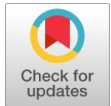# Electronic -Word Of Mouth In Tourism 4.0: Customer Review Of Online Travel Agent

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Abstract: Changes in tourist behavior encourage the Indonesian tourism industries to adapt to the era of industrial revolution. Tourism 4.0 becomes a new competitive advantage in winning tourism competition in the global market. The purpose of this study is to describe E-WOM in the context of tourism 4.0. To collect data, an online survey was addressed to 113 respondents. Our findings lead to a conclusion that tourism industries should strive to develop digital products so to influence consumer purchase decisions.

Index: E-WOM, Customer Review, Online Travel Agent.

I. INTRODUCTION

The development of digital technology has shifted consumer shopping behaviors from offline to online (Hegner & Jevons, 2016) and enables higher capacity information exchange in the global market (Loh & Liu, 2016). In order to survive competition, companies must have a competitive advantage (3). Before making any purchase decision, people will go online to read product and service information (4).

According to the Head of the Investment Coordinating Board (BKPM), investment in the tourism industry and e-commerce is projected to grow rapidly this year. The industry of online travel agent websites in the past few years has been considered as a practical choice. The concept is to attract customers to do online transactions so that they can buy hotel services from anywhere and anytime. However, sometimes companies do not provide optimum online service reservation. Electronic word of mouth (E-WOM) is therefore expected to improve purchase decision and provide positive feedbacks (5).
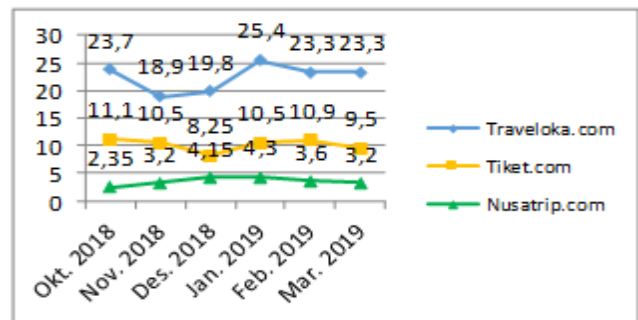
Source: SimilarWeb.com

Figure 1. Total visits to online agent websites from October 2018 to March 2019

The trend of staying at a hotel is one reason the online travel agents are growing (6). Among leading online travel agents are Traveloka, Tiket.com, and Nusatrip. Figure 1 summarizes the total visits to these agents from October 2018 to March 2019. Traveloka.com was the most visited website with the number of visits is twice as many as that to tiket.com in the second position. E-WOM refers to electronic interactions between consumers about particular products (7). One of E-WOM forms is customer review (Yvonne & Jennifer, 2014). Therefore, it is necessary for companies to know how to deliver key messages. Online travel agents not only sell products, but also provide customer care services so as to improve purchase decision (Yeboah-Asiamah, Quaye, & Buame, 2016). E-WOM has the capability to influence consumers' thoughts and behaviors through transmitted stories (10). In the digital world, a product no longer has physical differentiation, but the differentiation lies in stories that can build emotional bonds between consumers and brands (9). The company's ability to build a good brand image can encourage internet users to provide good reviews (11). Massive promotion expansion can strengthen positioning and encourage internet users to write their experiences (12). Customer reviews and photos are used by companies as a marketing and branding tool (13). This study is conducted to describe E-WOM in tourism.

II. LITERATURE REVIEW

Companies strive to create an unforgettable experience for customers and produce positive word of mouth (WOM) both online and offline to sell products and services. E-WOM is a digitalization of traditional WOM. Internet users' reviews about travel destinations, hotels and tourism services can be a source of information for other travelers (Hamdani & Maulani, 2018). E-WOM refers to informal

communications among consumers or between producers and consumers on the Internet about particular products or services (15).

