Impact of Social Influence on Service Outcomes

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Abstract

This study investigates how social influence variables will affect repeat visit intentions and word of mouth in the motel context. Specifically, the social influence variables of friendly staff, friendship with a staff employee and feeling respected are compared with tangible attributes, such as rooms, facilities and locational convenience to determine the greatest influence. A cross-sectional survey of 119 motel guests revealed that feeling respected is the greatest influence on revisit intentions but was not a significant predictor of word of mouth activity. Furthermore, both facilities and motel convenience were not significant predictors of either repeat visit intentions or word of mouth. Both friendship and room presentation were significant predictors of both dependent variables. It is suggested that the nature of the dependent variable may account for the different results. For public activities such as word of mouth, predictors that guests may favour talking about could dominate whereas private feelings such as feeling respected may more strongly predict the more introspective service outcomes.

Keywords: social influence, repeat visit, motels, convenience, survey

Introduction

The importance of social influence in the service encounter and consequent service outcomes has been well established in the marketing literature (e.g., Price and Arnould 1999). Indeed, the importance of the social side to the service exchange is considered particularly relevant for services that have high levels of customer-employee contact such as exist in service industries. Thus, social influences are critical to services outcomes such as customer loyalty (Mattila, 2001) and indeed Kandampully and Suhartanto (2000) further argue that hotel chains in particular need to emphasise personalised service in order to maintain their individuality. Researchers are thus interested in understanding which social influence variables are most important in the service encounter and furthermore which social influences have the greatest impact on service evaluation and outcomes under different conditions. A further aspect that has received little attention in the literature is whether the nature of the service outcome has any bearing on the predictive power of social influence variables. For instance, should we expect social influence variables to impact service outcomes, such as repeat visits or word of mouth, in the same way. This study investigates the relative importance of social influence on specific service outcomes in the Australian motel industry.

Theoretical background

Social influences arise through the personal interaction between a customer and service employee. Person-oriented behaviours typically do not focus on the core task, such as delivering the restaurant meal or processing the airline ticket, but deal with the customer in a warm, understanding, and personable manner. A number of studies (e.g., Bitner, Booms and
Tetreault, 1990; Driver and Johnston 2001; Hall, 1993; Iacobucci and Ostrom, 1993; Price and Arnould 1999;) have indicated the importance of friendly-type behaviors of service staff to improved service outcomes. The range of friendly-type behaviors include: friendliness, familiarity, flirting, caring, politeness, responsiveness, trustworthiness, helpfulness, and understanding. Thus friendly staff behaviour is the first of three social influence variables explored in this study. Friendship is the second social influence variable to be investigated. Fostering the development of personal relationships with customers is important (Kokko and Moilanen 1997) and a “positive asset for a service firm” (Bove and Johnson 2000: 503). More specifically, customer retention can be increased by building positive relationships with customers (Barnes, 1997). These views are supported in qualitative studies such as Goodwin and Gremler (1996), who found that inadequate delivery of the core service can be compensated for by close personal attachments. Similarly, Patterson (1998) reported strong correlations between friendship and the probability of continuing the relationship for medical practitioners, hairdressers, car servicing, and travel agency services. The only correlation score reported by Patterson was 0.51 for the car servicing sample. Likewise, Wirtz and Chew (2002) reported a significant main effect for tie strength on word-of-mouth using an experimental design in a mobile telephone context. The final social influence variable is respect for the customer. Numerous authors have indicated the importance of social regard in the service encounter. For instance, customers should be treated with respect (Iacobucci, 1998) otherwise customers may feel insulted (Goodwin and Smith, 1990) and consequently take their business elsewhere (Dubinsky, 1994). Researchers strongly equate respect or lack of respect for customers with service quality evaluations (Goodwin and Frame, 1989), dissatisfaction (Dubinsky, 1994), relationship strength (Barnes, 1997), and loyalty (Dotson and Patton, 1992). In summary, support exists for all three social influence variables to be associated with service outcomes, such as repurchase intentions and word of mouth. However, there is no research that explores how the influence of such variables may vary in the motel context nor when investigated collectively.

So far, three social influence variables have been considered for the model. To gauge the relative effect of social influence on service outcomes, three additional variables were introduced to the model. These additional factors are locational convenience of the motel, motel room presentation and motel facilities. Making the service offering more convenient to customers is important for business success (Reichheld, 1993). Similarly, core aspects of the motel service is represented by room presentation and motel facilities. Hotel tangibles have been shown by Alexandris, Dimitriadis and Markata (2002) to influence purchase intentions but not word of mouth for hotel guests in Greece. Compared to social influence variables these ‘tangible’ factors have been distinguished as the hard aspects to service delivery (Lemmink and Mattsson, 1998) versus the soft aspects of personal interaction. However, the combined testing of these soft and hard influences on service outcomes has received little attention in services. The dependent variables for this study are repeat visit intentions and word of mouth. It is hypothesised that customer word of mouth may be generated by different factors to that of repeat purchase intentions. While the former outcome is a social expression that may depend upon how well the motel guest can make themselves look publicly whereas the intention to revisit is a more private outcome. The following hypotheses are stated to test these issues.

