The six response categories ranged from \$1 - \$200 to \$1,001 or more.

Data Coding and Analysis

The data were analyzed by using SPSS 14.0. For the motive items, “strongly disagree” was coded as number 1 and “strongly agree” was coded as 5. For consumer buying behavior and communication behavior items, “never” was coded as number 1 and “always” was coded as 5. Online buying behavior items were coded the same as the motive items. For the open-ended amount of online purchasing behavior item, all the

responses were recoded into 12 categories. Responses of 0 times to 10 times per year were recoded into a category relative to their numerical value (i.e. 0 times being recoded as 0 and 10 times being recoded as 10). The responses of 11 times or more were recoded into one category as 11. The second amount of online purchasing item was coded into 6 categories (i.e. "\$1 - \$200" being number 1 and "\$1001 or more" number 6).

Descriptive statistics for all questionnaire items and research variables were computed in order to check for missing data and errors in data entry. Before hypotheses testing, the data was checked for normality, constant variance, and outliers by histograms and normality plots of variables and residuals. In addition, multicollinearity tests were conducted. The hypotheses were tested by using the multiple linear regression analysis at a 0.05 alpha level.

CHAPTER IV

DATA ANALYSIS AND RESULTS

Introduction

This chapter presents the data analysis and the results of this study. Reliability analysis and linear regression analysis are employed by using SPSS 14.0. In addition, the demographic information of the participants and the test of reliability and validity are described. The data were analyzed to identify whether there is a relation between consumers' motives for reading online hotel reviews and consumer behavior.

Demographic Profile of Respondents

Not all the respondents completed the survey since the Internet based survey allowed the respondents to easily exit the survey anytime. However, 781 respondents out of 1,000 respondents completed the survey until the last section which the demographic information is asked. Of the 781 respondents, approximately 47.6% were male and approximately 52.4% were female (see Table 1).

Table 1

Gender of Respondents (N = 781)

Gender	N	%
Male	372	47.6
Female	409	52.4

The majority of the respondents were young and well-educated. 19.3% were in the range of 21 to 29 years old, 34.4% were 30 to 39 years old, 23% were 40 to 49 years old, 19% were in the range of 50 to 59 years old, and 4.2% were over 60 years old (see Table 2). With regard to the education, the majority of respondents had college degrees (49.4%), while 5.6% had high school degrees or less. 23.6% had gone to college but did not graduate, and 21.4% had a graduate degree (see Table 3).

Table 2

Age of Respondents (N = 781)

Age	N	%
20s	151	19.3
30s	269	34.4
40s	180	23.0
50s	148	19.0
60s+	33	4.2

Table 3

Education of Respondents (N = 781)

Education	N	%
High school or less	44	5.6
Some college	184	23.6
College	386	49.4
Graduate school	167	21.4

Over 45.5% of the respondents had an approximate annual household income of \$100,000 or more. Approximately 15.4% had an annual household income of \$80,000 to \$99,999, 17.8% had between \$60,000 and \$79,999, 13.7% had \$40,000 to \$59,999, 6.5% had between \$20,000 and \$39,999, and 1.2% had less than \$20,000 (see Table 4).

Table 4

Annual Household Income of Respondents (N = 781)

Annual Household Income	N	%
Less than \$20,000	9	1.2
\$20,000 to \$39,999	51	6.5
\$40,000 to \$59,999	107	13.7
\$60,000 to \$79,999	139	17.8
\$80,000 to \$99,999	120	15.4
\$100,000 or more	355	45.5

In terms of ethnicity, the respondents were divided into seven groups. The majority of the respondents were Caucasian (59.9%), while 6.4% were African American. Approximately 6.8% were Asian American, 5.9% were Hispanic, 0.9% were Native Hawaiian or other Pacific Islander, 0.6% were American Indian or Alaskan native, and 0.6% were non-American or had other ethnicity (see Table 5).

Table 5

Ethnicity of Respondents (N = 781)

Ethnicity	N	%
Caucasian	595	59.5
African American	50	6.4
Asian American	53	6.8
Hispanic	46	5.9
Native Hawaiian or other Pacific Islander	7	0.9
American Indian or Alaskan native	5	0.6
Other	25	3.2

Exploratory Factor Analysis

This study combined two studies and developed six motive dimensions with 22 items (Goldsmith & Horowitz, 2006; Hennig-Thurau & Walsh, 2003). Since the items were adopted from two different studies, and due to multicollinearity, factor analysis was employed in order to identify underlying factors that explain correlations within a set of independent variables. The 22 items assessing motives for reading online hotel reviews were factor analyzed by submitting them to the SPSS factor analysis program to determine the dimensionality of the entire set of items. Varimax method was employed using the Eigenvalue criterion of 1.0. Factor loadings less than 0.4 were not displayed in order to distinguish items that load highly on each factor.