E-WOM has four dimensions: (1) frequency, (2) number of contacts, (3) detail, and (4) praise (Higie et al. 1987; Bone, 1992; Mangold, Miller, & Brockay, 1999; Harrison-Walker, 2001). These four dimensions became the reference for constructing interview questions. The interview questions were trying to figure out (1) the reasons informants involved in E-WOM, (2) how credible their interaction was, (3) whether their interaction was positive or negative, and (4) what their interaction is all about. The relationship between information source and receiver is illustrated in Figure 2.
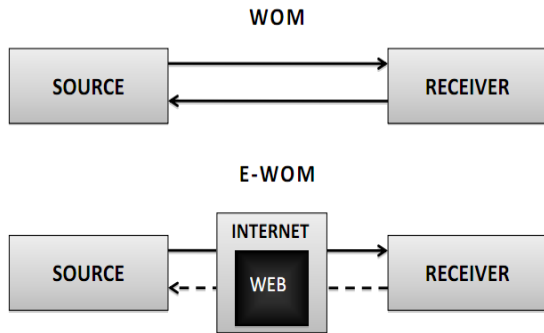

Figure 1. WOM vs. e-WOM
Source: Adapted from López and Sicilia [73]

Figure 2. WOM and E-WOM Models (17)

The difference between WOM and E-WOM may help us figure out the determinants of E-WOM. The Internet has help shift WOM to E-WOM. It is often that the information source in E-WOM is anonymous. This anonymity may affect the credibility of the information and eventually determine receivers' perception and behaviors. E-WOM plays an important role in the consumer product evaluation. Prospective customers visit a website and read reviews from other customers. They will then use their prior knowledge and new information provided by other consumers to make a purchase decision.
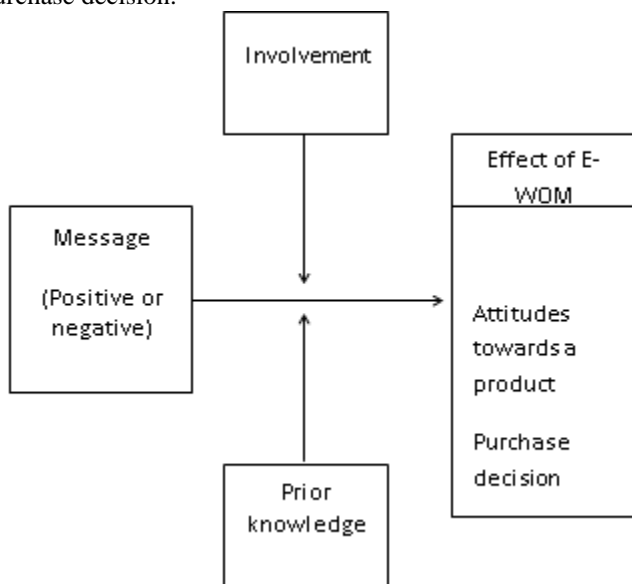

Figure 3. E-WOM Model (Sun Jae, Jang Sun, 2009)

E-WOM can also be seen from three dimensions: (1) quality of E-WOM, (2) quantity of E-WOM, and (3)

sender's expertise (Lin, Wu & Chen, 2013). Quality of E-WOM refers to persuasive power embedded in a message to determine consumer perceptions and influence potential purchasing decisions (18). Quality of E-WOM refers to the number of comments posted online (19). Consumers need references to strengthen their confidence and reduce risks in shopping. The more positive reviews about a product are, the greater the consumer trust in a particular product or service. The expertise of a reviewer also will affect the information receivers' attitudes and purchase decisions (18).

III. METHOD

The present study was conducted using a descriptive approach. The research population was visitors to online travel agent websites, from which 113 samples were selected as respondents through an accidental simple random sampling technique. Data were collected through questionnaires.

IV. RESULT AND DISCUSSION

This study adopts the E-WOM concept from Lin et al (2013), suggesting that E-WOM can be seen from (1) quality of E-WOM, (2) quantity of E-WOM, and (3) sender's expertise. Table 1 presents online travel agent website visitors' responses towards E-WOM. It shows that E-WOM quantity received the highest score by 86.25%, followed by sender's expertise and E-WOM quality.

