Consumer restaurant experience, electronic word of mouth and purchase intention in the Indonesian restaurant industry

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Abstract: The objective of this study is to analyse the effect that consumer restaurant experience (CREp) dimensions have on electronic word of mouth (eWOM) motivations of consumers in the Indonesian restaurant industry. The study investigates which factors of the restaurant experience have the greatest effect on eWOM and whether or not eWOM is related to purchase intentions of the diners who engage in it. Survey responses from 323 diners who had engaged in eWOM were analysed to determine the relations of these variables. Results indicate that food quality and atmosphere have a significant positive effect on eWOM but service does not. Further investigation indicates that none of the individual components of food quality or atmosphere, in particular, drives the results. Results also show that eWOM is not significantly related to purchase intentions among the respondents.

Keywords: restaurant experience; eWOM; electronic word of mouth; purchase intention; CREp; consumer restaurant experience; restaurants; Indonesia.

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1 Introduction

Electronic word of mouth (eWOM) is considered to be more reliable than impersonal information (Schindler and Bickart, 2005). Because word of mouth communication is delivered directly and personally, electronic word of mouth communication is usually conducted among people who have emotional closeness, such as friends and relatives. Therefore, eWOM communication provides more influence on the counterparties than impersonal information.

Previous research has characterised the Indonesian market as one where eWOM is particularly effective (Kesumawardani, 2012). eWOM can be an effective advertising tool. A study conducted by Onbee Marketing Research finds that as much as 89% of Indonesian consumers trust the recommendations from friends and family when deciding to buy a product or service.

Jeong and Jang (2011) define eWOM as electronic communication about a product or company between people and non-commercial entities. Harrison-Walker (2001) describes eWOM as “informal communication between a non-commercial communicator perceived and accepted about a brand, product, and organisation, or service”. Positive eWOM can be beneficial to a business through both increasing revenue and reducing costs. It can increase revenue by attracting additional customers and reduce costs by reducing the need for traditional marketing efforts.
Previous studies (Dichter, 1966; Hennig-Thurau et al., 2004; Mahrinasari et al., 2017) show that eWOM in the restaurant industry is positively affected by the consumers’ restaurant experience as measured by the consumer restaurant experience (CREp) metric. The CREp metric is a composite measure of a consumer’s dining experience, including the quality of food, service and atmosphere. There are nine items in three dimensions in the CREp metric, each describing a facet of a dining experience. The three dimensions are food quality, service and atmosphere. All three dimensions have three items describing a facet of the dimension. The CREp composite is the average of the Likert scale responses to the nine questions.

The purpose of this study is to investigate which of the components of the CREp metric have the most explanatory power for eWOM motivation for restaurant consumers in Indonesia. Survey responses from 323 diners who engaged in eWOM are analysed to find which of the three dimensions of restaurant experience are significantly related to eWOM and if any of the individual components of those dimensions have greater explanatory power than the other components. The study also investigates whether eWOM has a significant effect on purchase intentions of the survey respondents.

2 Literature review

2.1 Consumer restaurant experience

Schmitt (1999) defines experience as private events that occur in response to some stimulation. Pine and Gilmore (1998) argue that experiences are the events that “engage individuals in a personal way”. Jeong and Jang (2011) state that an experience derives from a knowledge of particular events due to an exposure to them. For a restaurant experience, a consumer will compare the different facets of the experience and compare them to the facets of restaurants they have visited in the past. The customer will form either a positive or negative opinion of the current restaurant based on whether the attributes were more or less pleasing overall than in restaurants visited in the past.

As a consumer has additional restaurant experiences, he will develop expectations of what a given restaurant’s service should be. After numerous dining experiences, a consumer will be able to make a positive or negative opinion of a given experience quickly. The consumer will compare the service quality of the restaurant at hand to an overall judgement of previous experiences to develop a perceived measure of the quality of the current restaurant relative to restaurants previously visited (Parasuraman et al., 1988; Zeithaml and Bitner, 2000).

Previous studies find three attributes that impact a consumer’s restaurant experience: food quality, service quality, and atmosphere (Ha and Jang, 2010; Jang and Namkung, 2009). A host of studies find that food quality significantly impacts customer satisfaction and has a significant effect on WOM and eWOM (Liu and Jang, 2009; Namkung and Jang, 2007; Pettijohn et al., 1997; Qu, 1997; Qin and Prybutok, 2008).