The analysis extracted three factors. Each factor was labeled based on common themes of the items in the factor (see Table 6). There were two items measuring

Accidentally. This motive explains how consumers find online hotel reviews by chance when surfing on the Internet (Goldsmith & Horowitz, 2006). However, they were removed because they did not fit into the factor.

Descriptive Statistics and Reliability Tests

Table 7 displays the descriptive statistics indicating the means and the standard deviations for each variable used in the models as well as the initials used for the variables throughout this chapter. CB1, explains consumer buying behavior after reading a negative comment, and CB2 indicates consumer buying behavior after reading a positive comment. OP1, amount of online purchasing 1, was measured by asking a single item in an open-ended format to evaluate approximately how many times an individual books a hotel room online per year. OP2, amount of online purchasing 2, was measured by asking approximately how much the individual paid for hotel rooms on the internet over the past 12 months. Among the independent variables of motive levels, Obtaining Benefits has the highest mean score of 3.91 with the standard deviation of .796 whereas Social Reassurance showed the lowest mean score of 2.86 with the standard deviation of .870.

Table 6

Factor Analysis

Factor Name	Items	Factors		
		1	2	3
Factor 1 Obtaining Benefits	I read information about hotels from other consumers' online reviews...			
	- Because it's the fastest way to get information	.782		
	- Because I save time during hotel room shopping	.632		
	- Because it's convenient to search from home to work	.770		
	- Because going online is the easiest way to get information	.743		
	- Because I am able to compare different hotels easily	.731		
	- Because I find right answers when I have questions about a hotel	.405		
	- In order to find the lowest prices	.681		
	- In order to get the best value for my money	.688		
	- In order to get the highest quality available	.561		

Note. Extraction method was Principal Component Analysis.

(Table continues)

Table 6 (continued)

Factor Name	Items	Factors		
		1	2	3
	I read information about hotels from other consumers' online reviews...			
Factor 2 Social reassurance	- Because I can see if others feel the same way about a hotel as I do		.602	
	- Because I like to compare my own evaluation with that of others		.632	
	- Because I feel much better when I read that I am not the only one who has a certain problem		.682	
	- Because I like being part of a community		.795	
	- Because I enjoy participating in the experiences of other community members		.789	
	- Because I am interested in what is new		.566	
	- Because I get to know which topics are in		.777	
	- To find solutions for my problems		.632	
Factor 3 Risk Reduction	- Because customer reviews help me make the right buying decisions			.765
	- To benefit from others' experiences before I book a hotel room			.818
	- Because through reading I get the confirmation that I made the right buying decision			.473

Note. Extraction method was Principal Component Analysis.

Table 7

Descriptive Statistics

		Mean	S.D.
BN	Obtaining benefits	3.91	.796
SC	Social reassurance	2.86	.870
RD	Risk reduction	3.79	.897
CB1	Consumer buying behavior 1	3.42	.989
CB2	Consumer buying behavior 2	4.04	.809
CC	Consumer communication behavior	3.25	1.167
OB	Online buying behavior	4.31	.938
OP1	Amount of online purchasing 1	5.61	3.292
OP2	Amount of online purchasing 2	4.56	1.730

Note. BN, SC, RD, and OB were measured on a five-point Likert scale where 1 = strongly disagree and 5 = strongly agree. CB1, CB2, and CC were measured in a five-point Likert scale where 1 = Never and 5 = Always. OP1 was an open-ended question, and OP2 was measured in six categories where 1 is the lowest and 6 is the highest amount of money spent.

Table 8 indicates that approximately 33% of the respondents booked a hotel room online 3 to 4 times per year. However, 15.1% of the respondents answered that they book a hotel room online 11 time or more per year which is equivalent to once a month.

Table 8

Frequency Table of Amount of Online Purchasing 1 (N = 750)

Number of times booking a room online per year	N	%
0	9	1.2
1	25	3.3
2	84	11.2
3	130	17.3
4	121	16.1
5	95	12.7
6	48	6.4
7	12	1.6
8	34	4.5
9	7	0.9
10	72	9.6
11 or more	113	15.1

Table 9 shows that more than 70% of the respondents spent more than \$600 by booking hotel rooms online per year. In addition, approximately half of the respondents, 47.8% of the respondents, answered that they spent \$1,001 or more by booking hotel rooms on the Internet.