Table 1 Online Travel Agent Website Visitors' Responses towards E-WOM

Dimension	Score	Average Score	Ideal Score	Percentage (%)
E-WOM quality	9,425	3,142	11,200	84.15
E-WOM quantity	7,245	2,415	8,400	86.25
Sender's Expertise	3,612	1,204	4,200	86.00
Total	20,282	6,761	23,800	85.47

Companies with a great quantity of E-WOM will have a good relationship with their customers, and the quantity of E-WOM can influence purchase decisions (20). Based on the results of data processing, the total E-WOM score was 20,282, and the ideal score was 23,800. This ratio shows that E-WOM on the reservation websites of online travel agents in Indonesia was categorized good as seen in Figure 4.

Figure 4. E-WOM Variable Continuum Line

It can then be said that E-WOM on the reservation websites of online travel agents in Indonesia has met the expectation.

E-WOM Exogenous Construct

The E-WOM exogenous construct measurement model, as Figure 5 shows, could be declared fit because the

706

RMSEA value was 0.855, higher than 0.008, and the GFI and AGFI values were higher than 0.9.
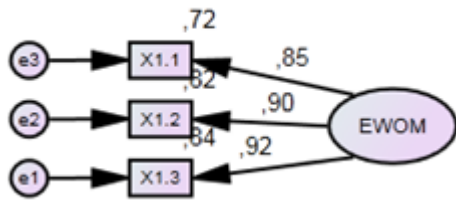

Figure 5. Measurement Model of E-WOM Exogenous Construct

(Data Processing was performed using AMOS 22 for Windows)

The model validity of reliability is presented in Table 2.

TABLE 2. MEASUREMENT MODEL OF E-WOM EXOGENOUS CONSTRUCT

			Estimate					Construct Reliability (≥0.70)	Variance Extract (≥0.50)
			RW	SRW	S.E.	C.R.	P		
E_QUAL	< -	E-WOM	2.902	.959	.136	13.562	* * *		
E_QUAN	< -	E-WOM	1.898	.820	.163	17.783	* * *	0.935	0.829
SE	< -	E-WOM	1.000	.824			* * *		

An indicator could be said valid if its loading factor is higher than 0.5 (Malhotra, 2015). Table 2 shows that all E-WOM indicators used in this study were valid. A construct could be said reliable if its construct reliability (CR) value is greater than or equals to 0.70 and its variance extract (VE) value is greater than or equals to 0.50 (Hair et al, 1998 in Wijanto, 2008:66). Based on the results of calculation using formula below, the measurement model of E-WOM exogenous construct could be said reliable.

$$\text{Variance Extracted} = \frac{\sum \text{Std. Loading}^2}{\sum \text{Std. Loading}^2 + \sum \varepsilon j}$$

$$= \frac{2.375}{2.375 + 0.491} = 0.829$$

$$\text{Construct Reliability} = \frac{(\sum \text{Std. Loading})^2}{(\sum \text{Std. Loading})^2 + \sum \varepsilon j}$$

$$= \frac{7.118}{7.118 + 0.491} = 0.935$$

Note:
$\sum \text{Std. Loading}$ = standardized loading
$\sum \varepsilon j$ = measurement error

E-WOM quality has three indicators including communication intensity, user experience, and frequency of use. The indicators of E-WOM quantity are communication intensity, access frequency, review frequency, interest in the review, interest in the benefits, and desire to write a review. Sender's expertise has three indicators including reviewer's knowledge, reviewer's experience, and reviewer's skills. The results of data processing show that the total score was 20,282 or 85.47% of the ideal score of 23,800, meaning that E-WOM on the reservation websites of online travel agents in Indonesia could be said to be in a good category with the indicator E-WOM quantity received the highest score among the three indicators. As for indicators, access frequency received the highest score by 1,222 or 87.29% of the ideal score, and the lowest score went to user experience by 1,180 or 84.29% of the ideal score. The results of this study show that E-WOM quantity plays a very essential role in the E-WOM creation. This confirms the finding a previous study suggesting that the amount of reviews on a company website can elicit purchase decision (Lin, Kim, & Jin, 2016).

V. CONCLUSSION

Based on the results of data processing, it can be concluded that all of E-WOM received good responses from the travel agent website visitors. In terms of its dimensions, E-WOM quantity received the highest score, while the lowest score went to E-WOM quality. Therefore, companies should strive to improve their E-WOM quality. This can be done through several strategies such as improving activities in social media because social media can establish intimacy between companies and customers and hence improve customer trust.

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708