Food attributes that relate to quality hypothesised in previous studies include cleanliness, availability of healthy options, freshness, and menu variety (Qin and Prybutok, 2008) and freshness, taste and presentation (Kim et al., 2009). In a study measuring food quality through food presentation, menu variety, healthy options, taste, freshness and temperature as attributes, Namkung and Jang (2007) find that presentation, taste, and temperature have a significant impact on customer satisfaction.
Liu and Jang (2009) arrives at a similar conclusion and finds that safety and menu variety are related as well.

Diners will also judge the quality of service they receive from restaurant employees as well as food quality as they eat. Several studies measure the impact that restaurant service quality has on customer satisfaction and behavioural intentions such as eWOM (Kim et al., 2009; Ladhari et al., 2008; Liu and Jang, 2009; Yuksel and Yuksel, 2003).

Shao et al. (2004) find that ‘appropriate dress’ leads to a greater perceived service quality and purchase intention. The study is done in the banking industry and finds that the effects were stronger in low involvement situations and with female customers.

Babakus and Boller (1992) take issue with the SERVQUAL metric developed in Parasuraman et al. (1988) and point out several shortcomings of the model. Parmount of these issues is that service quality dimensions will depend on the industry and a ‘one-size-fits-all’ model is less effective than an industry based one. Carman (1990) finds that the SERVQUAL metric performs poorly when there are multiple service functions involved.

Stevens et al. (1995) develop the DINESERV technique as a measure of service quality in restaurants. This metric is based on the Parasuraman et al. (1988) SERVQUAL model and consists of five dimensions – reliability, assurance, responsiveness, tangibles, and empathy. The metric uses 29 items to measure these five dimensions. Ladhari et al. (2008) find that perceived service quality affects customer satisfaction and influences post-dining behaviours, such as eWOM. Liu and Jang (2009) find that the attributes dependable and consistent service and friendly and helpful employees are significantly related to customer satisfaction.

The atmosphere is another attribute that affects customer satisfaction and eWOM (Kotler, 1973). The atmosphere is a term describing how the surrounding space is perceived by the customers and how space modifies their affective state. Mehrabian and Russell (1974) introduce a model assessing the impact of environment on human behaviour where the effect that environmental factors have on customers’ purchasing decisions is emphasised.

Jang and Namkung (2009), as well as Ryu and Jang (2007), claim that the environment creates an emotional response in individuals that elicits either approach or avoidance behaviours. The DINESCAPE metric developed in Ryu and Jang (2008) is a measure of restaurant customers’ perceptions of the physical environment.

Ryu and Jang (2008) find that ambience and employee appearance had the greatest impact on customers’ emotional response and post-dining behavioural intentions. Liu and Jang (2009) find that, of the DINESCAPE’s items, cleanliness, interior design and décor, and neat, well-dressed employees are significantly related to customers’ overall satisfaction with a restaurant.

Perceived price fairness has also been found in previous studies to have a strong influence on customer satisfaction and eWOM. Liu and Jang (2009) find that perceived fairness of price is positively related to customer satisfaction and loyalty. The study also finds that perceived unfairness of price may lead to negative behavioural responses, such as dissatisfaction, complaining, and negative eWOM. Kim et al. (2009), in a study of a university dining facility, show that the DINESERV factors that most affect customer satisfaction and post-dining behavioural intentions are price factors and food quality.
2.2 Word of Mouth (WOM)

The Word of Mouth Marketing Association defines Word of Mouth Marketing as “Giving people a reason to talk about your products and services, and making it easier for that conversation to take place” (Alessandri, 2015). This personal communication is seen as a more trustworthy or reliable source compared to impersonal information (Zeithaml and Bitner, 1996). This is because word of mouth communication is delivered directly and personally, conveying information accompanied by emotion, facial expressions, emphasis, intonation, and gestures. Communication by mouth is usually done between people who have an emotional connection such as friends and siblings, so that WOM communication can be more influential on the other person than informal communication.