Table 9

Frequency Table of Amount of Online Purchasing 2 (N = 807)

Amount of money spent per year	N	%
\$1 - \$200	69	8.6
\$201 - \$400	79	9.8
\$401 - \$600	70	8.7
\$601 - \$800	92	11.4
\$801 - \$1,000	111	13.8
\$1,001 or more	386	47.8

The reliability to test the consistency of the items in this study is measured by the reliability analysis using SPSS 14.0. A Cronbach's Alpha value higher than 0.70 is generally accepted to be reliable (Hair, 2006, p.137). A higher alpha value indicates a higher internal consistency. Most of the variables had acceptable alpha values except for the change in buying behavior variable which contained two items. Therefore, all the variables except consumer buying behavior were considered appropriate for this study (see Table 10).

Nine items were utilized to measure obtaining benefits, eight items were used to measure social reassurance, and three items were used to measure risk reduction. Both consumer buying behavior and online buying behavior were measured by using two items each.

Consumer buying behavior was separated into two different variables since one item was measuring consumer buying behavior after reading a positive comment and the

other was measuring consumer buying behavior after reading a negative comment. In addition, the Cronbach's alpha value was low; therefore, it is appropriate to separate this variable into two different variables; consumer buying behavior 1 and consumer buying behavior 2.

Table 10

Reliability of Component Items

	BN	SC	RD	CB	OB
Cronbach's Alpha	.894	.868	.768	.556	.902

Testing of Hypotheses

Multiple linear regression analysis was employed to test the hypotheses of the study. The multi-item model variables were computed into a new single variable by averaging the items in each factor dimension before performing the multiple linear regression analysis. The assumptions necessary for multiple linear regression analysis were assessed prior to performing the hypotheses tests. Normality, constant variance, linearity, and outliers were examined for the assumption checks (Norušis, 2004).

Normality was examined by reviewing the histogram, and Q-Q plot of the studentized residuals. The constant variance was verified by examining plots with standardized residuals as the Y variable and standardized predicted as the X variable. The linearity was evaluated by examining the scatter plot of independent variables and a dependent variable. The results met the requirement and no assumptions were violated.

Table 9 shows the correlation coefficient between variables, both independent and dependent. A correlation coefficient is a number between -1 and 1 which measures the

degree to which two variables are linearly related. The Table 11 shows that the correlation between the motive variables and consumer behavior and online buying behavior can be observed.

The Relationship between the Motives and Consumer Buying Behavior

The first two hypotheses were developed to examine the impact of the reading motives on consumer buying behavior. Multiple linear regression analysis was employed to test these hypotheses with motive factors as the independent variables and consumer buying behavior 1 and consumer buying behavior 2 as dependent variables.

H1a: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a negative comment.

H1b: There is a relationship between consumer motivation for reading eWOM and consumer buying behavior after reading a positive comment.

As can be seen in Table 12, the absolute value of the correlation coefficient (R) between the motive factors and consumer buying behavior 1 is .217. 4.7% of consumer buying behavior after reading a negative comment is explained by the reading motive factors. The results show that the model was significant ($p < .05$, $F = 13.486$). Therefore, H1a was supported; consumer motivation for reading eWOM is positively related to consumer buying behavior after reading a negative comment.

Table 11

Correlation Coefficient

	BN	SC	RD	CB1	CB2	CC	OB	OP1	OP2
BN	1								
SC	.482**	1							
RD	.682**	.463**	1						
CB1	.142**	.166**	.200**	1					
CB2	.384**	.271**	.443**	.393**	1				
CC	.283**	.445**	.322**	.329**	.429**	1			
OB	.212**	.009	.159**	.091**	.194**	.074*	1		
OP1	-.026	-.047	-.062	-.082*	.003	.008	.229**	1	
OP2	-.042	-.083*	-.017	-.025	-.027	-.084*	.271**	.281**	1

Note. *p<.05, **p<.01.

Table 12

Summary of Regression Analysis (N=820)

R	R ²	Adjusted R ²	df	F	Sig.
.217	.047	.044	3	13.486	.000*

Note. Dependent variable is consumer buying behavior 1, * $p < .05$.

Table 13 indicates the results of each motive factors related to consumer buying behavior 1. Two motive factors, social reassurance ($p < .05$, $t = 2.464$), and risk reduction ($p < .05$, $t = 3.529$) turned out to be significant. The proportion of explained variability (R^2) is low for this model, indicating that the variability in consumer buying behavior 1 is not well explained by the reading motive factors. Only 4.7% is explained by the motives, and the remaining 95.3% is not explained.

Table 13

Significance of Regression Coefficients (N=820)

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	B	T		T	VIF
(Constant)	2.491	.176		14.130	.000		
BN	-.025	.060	-.020	-.414	.679	.499	2.003
DC	.112	.045	.098	2.464	.014*	.735	1.360
RD	.186	.053	.169	3.529	.000*	.512	1.955

Note. Dependent variable is consumer buying behavior 1. * $p < .05$.