H1: Social influence will be positively associated with repeat visit intentions and word of mouth
H2: Social influence will affect repeat visit intentions differently to word of mouth
Method

A single cross-sectional survey was conducted to gather data for this study. Customer data were drawn from 6 small motel businesses operating in NSW, Australia. Motels were chosen as they provide limited face-to-face personal interaction between service provider and customer. Thus, social influence may be harder to detect than with personal services, such as hairdressers. Hence, if the results indicate that social influence plays a role in affecting service outcomes it will provide evidence that social influence also has wider application, especially to services involving greater personal contact. The survey instrument was a self-administered questionnaire that was distributed by motel owners/managers to their customers, either personally or by placement in the motel room. Prior to administration, pre-tests were conducted to assess the efficacy of the questionnaires. A key advantage of this form of administration is that the motel experience will be easier for respondents to remember, in contrast to respondents seeking to remember motel experiences that are several months old (Nicholls, Gilbert and Roslow, 1998). A down side is that the researcher had no control over the distribution of questionnaires to customers. Although no tests for response bias were possible with this procedure, all participating motels were contacted and asked to describe their guest profile. In all cases, the managers/owners described a heavy orientation to older travellers.

One hundred and nineteen usable questionnaires were returned by respondents from the 300 questionnaires that were distributed equally among the six service providers (a response rate of 40%). Analyses of gender and age revealed that 55% of respondents were female, whereas age groups were skewed toward the over forty years group. The age distribution of the sample was less than 25 years (6%), 25-39 Years (18.5%), 40-54 years (38%) and over 54 years (38%). Fifty-three percent of the sample were first time visitors and the sample were evenly distributed between personal (30%), leisure (29%) and business (41%) travel.

Regression analysis was the major form of analysis. The sample size of 119 is sufficient for the proposed analyses. Single-item scales were used to measure all variables. Although single item measures have been criticised by Churchill (1979), other authors such as Bejou and Palmer (1998) argue their adequacy for exploratory work. This study is part of a larger project and provides pilot data on important variables for further scale development. Preliminary tests of the data indicated no major violations of regression assumptions, especially multi-collinearity.

Results

The dependent variables of repeat purchase intentions and word of mouth were each tested separately in regression equations with the same six predictor variables. In the case of repeat visit to the motel, locational convenience and motel facilities were not significant in the equation. Thus, the only ‘tangible’ factor influencing the decision to revisit is room presentation. In contrast, all three social influence variables were significant predictors of repeat visit although the variable operationalising friendly staff was only significant at the 90% confidence level. For this service outcome, feeling well respected was the major influencing factor with twice the effect of the second largest factor room presentation. For the second equation with word of mouth as the dependent variable the results were different. In this case, feeling respected was one of three factors not significant in the equation. Room
presentation and the two social influence variables dealing with friendly relations significantly influenced word of mouth activity. The full results are shown in Table I

**Table I.**
Regression results towards repurchase intentions and word of mouth

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Repeat visit</th>
<th>Word of mouth</th>
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<tbody>
<tr>
<td>I have made friends with staff at this motel</td>
<td>.17**</td>
<td>.21***</td>
</tr>
<tr>
<td>Staff are very friendly</td>
<td>.16*</td>
<td>.20**</td>
</tr>
<tr>
<td>I feel respected at this motel</td>
<td>.46***</td>
<td>.ns</td>
</tr>
<tr>
<td>I like the convenience of this motel location</td>
<td>ns</td>
<td>ns</td>
</tr>
<tr>
<td>The rooms are well presented</td>
<td>.23***</td>
<td>.32***</td>
</tr>
<tr>
<td>They have very good facilities at this motel</td>
<td>ns</td>
<td>ns</td>
</tr>
</tbody>
</table>

(Standardised coefficients β shown)

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>F value</td>
<td>21.54</td>
<td>31.90</td>
</tr>
<tr>
<td>Significance</td>
<td>.00</td>
<td>.00</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.52</td>
<td>.62</td>
</tr>
</tbody>
</table>

* $p < 0.10$
** $p < 0.05$
*** $p < 0.01$

**Discussion**

In both regression equations it was found that neither the motel’s locational convenience nor facilities were significant predictors of repeat visit intentions and word of mouth. This finding accords with the finding of Jones, Mothersbaugh and Beatty (2003) who did not find a direct relationship between convenience and repurchase intentions for samples of bank and hairdresser customers. Hence this study extends those findings to include no impact of convenience on word of mouth. However, Jones et al only used satisfaction in the regression equation whereas this study has included more specific variables of social influence. The statement measuring locational convenience was structured - “I like the convenience of this motel location”. Thus the actual statement provides no particular insights into why convenience is not a significant factor. Motels are generally located along traffic areas for passing motorists or where other travellers using other modes of transport can find the motel easily. The suggestion that this aspect is no longer important is one to ponder. For the case of facilities it is acknowledged that many guests were travelling for business or personal reasons and would not be influenced by the motel facilities. A larger sample would allow
further testing of this difference between leisure and business travellers. In contrast, only friendships and room presentation were significant predictors of both dependent variables at the 95% level. In both equations the impact of friendship and room presentation have similar impacts. The interesting finding is that feeling respected was the major predictor for repeat visit intentions whereas for word of mouth this variable was not significant in the equation. A speculative explanation may be that word of mouth is a public activity and guests will be more likely to rely on attributes that they may enjoy talking about. That is, perhaps guests will like to say that Bill or Mary at Motel X is a nice person and that they were well looked after. On the other hand, feeling respected is a more private feeling that could be more difficult to express to others. That is, if there are motel attributes that guests prefer to talk about other than themselves (e.g., the management, rooms, staff) then this needs to be further explored. While the sample is large enough for the limited analyses undertaken it is desirable to recruit a larger sample for further tests with other tangible and social influence variables. In addition, further tests with locational convenience as a moderating variable would be interesting.

References


Mattila, A. S., 2001. Emotional bonding and restaurant loyalty: There’s a big difference between a loyal customer and a frequent one, and the shrewd operator will figure out how to earn and sustain guests’ loyalty. Cornell Hotel & Restaurant Administration Quarterly. 42 (6), 73-80