Consumption experiences are hypothesised to produce an influence that acts as a powerful source of human motivation (Westbrook, 1987). The underlying consumer motivation to engage in WOM differs depending on the nature of the consumption experience (Sundaram et al., 1998). Discussions that are formed by the interest and pleasure of consumers in a restaurant will become WOM that will spread naturally among the community. Building consumer interest can be done through favourable consumption experience at a restaurant with consumers subsequently recommending it to others. The experience of consumption and motivation is closely related to the WOM delivery process.

2.3 The effect of consumer restaurant experience on positive eWOM

Consumption experiences can motivate post-consumption behaviour such as eWOM communication (Westbrook, 1987). According to Sundaram et al. (1998), consumption experience and motivation are closely related to the process of WOM transmission. Consumers have different motivations for engaging in eWOM. Motivations can differ for various consumption experiences based on the nature of the experience. We assume here that the underlying motivations for engaging in eWOM are similar to those for engaging in WOM. We make this assumption because eWOM and WOM are very conceptually similar.

Regarding the restaurant industry, we suggest that motivations for engaging in eWOM could very well be triggered by the overall experience the customer has at the restaurant. Specific dimensions or facets of the dimensions may also have a greater effect on eWOM than others. It is also possible that the different dimensions and individual items of those dimensions may affect eWOM motivation differently. Good experience in some dimensions may lead to motivation for positive eWOM but good experience in other dimensions may not. Alternately, poor performance in certain dimensions may lead to a greater motivation for negative eWOM than poor performance in other dimensions.

Perceived restaurant quality is a key element of a consumer’s restaurant experience. Service quality is an important ingredient of the perception of restaurant quality. Cronin and Taylor (1992) define service quality as an attitude defined by an individual’s evaluation of the performance of dimensions of a service. Service quality has been found to be a significant predictor of behavioural intentions such as eWOM by a host of studies. For example, Boulding et al. (1993) find a positive relation between service quality and behavioural outcomes such as loyalty and positive eWOM.
Zeithaml et al. (1996) develop a model whereby perceived service quality is positively related to behavioural intentions such as eWOM, purchase intentions, complaining behaviour, and price sensitivity. Alexandris et al. (2002) investigate the degree to which service quality dimensions affect behavioural intentions. The four behavioural intention criteria proposed by Zeithaml et al. (1996) are used to measure behavioural intentions. The five dimensions of SERVQUAL are used to measure perceived service quality. The study finds that the service quality dimensions explain 93% of the variance in WOM.

Harrison-Walker (2001) investigates the relationship between service quality and WOM communication. Results show that the level of perceived service quality affects the favourableness of an individual’s WOM communication in a positive way. We surmise that service quality will positively affect eWOM as well because of the similarity between WOM and eWOM.

Sundaram et al. (1998) find that a positive consumption experience triggers expressions of positive feelings. The theoretical basis for this finding is that a consumer’s positive restaurant experience contributes to a psychological tension that can cause a desire to share that experience with others. Writing a positive review online about the experience can release this tension (Dichter, 1966; Hennig-Thurau et al., 2004).

However, the different dimensions of a restaurant experience may affect the motivation for eWOM differently and to a different degree. Since the primary purpose of visiting a restaurant is to eat, it is rational to surmise that food quality would have the strongest effect on positive eWOM (Jeong and Jang, 2011; Liu and Jang, 2009; Namkung and Jang, 2007; Peri, 2006). It is unlikely that a customer would recommend a restaurant with bad or mediocre food, regardless of how good the other dimensions are.

It is also rational to surmise that, because of its ancillary nature, good service alone is not likely to cause a consumer to engage in positive eWOM, but poor service could cause negative eWOM (Jeong and Jang, 2011). The atmosphere, being more esoteric, is not likely, in and of itself, to motivate a consumer to generate either positive or negative eWOM (Mehrabian and Russell, 1974).

We, therefore, hypothesise that the food quality dimension of the CREp metric will have a significantly positive effect on positive eWOM and the service and atmosphere dimensions will have no significant effect.

2.4 Purchase intention

Morrison (1979) develops a mathematical model that translates stated purchase intention into the actual probability of the consumer purchasing the item. The model is a three-step transformation that follows the consumer’s stated intention into his true intention into the unadjusted purchase probability into the actual purchase probability. The study tests the model with purchase intention surveys and actual eventual purchases in the automobile and home appliance industries.