As can be seen in Table 14, the absolute value of the correlation coefficient (R) between the motive factors and consumer buying behavior 2 is .459. The table also indicates that 21.1% of consumer behavior after reading a positive comment is explained by the variability in the level of reading motive factors. The results show that the model was significant ($p < .05$, $F = 72.786$). Thus, H1b was supported; consumer motivation for reading eWOM is positively related to consumer behavior after reading a positive comment.

Table 14

Summary of Regression Analysis (N=820)

R	R ²	Adjusted R ²	df	F	Sig.
.459	.211	.208	3	72.786	.000*

Note. Dependent variable is consumer buying behavior 2. * $p < .05$.

The results of each motive factor related to consumer buying behavior 2 are indicated in Table 15. Obtaining benefits ($p < .05$, $t = 3.071$), and risk reduction ($p < .05$, $t = 7.482$) were found to be significant. This indicates that ease of use, reduction of search time, price consciousness and risk reduction are positively related to consumer buying behavior after reading a positive comment. However, social reassurance was not found to be significant.

Table 15

Significance of Regression Coefficients (N=820)

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	B	T		T	VIF
(Constant)	2.246	.131		17.127	.000		
BN	.137	.045	.135	3.071	.002*	.499	2.003
SC	.052	.034	.056	1.537	.125	.735	1.360
RD	.293	.039	.325	7.482	.000*	.512	1.955

Note. Dependent variable is consumer buying behavior 2. * $p < .05$.

The Relationship between the Motives and Consumer Communication Behavior

The second hypothesis was built to observe the impact of reading motives on consumer communication behavior. Using multiple linear regression analysis, the hypotheses with motive factors as the independent variables and consumer communication behavior as the dependent variable were tested.

H2: There is a positive relationship between consumer motivation for reading eWOM and consumer communication behavior.

The results of multiple linear regression analysis show that the absolute value of the correlation coefficient (R) between the motive factors and consumer communication behavior is .464. 21.5% of communication behavior is explained by the reading motive factors (see Table 16). The findings indicate that the model was significant ($p < .05$, $F = 74.594$). Therefore, H2 was supported; consumer motivation for reading eWOM is positively related to consumer communication behavior.

Table 16

Summary of Regression Analysis (N=820)

R	R ²	Adjusted R ²	Df	F	Sig.
.464	.215	.212	3	74.594	.000*

Note. Dependent variable is consumer communication behavior. * $p < .05$.

Table 17 shows that social reassurance ($p < .05$, $t = 10.400$), and risk reduction ($p < .05$, $t = 3.404$) appeared to be significantly related to communication behavior. Therefore, individuals who read eWOM to belong to a virtual community, to learn how a product is to be consumed and to reduce risk are likely to tell other friends about the hotel after reading other consumers' comments regarding the hotel.

Table 17

Significance of Regression Coefficients (N=820)

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	B	t		T	VIF
(Constant)	1.072	.189		5.677	.000		
BN	.002	.064	.001	.032	.975	.499	2.003
SC	.505	.049	.376	10.400	.000*	.735	1.360
RD	.192	.056	.148	3.404	.001*	.512	1.955

Note. Dependent variable is consumer communication behavior. * $p < .05$.

The Relationship between the Motives and Online Buying Behavior

The third hypothesis was build to observe the relationship between the reading

motives and consumers' online buying behavior. Multiple linear regression analysis was employed to test this hypothesis with motive factors as the independent variables and online buying behavior as the dependent variable.

H3: There is a relationship between consumer motivation for reading eWOM and consumers' online buying behavior.

As can be seen in Table 18, the absolute value of the correlation coefficient (R) between the motive factors and online buying behavior is .240. Reading motive factors explain 5.8% of consumer online buying behavior. The results also show that the model was significant ($p < .05$, $F = 16.373$). Therefore, H3 was supported; consumer motivation for reading eWOM is positively related to consumer online buying behavior.

Table 18

Summary of Regression Analysis (N=807)

R	R ²	Adjusted R ²	Df	F	Sig.
.240	.058	.054	3	16.373	.000*

Note. Dependent variable is online buying behavior, * $p < .05$.

Table 19 indicates that obtaining benefits ($p < .05$, $t = 4.824$) is positively related to online buying behavior. On the other hand, social reassurance ($p < .05$, $t = -2.248$) appeared to be negatively significant. Only risk reduction was found to be not significant. The proportion of explained variability (R^2) is low for this model; the variability in online buying behavior is not well explained by the reading motive factors.

Table 19

Significance of Regression Coefficients (N=807)

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	B				T	VIF
(Constant)	3.381	.170			19.830	.000		
BN	.278	.058	.232		4.824	.000*	.507	1.974
SC	-.140	.043	-.129		-3.248	.001*	.740	1.351
RD	.064	.050	.061		1.285	.199	.521	1.919

Note. Dependent variable is online buying behavior. * $p < .05$.

