

Consumers' Reciprocal Behaviors in the Hospitality Industry

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ABSTRACT

Word-Of-Mouth (WOM) has long been considered to be one of the most important marketing tools. The Internet has created many variations to traditional WOM. Building on reciprocity theory, this study will focus on Positive Word-of-Mouth (PWOM). Previous studies addressed the fact that because following PWOM reduces risks, it increases consumers' purchase intentions. This study will examine the level of customers' gratitude and obligation customers may experience with monetary compensation and nonmonetary returns offered by companies in the hospitality industry. Respondents will read a short scenario about receiving a complementary upgrade to better rooms or seats (monetary compensation) or outstanding services from employees (nonmonetary returns). The reciprocal behaviors will be described as higher feelings of gratitude to the employees who provided the service or the product (gratitude) and feelings of obligation to write a positive review for "repayment" (obligation).

Keywords: Reciprocity, marketing, gratitude, obligation, PWOM, eWOM

INTRODUCTION

It is well known that the hospitality industry offers services and products to its customers, some of which provide them with a monetary reward and some of which do not (Kandampully, Mok, & Sparks, 2001). As technology advances, more websites are available that allow people to make a room reservation for upcoming trips or to read reviews written by others who have stayed in a certain hotel. These new trends have forced the management of many hotels to improve the level of their services and correct any problems they might have so that they will receive better reviews, which may bring more guests to their hotels in the future. Some hotels.com television advertisements emphasized how much hotel operators value customers' reviews and how much they are willing to do to satisfy their customers. However, no study has discussed the impact of services on customers.

LITERATURE REVIEW

Reciprocity theory

The theoretical foundation for this study is the reciprocity theory first tested by Kunz and Woolcott (1976) when they sent Christmas cards to a number of strangers. Most of the recipients sent a card back to the researchers, and some even added them to their permanent mailing lists. They concluded that if others have fulfilled our needs, we “repay” them because we feel obligated to do so. In addition, we understand that we should not do harm to those who helped us; therefore, we are morally constrained to express gratitude toward them. There are several previous studies that discussed how reciprocity affects businesses in different contexts. In one example, Kolyesnikova and Dodd (2009) found that visitors at wineries that offered free wine tasting felt significantly more grateful to winery employees and more obligated to make a purchase at the winery than visitors of wineries that offer wine tasting for a fee.

Positive Word-of-Mouth (PWOM)

Word of mouth (WOM) advertising has long been considered to be one of the most important marketing tools. The Internet has created many variations to traditional WOM. Consumers write reviews about products online based on their feelings and experiences. Consumer reviews can be positive or negative (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). However, since the theoretical foundation for this study is reciprocity theory, this study will focus only on positive Electronic Word-of-Mouth (eWOM). PWOM is important because it can increase potential consumers. Previous studies addressed the fact that because following PWOM reduces risks, it increases consumers' purchase intentions (Dichter, 1966). Sundaram, Mitra, and Webster (1998) identified four PWOM motives: altruism, product involvement, self-enhancement, and helping the company. Altruism is most closely related to reciprocity theory because it refers to consumers who voluntarily write reviews without any compensation. These consumers just want to share their good experience with others. Consumers who are satisfied with a particular company try to help the company by convincing others to purchase its goods or services.

Products in the hospitality industry

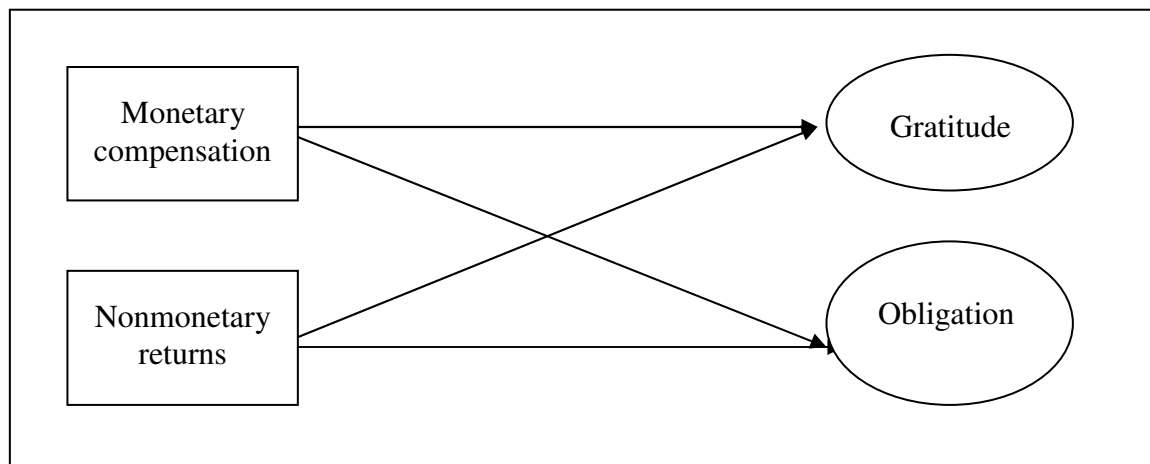
Products and services in the hospitality industry are perishable. It is not possible to store airplane seats for use tomorrow, as unsold seats are not reusable (Kandampully et al., 2001). Consumers cannot touch, see, and feel the product or service in the hospitality industry as customer service is intangible (Kandampully et al., 2001). As a result, consumers who intend to purchase hospitality products depend on other consumers' opinions, so hospitality firms must focus more on guest satisfaction regarding the services and products they offer.

METHODOLOGY

A paper-and-pencil survey will be administered to students in undergraduate courses. The students will read a short scenario describing a service experience in the context of a hotel or airline in which consumers are either checking in at a hotel or at an airline check-in counter. In

the scenario, consumers will receive a complementary upgrade to better rooms or seats (monetary compensation) or receive outstanding services from employees (nonmonetary returns). The reciprocal behaviors will be described as higher feelings of gratitude to the employees who provided the service or the product (gratitude) and feelings of obligation to write a positive review for “repayment” (obligation). The anticipated sample size of this study would be 250. An independent sample t-test will be employed to examine the level of gratitude and obligation customers may experience with monetary compensation and nonmonetary compensation offered by hospitality companies (see Figure 1).

Figure 1
Theoretical Framework



CONCLUSION

Dichter (1966) claimed that the influence and the value of personal recommendations can never be replaced by formal advertising. The products offered in the hospitality industry are mostly intangible; therefore, customers tend to rely on reviews and WOM. The results will help industry professionals to understand what motivates customers to write a positive review and what makes customers grateful for the products or services they have received.

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