The study hypothesises that stated intention and actual purchase are not likely to be the same and may vary on both the product at hand and the time frame of the intended purchase (i.e., six months, 12 months, etc.). The empirical test shows that intentions for low-cost, low-involvement products and shorter time frames are less reliable in predicting actual purchase action. Kalwani and Silk (1982) find a difference in the relationship between purchase intention and actual purchase behaviour in durable and non-durable goods.
Consume

Jamieson and Bass (1989) find the accuracy of prediction of purchase varies widely for different products. The study notes the distinction of prediction accuracy for frequently purchased branded products and others. Several studies have shown a positive relation between intention and purchase in frequently branded products (Gormley, 1974; Penny et al., 1972; Tauber, 1975), but results are somewhat weak.

The theory of planned behaviour (TPB) promoted in Ajzen (1985) postulates that intentions are a good predictor of future behaviour. The theory posits that intentions have three determining factors – the individual’s attitude toward the behaviour, subjective norms and perceived behavioural control. Ajzen (1991), a review of the theory, concludes that empirical tests largely find these three factors are effective at predicting behaviour.

Cronin et al. (1997), in a study of samples of firms from two industries characterised by Lovelock (1983) as ‘utilitarian’ and ‘hedonic’, find that service value is a better predictor of purchase intentions than either service quality or cost. Service value is a more comprehensive measure of service quality and cost, including non-pecuniary sacrifices such as time and effort. The study suggests that adding a measure of value can increase the predictability of purchase intentions.

Cronin and Taylor (1992) investigate the effect of service quality on customer satisfaction and purchase intention. The study finds that service quality leads to customer satisfaction, customer satisfaction leads to purchase intention and service quality has less of an effect on purchase intention than customer satisfaction. The study also indicates that the measure of service quality could be improved if it is performance based.

Gruen et al. (2006) investigate the effect of eWOM on several aspects of consumer attitude and behaviour. The study looks at three factors of eWOM engagement not included in previous studies – motivation, opportunity and ability. The study finds that know-how exchange affects perceived product value and increases the likelihood of recommending the product but does not influence purchase intention.

2.5 The effect of eWOM on purchase intention

Motivation to help the company is the result of consumer satisfaction with the product, which results in the desire to help the company (Sundaram et al., 1998). Consumers who provide positive WOM to other consumers will help the company succeed. In addition, this motive can also be supported by equity theory, which, according to Oliver and Swan (1989), shows every individual wants an equal and fair exchange. Consumers who had their expectation fulfilled through their restaurant experience provide support to the restaurant and help the restaurant to stay successful. This concept was reinforced by Hennig-Thurau et al. (2004) in his research that has tested the validity of components; “I am so satisfied with the restaurant experience that I want to help the restaurant to be successful”, and “In my opinion, good restaurant companies should be supported”, is a positive response of WOM in the consumers desire to help the restaurant.

A positive WOM expressing positive feelings tends to trigger purchase intention (Dichter, 1966; Hennig-Thurau et al., 2004; Sundaram et al., 1998). LaRoche et al. (1996) find that familiarity with a brand impacts the consumer’s confidence in the product and leads to greater purchase intention. eWOM can, therefore, increase purchase intention by creating greater brand awareness. A positive WOM attitude in the form of caring for others tends to help other consumers in making purchase decisions by recommending the right product (Hennig-Thurau et al., 2004). A positive WOM attitude
in the form of the desire to support the restaurant brings the restaurant success and growth (Hennig-Thurau et al., 2004; Sundaram et al., 1998).

Additional eWOM does not necessarily monotonically increase purchase intention. Park and Lee (2009) propose a model whereby eWOM serves two purposes – information dissemination and recommendation. The study hypothesises that increased eWOM will cause an increase in the recommendation value, but that too much eWOM can cause “information overload.” The study concludes by indicating there is a tradeoff between the recommendation effect and the information effect.