The Relationship between the Motives and Amount of Online Purchasing

The fourth hypotheses were developed to examine the impact of the reading motives on amount of online purchasing. Multiple linear regression analysis was employed to test these hypotheses with motive factors as the independent variables and amount of online purchasing 1 and amount of online purchasing 2 as dependent variables.

H4a: There is a relationship between consumer motivation for reading eWOM and number of times a consumer books a hotel room online.

H4b: There is a relationship between consumer motivation for reading eWOM and the amount of money a consumer pays for hotel rooms online.

As can be seen in Table 20, the absolute value of the correlation coefficient (R) between the motive factors and amount of online purchasing 1 is .054. In addition, 0.3% of number of times a consumer books a hotel room online is explained by the reading motive factors. The H4a was not supported ($p > .05$) for this model. None of the motive

variables turned out to be significant (see Table 21). The variability in amount of online purchasing 1 is not well explained by the reading motive factors as the proportion of explained variability (R^2) is low for this model. Only 0.3% is explained by the motives, indicating that the remaining 99.7% is not explained.

Table 20

Summary of Regression Analysis (N=750)

R	R^2	Adjusted R^2	df	F	Sig.
.054	.003	-.001	3	.722	.539

Note. Dependent variable is amount of online purchasing 1. * $p < .05$.

Table 21

Significance of Regression Coefficients (N=750)

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	B	T		T	VIF
(Constant)	6.197	.653		9.497	.000		
BN	.076	.215	.018	.352	.725	.528	1.894
SC	.023	.161	-.006	-.141	.888	.756	1.323
RD	-.248	.187	-.066	-1.324	.186	.540	1.851

Note. Dependent variable is amount of online purchasing 1. * $p < .05$.

The absolute value of the correlation coefficient (R) between the motive factors and amount of online purchasing 2 is .088 (see Table 22). 0.8% of the amount of money a consumer pays for hotel rooms online is explained by the reading motive factors. The results indicate that the model was not significant ($p > .05$), thus H4b was not supported

for this model. None of the motive variables were found to be significant (see Table 23). In addition, the proportion of explained variability (R^2) is low for this model. Only 0.8% is explained by the motives, and the remaining 99.2% is not explained.

Table 22

Summary of Regression Analysis (N=807)

R	R ²	Adjusted R ²	df	F	Sig.
.088	.008	.004	3	2.083	.101

Note. Dependent variable is amount of online Purchasing 2. * $p < .05$.

Table 23

Significance of Regression Coefficients (N=807)

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	B				T	VIF
(Constant)	4.994	.323			15.479	.000		
BN	-.062	.109	-.028		-.566	.572	.507	1.974
SC	-.176	.082	-.088		-2.155	.031	.740	1.351
RD	.081	.095	.041		.850	.396	.521	1.919

Note. Dependent variable is amount of online purchasing 2. * $p < .05$.

CHAPTER V

DISCUSSION AND IMPLICATIONS

Introduction

This chapter summarizes major findings of this study and provides a discussion of the results of data analysis. In addition, this chapter discusses implications for management, recommendations for future research, and the limitations of this study.

Discussion of Results

The main purpose of this study was to identify motivations for reading eWOM, and to examine the relationship of these motivations for reading eWOM to consumer online behavior in the hotel industry. The samples were collected through the web-based survey, and the sample of the population was obtained from a large resort hotel located on the Las Vegas Strip. The hypotheses were tested by employing multiple linear regression analysis. The results supported four out of six hypotheses that were developed in this study.

According to the test results of the first hypothesis, there was a positive relationship between the reading eWOM motive factors and consumer buying behavior after reading a negative comment regarding a hotel. Those who read eWOM to reduce risk were found to react the most to a negative comment. The motive of risk reduction which is concerned with making the right purchase decision and getting confirmation

about the decision made is the strongest motive factor that influences consumers to change their buying decision after reading a negative comment. Consumers who read online hotel reviews for social purposes were also found to be influenced by a negative comment they encounter.

The second hypothesis was tested to determine whether the reading motive factors have any impact on consumer buying behavior after reading a positive comment. The results of this test indicated that the motive factors do have a positive relation with consumer behavior after reading a positive comment. Particularly those who read eWOM for personal purposes and risk reduction were more likely to be influenced by positive comments they read. Consumers who read eWOM to reduce risk were found to react the most to a positive comment. Those who seek eWOM to make the right purchase decision tend to adopt their purchase decision based on the comments they read in order to avoid risk related to their purchase. In addition, consumers who read online hotel reviews for convenience, to save time, and to obtain the best value for their money are also likely to book the hotel when a comment is positive. These individuals find eWOM as a convenient source of information. Additionally these individuals believe it to be of value when they are able to obtain the best value for their money or getting the highest quality available by reading these online reviews. Therefore, obtaining benefits is found to be a motive that affects change in consumer behavior after reading a positive comment. Although both hypotheses regarding consumer buying behavior were supported, the proportion of explained variability is low for the first hypothesis model; therefore the variability in consumer buying behavior after reading a negative comment is not well explained by the reading motive factors.

