



IMPACT OF POSITIVE WORD OF MOUTH ON BUYING BEHAVIOR OF CUSTOMERS IN RESTAURANT INDUSTRY

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Abstract

Word-of-mouth (WOM) marketing is the primary means of promotion for restaurants with scarce funding. The marketing of services appears to benefit greatly from WOM. For this reason, it is challenging to evaluate services before to purchase because they are experiential in nature. There isn't much WOM study about eateries. In order to understand the crucial role that relationship quality plays, this article aims to investigate the aspects that may impact travelers' word-of-mouth (WOM) about restaurants. The word-of-mouth communication structure in restaurants was examined in this study. A restaurant environment was used to identify and investigate the main elements of the word-of-mouth process on purchasing decisions.

Finding out which word-of-mouth factors directly influence consumers' decisions to purchase restaurant products or services is the primary goal of this study. Other primary goals include figuring out what influences customers' search terms when they recommend restaurants to others and figuring out what makes up a restaurant's word-of-mouth advertising. This study also looked at the mediating effect of word-of-mouth search attempts on the purchasing decision. Finally, by contrasting the suggested word-of-mouth model with a general-services word-of-mouth model, it was possible to identify the more effective explanation of the restaurant word-of-mouth communication structure.

Internet-based surveys were used to get the data. Research issues were eventually addressed by using the Anova method to test hypotheses. According to the study's findings, a consumer's decision to acquire a restaurant service or product is influenced by things like the sender's knowledge, their reference group, and their word-of-mouth search attempt.

Keywords: Word of Mouth, Restaurants, Communication, Consumer's, Quality.

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Introduction

Positive word-of-mouth has a significant impact on the restaurant business. It has the power to sway consumers' opinions, foster trust, and ultimately influence their purchasing decisions. In a highly competitive industry, restaurants that put an emphasis on providing outstanding experiences and promoting positive word-of-mouth are more likely to prosper. The urban Indian restaurant industry has grown in popularity among the regional culinary scenes. The modern lifestyle's appreciation of different international fine dining restaurants' offers is

demonstrated by the positive demand for Indian eateries. Previous studies indicate that word-of-mouth (WOM) communication is probably the most common and efficient way to influence consumers' purchasing decisions. It has been discovered to be crucial in helping customers decide what to buy. In summary, businesses that operate Indian restaurants hope to influence customers by using verbal communication advertising. It had a big influence on customers' decisions to buy and return for meals. Owing to its significance, WOM was first acknowledged as having a



definitive impact on the restaurant industry, particularly in India.

WOM has a significant influence on the hotel sector. Since intangibles, like restaurant services, cannot be assessed prior to consumption, clients are more reliant on the word-of-mouth influence of WOM when making purchases of intangible goods and services.

The word-of-mouth and comprehension of patron behaviour have grown in significance and use for restaurant managers. Similar to fast-food restaurants, quick casual restaurants occupy a similar market niche and do not provide most table services, but they do make some claims about better cuisine and ambiance. The fast-casual dining market sits between the "quick service" and "full service" divisions as customers' desires for better food, better physical dining environments, and better customer service grow. Roughly one-third of restaurant owners claim that their patrons want a greater variety of meal options, while 19% claim that patrons primarily want healthier options.

Background of the Study

Although word-of-mouth can be described in a variety of ways, it is among the most traditional means to communicate. According to Katz and Lazarsfeld (1966), one of the first definitions of it was the dissemination of marketing information to consumers in a way that significantly changes their behaviour and perceptions of goods and services. Some writers define word-of-mouth (WOM) as a person-to-person communication tactic between a communicator and a recipient who thinks the information they receive about a company, good, or service is non-commercial (Arndt, 1967). In a similar vein, word-of-mouth (WOM) describes consumer-to-consumer feedback on a company, product, or service that is believed to be independent of commercial interests. Through these interpersonal interactions, consumers can obtain information about the consumption of that good or service beyond what is often supplied by formal advertising, i.e., information that affects consumers' decisions without their knowledge or consent.

Word-of-mouth (WOM) is considered one of the most significant determinants of customer behaviour. This effect is particularly noticeable in the case of intangible goods like travel and hospitality, which are challenging to assess before being consumed.