3 Theory and framework

We base our hypotheses about the restaurant experience, eWOM and purchase intention primarily on the theories of Morrison (1979) and Ajzen (1985). The TPB promoted in Ajzen (1985) hypothesises that a person’s intentions are the best predictor of their future behaviour. This theory is closely related to the economic theory of rational expectations in Lucas (1972), whereby consumers’ estimation of future prices are unbiased estimators of future prices.

Morrison (1979) proposes a model that explains why intentions may not always come to fruition. The model hypothesises the three steps that lead from intentions to actual purchase. The model states that there are forces and conditions in all three steps that can derail the initial intentions and cause the individual not to carry out their purchase.

The first step in the transformation is stated intentions to true intentions. A consumer may state that he intends to buy a product in the future when he really does not. This situation happens in the restaurant industry whereby diners are given incentives to make a positive statement about a particular venue.

The second step is the transformation of the true intention into purchase probability. A consumer may truly intend to purchase a product but subsequent occurrences could change his mind and an intention not to purchase could also be changed. The example in Morrison (1979) is a new dishwasher. A consumer may not intend to buy a new dishwasher, but if his dishwasher breaks down in the ensuing months, he may indeed make a purchase. Alternatively, a consumer may intend to buy a new dishwasher soon but subsequently loses his job so he decides not to buy one.

The third step transforms purchase probability into an actual purchase. A consumer may truly want to buy the product but might not have the time to actually get to the store, may not find the product in a style he likes or at a price he thinks is fair. In the restaurant industry, a diner may not actually go to the restaurant because none of his friends and family wants to go to that particular restaurant and he does not want to dine alone.

4 Hypotheses

We use the framework of the factors affecting CREp, eWOM and purchase intention to test a comprehensive model of behaviour in the Indonesian restaurant industry. We hypothesise that since there is a commonality between the motivations for eWOM and purchase intention, there will be a correlation between eWOM and purchase intention. We further hypothesise that since there is a correlation between CREp and eWOM, the three dimensions of CREp will be correlated with eWOM.
The motivations for eWOM and purchase intention are not perfectly correlated, though. In fact, we propose that eWOM may be taken as a substitute for an additional purchase. It is possible that the motivation to reward the restaurant through eWOM is taken when a diner knows he is not going to reward it with future patronage. Therefore, we hypothesise that the three dimensions of CREp will have a positive correlation with purchase intention directly.

Our hypotheses summarised in Exhibit 1 are therefore:

**H1:** There is a positive correlation between the three dimensions of CREp (Food Quality, Service, and Atmosphere) and eWOM.

**H2:** There is a positive correlation between eWOM and purchase intention.

**H3:** There is a positive correlation between the three dimensions of CREp and purchase intention.

Exhibit 1  Framework of restaurant experience, eWOM and purchase intention

5  Research methodology

Surveys are conducted of consumers who dined at an Indonesian restaurant and engaged in eWOM in the previous six months. The survey process yielded 323 usable responses. Survey respondents were asked to respond on a 1 to 7 Likert scale to statements developed in previous studies to measure eWOM, CREp and Purchase Intentions.

Restaurant experience measurements applied the measurement used by Jang and Namkung (2009), Namkung and Jang (2007) and Stevens et al. (1995), and then also used in the research of Jeong and Jang (2011). Eleven items were used regarding food quality, service quality, price fairness and atmosphere attributes. Two items for each of the three motives for eWOM (concern for others, expressing positive feelings, and helping the company) were utilised to measure a positive eWOM triggered by a consumer’s restaurant experience, along with the lines of Hennig-Thurau et al. (2004) and Jeong and Jang (2011). The purchase intention measurement applied the measurement by Chang and Liu (2009). A 7-point Likert scale was utilised, that is: 1 =
very strongly disagree and 7 = very strongly agree. All items used are based on those used in previous studies. They are tested for validity and reliability for confirmation because they are applied to different consumers from the ones in previous studies.

Composite scores for eWOM, CREp, purchase intentions and the three dimensions of CREp are created by finding the mean of the responses to the individual questions within each metric. We run regressions using individual items and composite scores.

Least squares regressions were run to find correlation among the variables. We first run a regression of the composite eWOM on the composite of the three CREp dimensions to see if any of the dimensions has a stronger effect on eWOM than the others. We then run regressions on the individual items of the dimensions that had a significant relation to eWOM to find if any of the items were driving the results for the overall dimensions.