The third hypothesis was concerned with determining whether the reading motive factors have any impact on consumer communication behavior. The results of this test indicated that the motive factors have a positive relation with consumer communication behavior. Consumers who expressed higher motivation for reading eWOM regarding a hotel were more likely to tell their friends and family about the hotel. Particularly those who read eWOM to obtain social orientation through information, to become a member of community, to learn to consume a product and to reduce risk are more likely to spread word-of-mouth communication regarding the hotel. Social reassurance was found to be the strongest motive that affects consumer to spread WOM. In other words, consumers who read eWOM for social purposes are the ones that are most likely to spread the information they get from these reviews.

The fourth hypothesis was concerned with determining whether the reading motive factors have any positive relation with online buying behavior. The results of this test indicated that the motive factors do have a relationship with online buying behavior. Consumers who expressed higher motivation for reading eWOM for personal proposes were more likely to use the internet often to purchase hotel rooms. In other words, those who read eWOM to obtain benefits tend use the Internet to book hotel rooms. These individuals read eWOM for convenience and to reduce search time, therefore they are more likely to find online purchasing a convenient way to book a hotel. On the other hand, a negative relation was found between social reassurance motive and online buying behavior. People who read eWOM for social purposes were less likely to book hotel rooms on the Internet. Although the hypothesis regarding online buying behavior was

supported, the proportion of explained variability is low for this model; therefore the variability in online buying behavior is not well explained by the reading motive factors.

The fifth and sixth hypotheses were concerned with determining whether the reading motive factors have any positive relation with the amount of online purchasing; the frequency of online purchasing and the amount of money a consumer spends per year on booking hotel rooms online. The results of these tests did not support the hypotheses. In addition, the proportion of explained variability is low for these models, therefore, the variability in amount of online purchasing is not well explained by the reading motive factors.

Although it can be assumed from the results of this study that there is a positive relation between the reading motives and consumer behavior, the relation can be also explained by the R square value of each multiple linear regression performance. A higher value of R square is preferable in terms of explaining variability since the R square indicates the proportion of the variability of the dependent variable that is explained by the regression model. For online buying behavior, and amount of online purchasing, the proportion of explained variability was low. This indicates that consumers who expressed higher motivation for reading eWOM regarding a hotel do not necessarily use the Internet often to book a hotel room or spend more money on booking hotel rooms online.

The findings indicate that consumers read online hotel reviews mainly to obtain benefits by getting buying related information. By reading online hotel reviews, they can easily get information they need and also reduce risk and search time. In addition, Price

consciousness showed high level of motivation; consumers seek to maximize a product benefits to costs by reading online hotel reviews.

The results of this study suggest that consumers who read eWOM for risk reduction are most likely to be influenced by the comments they read. The results also suggest that individuals with higher levels of motivation to read online hotel reviews for social purposes were more likely to spread word-of-mouth by telling their friends and family about the hotel. The findings of previous research by Hennig-Thurau and Walsh (2003) suggested that contributions on opinion platforms are relevant for the reader's buying and communication behavior. However, their results suggested that negative customer articulation on opinion platforms tend to have a greater impact on consumer buying behavior than positive ones, which were not consistent with the results of this study.

The results of previous research by Goldsmith and Horowitz (2006) suggested that consumers who purchase more online would also seek opinions online. Their study recommended that consumers who are motivated to seek opinions online are more likely to buy online. However, the results of this study was not fully consistent with the results of their study since the Online buying behavior and Amount of online purchasing were not well explained by the motive factors.

In conclusion, consumers who read online hotel reviews are likely to be influenced by the comments they read. In addition, consumers who read online hotel reviews are likely to spread word-of-mouth. The results suggest that reading online comments will cause a change in consumers' word-of-mouth communication with other consumers such as friends or relatives.

Implications for Management

The present Internet economy is growing and changing rapidly. The hotel industry should respond to this new phenomenon by adopting new business models and exploring different markets. These new cultures will lead hotel businesses into new ways of operating. Hotel companies should be able to take advantage of these new forces by adapting and reacting to the new market. In other words, in order to be competitive in the new market, understanding how this virtual community can be used as a marketing tool is essential.