Literature Review

Dean and Lang (2018) State Word-of-mouth communication, sometimes referred to as viva voce, is the spoken sharing of knowledge between individuals. It can be as simple as telling someone what time of day it is. Consumers recommending goods and services to other consumers is another way that word-of-mouth marketing is defined. It is an effective persuasive force that is particularly helpful in promoting awareness of new products.

According to Wong's (2014) research, relationship quality and customer loyalty are strongly impacted by service quality, which also positively affects emotional satisfaction. Service lapses, according to Kumar (2019), are probably the primary cause of customer discontent and the bad word of mouth that follows. Conversely, favourable customer behaviour, such as choosing to patronise a restaurant and spreading good word of mouth, is prompted by high levels of customer satisfaction, trust, and dedication.

Satisfied and loyal customers who appreciate eating excellent cuisine are likely to be influenced by the quality of food and beverages offered. David (2018) asserts that food quality is recognised as a critical element that contributes to customer pleasure and loyalty. Food quality is crucial to building restaurant patrons' pleasure and loyalty since, as Ronan's study from 2021 indicated, it has a significant impact on the relationship that patrons have with the restaurant.

Food quality is considered to be one of the key factors influencing restaurant patronage in numerous research (Sundam, 2019). Food quality in a restaurant environment is not only a concrete indicator of the quality of the final product but also a crucial element in the hospitality sector.



According to Ryu and Han (2017), the majority of restaurant patrons place greater value on eating out than dining in. These customers might want a special eating experience while they are away from home, and the restaurant's ambiance can greatly contribute to that.

According to Walker and Lundberg (2015), patrons of luxury restaurants come for more than just a fill-in meal; they also want to enjoy fine meals and attentive service in an opulent atmosphere. An important factor in the dining experience is the physical environment of the restaurant, which includes the ambiance, décor, and other amenities (Sloan, 2020). Customers feel well-cared for and that the expensive restaurant's environment and decor meet their needs for respect, so they essentially feel superior there.

Purpose of Study

With a focus on restaurant service and product purchase decisions, this study aims to confirm the variables (constructs) that influence word-of-mouth impacts and investigate the word-of-mouth process itself. To find out what has been done and what should be done, the literature that already exists will be assessed. A word-of-mouth process model that explains the composition and methodology of word-of-mouth communication in the setting of restaurants will be proposed by the researcher based on this wide understanding.

Research Questions

1. What aspects of word-of-mouth influence customers' decisions to acquire restaurant goods and services directly?
2. How much do word-of-mouth elements influence a consumer's efforts to find a restaurant through word-of-mouth?

Significance of Study

This study will provide a model for restaurant word-of-mouth marketing, which will be advantageous to both academia and the hospitality industry. Supervisors will have the opportunity to gain further knowledge

Data Analysis and Interpretation

Demographic characteristics of respondents

regarding word-of-mouth and apply the insights within their organization. Aside from the study's usefulness, the results will add to the corpus of knowledge already available on word-of-mouth marketing. This study looks at a few novel word-of-mouth formulations that are thought to have connections to marketing and the hotel industry, but they have never been tested. We will examine how well-known major constructs of word-of-mouth communication are applied in restaurant settings and how these constructs relate to one another. Developing a word-of-mouth model specifically for the restaurant industry is the aim of this project. This first methodical technique will aid in the broad understanding of the word-of-mouth schema in restaurants.

Research Methodology

Primary and secondary data are also used in this study. Books, journals, papers, theses, and other sources are the sources of the secondary data. Due to the necessity for a certain type of respondent—that is, someone who has eaten at an Indian restaurant—purposive sampling was employed in this study. The potential responders were approached and asked a straightforward question about their experience dining at expensive in restaurants.

A self-administered questionnaire was utilized in this quantitative study to gather data from 100 respondents who had eaten at or used services from Indian restaurants in West Bengal, Delhi, and Bangalore. The data, which included price, physical environment quality, food quality, and service quality, were analyzed using regression analysis.

The purpose of this study is to address memory loss or distortion by asking participants to recall their most recent word-of-mouth experience with the product or service that they wished to acquire from the restaurant. Inquiring about past experiences at the beginning of the survey allows the respondents to get ready for the inquiries.

Table: Gender

Gender	Percentage	Frequency
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Male	46.0%	46
Female	54.0%	54

Table: Occupation

CHOICES	Percentage	Frequency
Student	25%	25
Salariedperson	40%	40
Businessman/woman	20%	20
Housewife	15%	10
Total	100.0%	100

Source:PrimaryData

Interpretation:

From (Table), we can conclude that majority of customers are students(25%) and (40%) of customers are salariedperson, (20%) of customers are house- wife, and the rest (15%) of customers are businesspersons.