We then run a regression with the composite purchase intention metric as the dependent variable and the composite for eWOM as the regressor variable. We do this regression to find if there is a significant relation between restaurant experience and eWOM for diners in the Indonesian restaurant market.

We then run a regression of the composite purchase intentions metric on the composites of the dimensions of CREp to see if any of the dimensions have a greater effect on creating return customers than others. Afterwards, we run a regression of the purchase intentions composite on the individual items of CREp.

6 Results and discussion

6.1 Univariate statistics

Table 1 shows a summary of the variables used in the study. The table shows the mean and standard deviation of survey responses to the individual CREp and purchase intentions metrics along with those for the composite metric. Mean and standard deviations for the composite eWOM metric and the three dimensions of the CREp metric are presented as well.

<table>
<thead>
<tr>
<th>Variable</th>
<th>n</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CREp1</td>
<td>323</td>
<td>5.232</td>
<td>1.094</td>
</tr>
<tr>
<td>CREp2</td>
<td>323</td>
<td>5.251</td>
<td>1.058</td>
</tr>
<tr>
<td>CREp3</td>
<td>323</td>
<td>5.031</td>
<td>1.030</td>
</tr>
<tr>
<td>Food quality</td>
<td>323</td>
<td>5.165</td>
<td>0.987</td>
</tr>
<tr>
<td>CREp4</td>
<td>323</td>
<td>5.115</td>
<td>1.023</td>
</tr>
<tr>
<td>CREp5</td>
<td>323</td>
<td>4.920</td>
<td>1.086</td>
</tr>
<tr>
<td>CREp6</td>
<td>323</td>
<td>5.149</td>
<td>1.062</td>
</tr>
<tr>
<td>Service</td>
<td>323</td>
<td>5.061</td>
<td>0.918</td>
</tr>
<tr>
<td>CREp7</td>
<td>323</td>
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</tr>
<tr>
<td>CREp8</td>
<td>323</td>
<td>5.232</td>
<td>1.115</td>
</tr>
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</table>
Table 1  Univariate statistics (continued)

<table>
<thead>
<tr>
<th>Variable</th>
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<th>Mean</th>
<th>Standard deviation</th>
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<tbody>
<tr>
<td>CREp9</td>
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<td>5.232</td>
<td>0.831</td>
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<tr>
<td>Atmosphere</td>
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<td>5.237</td>
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<td>PI1</td>
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<tr>
<td>PI2</td>
<td>323</td>
<td>5.467</td>
<td>0.701</td>
</tr>
<tr>
<td>PI3</td>
<td>323</td>
<td>5.406</td>
<td>0.735</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>323</td>
<td>5.477</td>
<td>0.683</td>
</tr>
</tbody>
</table>

This table shows the mean survey response for all variables used in the study. It reports the individual items in the CREp composite and for the dimension composites food quality, service and atmosphere. It shows the composite mean for the eWOM questions and the mean for each item in and the composite of the purchase intention variable. The number of observations, mean and standard deviation are listed for each variable. Survey statements for CREp and purchase intentions are listed below the table.

CREp questions:
1. The restaurant served tasty food
2. The food presentation was visually attractive
3. The food was served at the appropriate temperature
4. The restaurant servers provided attentive services
5. The restaurant is dependable and consistent
6. The restaurant had friendly and helpful employees
7. The restaurant employees were neat and well dressed
8. The restaurant dining areas were thoroughly clean
9. The interior design of the restaurant was visually appealing.

Purchase intentions questions:
1. I think that I made the correct decision to use Indonesian Restaurant
2. I will repurchase the products or services in Indonesian Restaurant
3. I would like to visit and use the products or services in Indonesian Restaurant again in the future.

Means for all variables are either above or very close to 5, indicating an overall favourable experience and positive intention for the average respondent. This result is expected due to a self-selection bias among dining consumers. Consumers are more likely to visit a restaurant that they have an a priori positive impression of and thus more likely to have a favourable experience.