The motives for reading online hotel reviews are a strong predictor of consumer behavioral reaction to online comments. The motive factors identified in this study can help both hotel marketers and website operators to better understand their consumers and to develop a more customized marketing strategy by observing the different impacts of reading motives on consumer behavior.

Hotel managers and website operators should consider how each motive factor has an influence on consumer behavior. Consumers who are driven by a need to obtain buying-related information and to benefit from the reviews in order to reduce risk are most likely to make their purchase decision based on the information they obtained. Individuals seeking social orientation and community membership are most likely to be great WOM providers. By differentiating these individuals based on their motivation for reading eWOM and examining the motivation factors of eWOM along with demographic characteristics, managers may be able to determine a profile of various consumer groups. Managers can add a section regarding consumer eWOM behavior into the guest profile by identifying eWOM users as well as the motives for reading eWOM accordingly.

Unlike traditional WOM, eWOM communication allows managers to monitor the reviews regarding the hotel. By monitoring reviews on different websites and interacting with consumers through the websites feedback options, managers can more effectively manage the impact of eWOM motives.

The reading motives identified in this study can be regarded as necessary, but not completely sufficient, predictor for changes in consumer behavior. Compared to traditional word-of-mouth, readers have limited trust of the providers of online hotel reviews; the influence may not be as strong as face-to-face communication.

Hotel operators need to pay attention to the fact that individuals who read eWOM to reduce risk are the ones that are most likely to change their purchase decision based on a comment they read and those who read eWOM for social reassurance are the ones that spread information obtained from eWOM they read. Managers can observe positive reviews about the hotel to encourage their customers to provide more positive comments. The structure of the Internet also makes it possible for hotel companies to follow consumer reviews in a detailed manner. This is a strong advantage that eWOM has, which was not possible with the traditional WOM. Finally, the value of such reviews can be increased by obtaining further information of eWOM users.

Limitations and Recommendations for Future Research

The results of this study reveal that online hotel reviews influence consumer purchase decision. However it is necessary to broaden this study and observe the importance of eWOM from a different perspective other than identifying the motives.

Observing how hotel companies can effectively benefit from such online reviews would be essential.

Although a Las Vegas hotel has diverse clientele, the results may not be generalizable since Las Vegas is a unique tourist destination. If a different demographic group were used, it is possible that the results could have been different. Since this is the first study to examine motive factors for reading online hotel reviews, replication of this study would be essential.

This study may not have identified all the motives consumers have for reading eWOM. Therefore, another limitation lies in the limited number of variables examined in relation to the motives. Although a comprehensive literature review led to six motives, by the factor analysis, the motives were reduced to three factors. There may be other factors that explain consumer motivation for reading online hotel reviews. Qualitative research methods, such as focus group interviews, will be good future approaches to obtain more delicate opinions from customers. Future studies should expand this research by observing a variety of additional constructs. Studying many different forms in which eWOM communication can be generated such as e-mail, instant messaging, homepages, blogs, online communities, newsgroups, chat rooms, hate sites, review sites, and social networking sites can compare different levels of impact of these eWOM forms on consumer behavior.

This research also can be applied in different hospitality sectors such as restaurants or conventions. The research was also focused on consumer motivation for reading eWOM; therefore, consumer motivation of involvement with eWOM can be studied in other aspects such as motivation for writing online hotel reviews. There might

be different effects if an individual reads both positive and negative comments on a single hotel property. As this study focuses on a single comment, future research can also examine the manner in which there are multiple comments.

Limitations of this study also exist in the analysis part. Regression analysis does not prove absolute cause and effect. It is a statistical method to test the probability of the theoretical hypothesis developed in this study. The R square values for some of the dependent variables were low. Thus, other factors should be examined in further research. Low R square value could have also resulted from Type I error due to a large sample size.

Finally, there are weaknesses of surveys, including biases such as nonresponse error, response bias, or extremity bias. Furthermore, this survey is conducted through the use of an Internet survey. An online survey was regarded appropriated for a study of this nature because respondents participating in the Internet survey may be good representative of population targeted at eWOM users. However, not all demographic groups are fully accessible via the Internet, therefore, the respondents who are not familiar with the Internet will be unlikely to respond the survey. In addition, the respondents in this study have a higher educational level and higher income level than general Las Vegas visitors. Thus, the sample of this study consisted of more educated and wealthier people, who are more likely to be comfortable using the Internet than the general population.

APPENDIX 1

COVER LETTER & QUESTIONNAIRE

This is a survey for a research project on electronic Word of Mouth (eWOM), conducted by a graduate student at the University of Nevada, Las Vegas (UNLV). The purpose of this study is to examine why consumers read online hotel reviews. The data obtained from this research will be used to complete a thesis project at the University of Nevada, Las Vegas.