Marital Status of the respondents

Marital Status of the respondents	Frequency	Percentage
Unmarried	35	35.0
Married	65	65.0

The sample unit consists of 100 respondents, of whom 35 (36.0%) are single and 65 (64.0%) are married. The respondents positively affectword-of mouth experience about the restaurant’s service/product.

Hypotheses testing

The results of various regressions comparing the word-of-mouth qualities to purchase decision are shown in the table. In the Best Bengal Region, Delhi, and Bagalore, the test finds out if the characteristics of WOM have a good impact on customers' decisions to buy Indian restaurants. In order to determine which

component of WOM influences customer purchasing decisions more, three sub-hypotheses were also explored.

Testing of Hypothesis

- H1: Consumers' purchasing decisions are favorably influenced by word of mouth.
- H1a: Customer decisions on what to buy are positively influenced by service quality.
- H1b: Consumer purchase decisions are positively influenced by food quality.
- H1c: Consumers' purchasing decisions are favorably influenced by their physical surroundings.

Results of multiple regressions of the word of mouth attributes against purchase decision

Hypotheses	Regression, R ²	Standardized Coefficients, B	Sig.
H1a	.254	.197	.004
H1b	.241	.048	.493
H1c	.319	.319	.000

Interpretation

The results of the multiple regression analysis of the WOM features against the purchasing choice of an Indian restaurant West Bengal, Bangalore and Delhi are displayed. The physical environment's overall quality has a favorable and significant influence on consumers'

purchasing decisions at a significant level ($\beta = .319, p = .000$). The outcome showed that the level had an impact on the decision to buy. High-end Malay restaurants need to understand how crucial word-of-mouth marketing is to their business. An asset for a restaurant is a strong concept or image. All employees need to



establish positive relationships with customers in order to gain their trust and guarantee that they will recommend the restaurant and its offerings to others. Thus, managers need to be aware that happy customers might spread the word about their business to bring in new business.

Conclusion

The research put out a paradigm for word-of-mouth advertising in the restaurant industry. It was grounded in a validated word-of-mouth model for general services and logically supported. Within the framework of consumer information exchange, word-of-mouth communication was investigated in this study. With the purpose of better understanding consumer attitudes towards Indian restaurants, this study set out to define the elements of price, physical environment quality, cuisine quality, and service quality. The goal of this study was to determine which WOM components have the most influence on consumers' buying decisions. This goal has been achieved. The results of the Multiple Regression Analysis, Pearson Correlation Analysis, and Reliability Test Analysis demonstrated a positive and statistically significant association between the independent variables and the consumer's purchase choice. In summary, the research findings show that the quality of the physical environment has the most influence on consumers' decision to dine at an upscale Malay restaurant, while the quality of the food has the least impact.

Regarding the impact of the sender's competency, their reference group's influence, their search efforts, and word-of-mouth influence on the purchase decision of customers, positive cause and effect correlations were demonstrated to be both practically important and statistically significant. A consumer's decision to buy anything is more influenced by word-of-mouth when there is a high level of word-of-mouth search activity, receiver influence from their reference group, and sender's perceived knowledge. Meanwhile, the impression of the word-of-mouth recipient's expertise introduced a detrimental

cause and effect relationship. A strong perception of competence among the word-of-mouth receiver mitigates the influence of the word on a consumer's purchase decision. Medium predictive power was possessed by the word-of-mouth receiver's skill. In terms of the causal relationships between word-of-mouth influence and a customer's decision to purchase a product or eat at a restaurant, the self-image congruence construct and the tie strength between the sender and recipient word-of-mouth constructions did not demonstrate any influence.

The findings of the study indicate that clients of casual dining employ positive word-of-mouth more frequently when sharing information. Managers should try to promote positive word-of-mouth in addition to stifling negative ones. The previously mentioned strategies of creating image congruence, "refer a friend" marketing, proactive consumer education, and offering top-notch food and service will boost positive word-of-mouth. Meanwhile, the influence of negative word-of-mouth should never be underestimated. By successfully resolving bad word-of-mouth, managers can bounce back from poor service and enjoy the advantages of positive word-of-mouth.

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