6.2 The effect of consumers’ experience on eWOM

Table 2 shows regressions of dependent variable eWOM on various dimensions and individual items in the CREp metric. These regressions are undertaken to investigate which of the restaurant experience factors most affect eWOM.
<table>
<thead>
<tr>
<th>Explanatory variables</th>
<th>Dependent variable</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>eWOM</td>
</tr>
<tr>
<td>Intercept</td>
<td>1.040*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>Food quality</td>
<td>0.340*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>Service</td>
<td>0.096</td>
</tr>
<tr>
<td></td>
<td>(0.135)</td>
</tr>
<tr>
<td>Atmosphere</td>
<td>0.352*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp1</td>
<td>0.200*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp2</td>
<td>0.197*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp3</td>
<td>0.312*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp7</td>
<td>0.319*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp8</td>
<td>0.137*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>CREp9</td>
<td>0.219*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>N</td>
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</tr>
<tr>
<td>F</td>
<td>144.88*</td>
</tr>
<tr>
<td></td>
<td>(0.000)</td>
</tr>
<tr>
<td>Adj. R-square</td>
<td>0.573</td>
</tr>
</tbody>
</table>

This table shows the results of least squares regression of the dependent variable eWOM on the explanatory variables describing dimensions and individual items in the CREp survey. *P*-values on coefficients are in parentheses below the estimate value and number of observations, *F*-value and adjusted *R*-squared are in the bottom three rows. a, b and c indicate significance at the 0.01, 0.05 and 0.10 level, respectively.

In the first regression, eWOM is regressed on the three dimensions of restaurant experience – food quality, service and atmosphere. The model is highly significant with an adjusted *R*-squared of 0.573, indicating that the three dimensions explain over 57% of the motivation for eWOM adjusting for the number of variables.

Coefficients on food quality and atmosphere are also significant with the coefficient on service not significant. This result can be interpreted that food quality and atmosphere have a strong positive effect on eWOM and service does not. The food quality and atmosphere have a strong effect because both of them are the main requirement to fulfil human needs and wants, as stated by Peri (2006), Liu and Jang (2009), Namkung and Jang (2007) and Jeong and Jang (2011).
Table 3  Purchase intentions regressions

<table>
<thead>
<tr>
<th>Explanatory variables</th>
<th>Purchase intention</th>
<th>Purchase intention</th>
<th>Purchase intention</th>
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<tr>
<td>Intercept</td>
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<td>5.051\textsuperscript{a}</td>
<td>5.078\textsuperscript{a}</td>
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<tr>
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<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
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<td>eWOM</td>
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<tr>
<td></td>
<td>(0.117)</td>
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<td></td>
</tr>
<tr>
<td>Food quality</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(0.987)</td>
<td></td>
</tr>
<tr>
<td>Service</td>
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<td></td>
</tr>
<tr>
<td></td>
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<td>(0.318)</td>
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<tr>
<td>Atmosphere</td>
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<td></td>
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<td>(0.891)</td>
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</tr>
<tr>
<td>CREp1</td>
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<tr>
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<td>–0.103\textsuperscript{b}</td>
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<td>CREp3</td>
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<tr>
<td>CREp6</td>
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<td>1.53</td>
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<td>(0.270)</td>
<td>(0.138)</td>
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<td>Adj. R-square</td>
<td>0.005</td>
<td>0.003</td>
<td>0.015</td>
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</tbody>
</table>

This table shows the results of least squares regression of the dependent variable purchase intention on the explanatory variables eWOM and the describing dimensions and individual items in the CREp survey. P-values on coefficients are in parentheses below the estimate value and number of observations, $F$-value and adjusted $R^2$ are in the bottom three rows. a, b and c indicate significance at the 0.01, 0.05 and 0.10 level, respectively. Survey statements for CREp and purchase intentions are listed below the table.
The second and third models are regressions of eWOM on the individual items in the food quality and atmosphere dimensions respectively. These models are run to see which, if any, of the items, are more important factors for eWOM than the others. Both models are highly significant and coefficients on all variables are highly significant, indicating that all these items have an important impact on eWOM and we cannot say whether or not one is stronger than another.

6.3 The effect of eWOM and consumer experience on purchase intention

Table 3 shows the results of three model regressions with the purchase intention composite as the dependent variable. In the first model, purchase intention is regressed on eWOM. A positive correlation would lead to the conclusion that people with greater eWOM motivation are more likely to purchase the service again.