You are being asked to participate in the study because you are a hotel customer and at least 21 years of age. It will take about 15 minutes to complete the questions. There may not be any direct benefits to you as a participant in this study. However, we hope to learn the consumer motivation for involvement in electronic word of mouth to aid in greater effectiveness for future marketing efforts.

This study includes only minimal risks. You may feel uncomfortable when answering some questions (e.g. demographic questions). Your participation is voluntary. You may refuse to participate in this study or in any part of this study. UNLV or MGM Grand may not provide compensation of free medical care for any unanticipated injury sustained as a result of participating in this research study. Your answers will be kept confidential. No reference will be made in written or oral materials that could link you to this study. All records will be stored in a locked facility at UNLV for 3 years after completion of the study. After the storage time, the information gathered will be destroyed.

If you have any question or concerns about the study, you may contact student investigator (Eun Kyoo Kim) at (213) 820-3595, or principal investigator (Dr. Seyhmus Baloglu) at (702) 895-3932. For questions regarding the rights of research subjects, any complaints or comments regarding the manner in which the study is being conducted, you may contact the UNLV office for the Protection of Research Subjects at (702) 895-2794.

If you would wish to obtain results of the research study, please type your e-mail address in the space below.

Thank you for your time and consideration. Your participation is greatly appreciated.

BY CLICKING NEXT YOU AGREE TO HAVE READ THE ABOVE INFORMATION AND TO PARTICIPATE IN THIS STUDY.

1. E-mail address:

Next >>

Online hotel reviews use other guests' past experiences to provide hotel information. This survey looks at your motivation for reading online hotel reviews and opinions provided by other customers when booking a hotel room online.

*** 2. Have you ever read other consumers' hotel reviews on the internet?**

- ☐ Yes
- ☐ No

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* 3. Please select the websites you have visited to read hotel reviews. Please select all that apply.

- ☐ expedia.com
- ☐ onetravel.com
- ☐ orbitz.com
- ☐ travelocity.com
- ☐ travelpost.com
- ☐ tripadvisor.com
- ☐ hotels.com
- ☐ Other (please specify)

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* 4. I read information about hotels from other consumers' online reviews.....

	1 Strongly Disagree	2	3	4	5 Strongly Agree
because I can see if others feel the same way about a hotel as I do.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I am interested in what is new.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because going online is the easiest way to get information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
in order to get the highest quality product available.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
when I am reading e-mails and just happen to come across a subject.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I am able to compare different hotels easily.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
in order to find the lowest prices.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I just came across it when surfing the NET.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I save time during hotel room shopping.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because it's the fastest way to get information.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

because I really like being part of a community.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I enjoy participating in the experiences of other community members.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because customer reviews help me make the right buying decisions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I get to know which topics are "in".	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I find the right answers when I have questions about a hotel.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
to find advice and solutions for my problems.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I like to compare my own evaluation with that of others.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
in order to get the best value for my money.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because it's convenient to search from home or work.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because through reading I get the confirmation that I made the right buying decision.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
because I feel much better when I read that I am not the only one who has a certain problem.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
to benefit from others' experiences before I book a hotel room.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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* 5. Please indicate how often online hotel reviews have an impact on your behavior based on the following.

	1 Never	2	3	4	5 Always
When a comment is negative, I refrain from booking the hotel in question.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Reading other consumers' comments leads me to tell friends or family about the hotel.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
When a comment is positive, I am more likely to book the hotel room.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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* 6. Please indicate the level that you agree or disagree with the following statements about online buying behavior.

	1 Strongly Disagree	2	3	4	5 Strongly Agree
I use the internet to purchase hotel rooms online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I often purchase hotel rooms online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

* 7. Approximately how many times do you book a hotel room online per year?

* 8. Over the past 12 months, approximately, what was the total amount of money you paid for hotel rooms you purchased on the internet?

- ☐ \$1 - \$200
- ☐ \$201 - \$400
- ☐ \$401 - \$600
- ☐ \$601 - \$800
- ☐ \$801 - \$1000
- ☐ \$1001 or more

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*** 9. Gender**

Male

☐

Female

☐

*** 10. Age**

20s

☐

30s

☐

40s

☐

50s

☐

60s +

☐

*** 11. Education**

☐ High school or less

☐ Some college

☐ College

☐ Graduate school

*** 12. Annual household income**

Less than \$20,000	\$20,000 to \$39,999	\$40,000 to \$59,999	\$60,000 to \$79,999	\$80,000 to \$99,999	\$100,000 or more
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*** 13. Ethnicity**

- ☐ Caucasian
- ☐ African American
- ☐ American Indian or Alaskan native
- ☐ Asian American
- ☐ Native Hawaiian or other Pacific islander
- ☐ Other (please specify)

Thank you for your time and cooperation.

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