Contrary to the relation hypothesised by Dichter (1966), Hennig-Thurau et al. (2004) and Sundaram et al. (1998), there is no significant relation between eWOM and purchase intention. This result could be specific to the restaurant industry or the hospitality industry as a whole due to diners wanting greater variety in their dining experience. A consumer who has a good experience at a restaurant and engages in eWOM may still not intend to dine at the restaurant again in the near future simply because he wants different restaurant experiences. This desire would not likely be the case for more utilitarian industries such as grocery stores or auto repair shops and the eWOM-Purchase Intentions relation may be drastically different for industries such as these.

This conjecture could be extrapolated to the hypothesis that consumers in the dining industry have greater motivation for eWOM than consumers in these other industries. Because consumers who have had a good experience and want to support the restaurant know they will not be supporting it with additional visits, they may feel more compelled to support it through other means, such as eWOM.

The second model regresses purchase intention on the dimensions of the CREp metric to see if any dimension of a dining experience leads to greater purchase intention. The model is not significant and none of the coefficients is significant, indicating that improving any of the dimensions is not likely to increase the diner’s intent to re-visit the restaurant.

The third model regresses purchase intention on the individual items explaining CREp. This model is also non-significant. Only two of the coefficients are slightly significant, one in a negative sense and one in a positive sense, which we can only interpret to be spurious and conclude that none of the CREp items leads to greater purchase intention in the consumer.

7 Implications

Results of this study are largely consistent with prior theory and empirics but differ sharply from past studies in one aspect. The results that differ from past research may be due to the specific industry or country studied and provide interesting avenues for future research about eWOM and purchase intention.

The results of this study indicate that CREp has a positive effect on eWOM as in past studies. This study furthers that research by finding that food quality and atmosphere are
the dimensions driving this impetus for eWOM, with service providing no significant effect. This result is consistent with the hypotheses, especially proposed in Jeong and Jang (2011).

This study finds that there is no significant relation between eWOM and purchase intention in the Indonesian restaurant industry, which is contrary to the results of the previous empirical studies on other industries (Dichter, 1966; Hennig-Thurau et al., 2004; Sundaram et al., 1998). This discrepancy suggests that the eWOM and purchase intention relation and the motivation for eWOM may be industry dependent. Lovelock (1983) identifies industries on a scale from ‘utilitarian’ to ‘hedonic’, it is possible that these interactions are different for the different types of industry.

8 Conclusion, limitation, and future research

Results show that food quality and atmosphere have a positive significant relation with eWOM. This result is similar to what has been found in previous studies but not exactly. Previous studies have found food quality to be a significant factor but atmosphere is not. The results for this study may differ due to the characteristics of the sample, diners in Indonesia. The study finds that no particular one of the individual items in the food quality and service dimensions drive the results, indicating that diners make their decision on the totality of the dimension rather than any one factor.

Results also show that eWOM is not significantly related to purchase intention measured with the composite purchase intentions metric. This result is contrary to previous hypotheses and research results and could be due to the industry being studied. Diners tend to want a variety of dining experiences and even if they have a good experience and are motivated to engage in eWOM, they still may not intend to frequent the restaurant in the near future because they want a new experience at a different restaurant. Industry effects on eWOM motivation would be the subject for future research.

We further find that none of the dimensions of CREp has a significant relation with purchase intentions. This result can be interpreted as saying that a more enjoyable dining experience does not lead to greater repeat customers. We find no significance when regressing the purchase intention composite score on the scores for the individual items for CREp. These results can also be explained by the desire for variety among diners and that they intend to go to different restaurants in the future regardless of how good their experience at a particular restaurant was.

The results of this study are limited due to the fact that only one industry in one country was studied – the Indonesian restaurant industry. Dining decisions are discretionary so the industry may not be representative of industries overall or of more utilitarian industries. This focused industry approach, however, has the advantage that it opens the question that perhaps eWOM and purchase intention is industry dependent and opens opportunities for research regarding the nature of industry into the analysis. A further limitation is that consumers do not tend to visit the same restaurant frequently, so purchase intention is more long-term, which has been found to be less reliable predictors of actual purchase behaviour.
References


Consume restaurant experience, electronic word of mouth


