

ARE YOU TELLING ME THE TRUE? TRUST AND SATISFACTION AS KEY FACTORS OF THE INTENTION TO FOLLOW THE ADVICE OBTAINED IN ONLINE TRAVEL NETWORKS

Abstract

Travellers are increasingly using online networks in order to get information on which to base their decisions. This study aims to analyze some determinants of the intention to follow the advice obtained in these networks. The empirical analysis confirms that the intention to follow the advice obtained in an online network is influenced by trust in that network and satisfaction with previous experiences. Similarly, we observed a positive effect of satisfaction on trust. Finally, confirmation of expectations when following prior advices also influences consumer satisfaction. The study concludes with the main implications, limitations and possibilities for future research.

Keywords: *Online travel networks, advice, trust, satisfaction, confirmation of expectations*

Track: *Tourism Marketing*

1. Introduction

Day by day consumers are increasingly asking for advice and relying on suggestions from friends, family and even strangers to make purchase decisions or choose travel destinations. In addition, many of them are getting that advice in an online manner. Focusing on the travel sector, online networks represent a great opportunity for travellers due to the fact that they can find out what other people think about potential destinations and its facilities (e.g. hotels, restaurants and so on). Indeed, as Wiertz and De Ruyter (2007) point out, online networks are an incomparable medium that facilitates the interaction among individuals and the exchange of knowledge and experiences. Thus, travellers can use these online travel networks to get information in order to choose destinations, plan their route and learn something about the culture of a foreign country.

However, little is still known about what induce people to follow the advice obtained in these online networks. Therefore, in this work we present a descriptive model that characterizes consumer intention to follow the advice obtained in an online network. Based on an in-depth review of relevant literature, we propose that satisfaction with previous experiences and trust placed by the consumer in the online network are key antecedents of the consumer's intention to follow that advice. Secondly, following relationship marketing, satisfaction is also linked to trust (Bauer, 2002) and, according to the Expectation-Disconfirmation Theory, confirmation of expectations is related to consumer satisfaction (e.g. Oliver, 1980).

Taking into account previous considerations, the paper is structured as follows: Firstly, we carry out a review of the relevant literature concerning the variables included in the study. Secondly, we formalize the hypotheses. Then, we explain the process of data collection and measures validation and finally, we present the results, conclusions and limitations of the study and outline possibilities for future research.

2. Literature Review

2.1. *Intention to follow the advice*

The intention to follow the advice is one of the most relevant consumer behavioural intentions (McKnight *et al.*, 2002). In this case, the intention to follow the advice obtained in an online network implies the intention to behave in a determined way, according to the comments, recommendations and suggestions of other network members. In this sense, several authors have noted the decisive role that the information obtained in online networks has on the consumer decision process (e.g. Sen and Lerman, 2007).

2.2. *Trust*

Traditionally, trust has been analyzed from two different perspectives (e.g. Geyskens *et al.*, 1996). On the one hand, trust has been considered as a *behavioural component*, which is associated with the willingness or desire to rely on the partner (e.g. Geyskens *et al.*, 1996). On the other hand, trust may be analyzed as a *cognitive component*, which reflects the result of the assessment that one party makes of the credibility and goodwill of the other party (e.g. Doney and Cannon, 1997). However, the literature reflects a more habitual use of the cognitive component. Indeed, Morgan and Hunt (1994) note that the inclusion of the behavioural component may be redundant as it is a consequence of the cognitive component.

Considering trust as a cognitive component, it has been usually suggested that trust may be defined by three types of beliefs which refer to the levels of competence, honesty and benevolence, as perceived by the individual (e.g. Mayer *et al.*, 1995). In the context of online networks, which are always centred on a specific mutual concern, *competence* refers to the ability of the network members with respect to that mutual interest (Ridings *et al.*, 2002). In turn, *honesty* is the belief that the second party (in this case the other network members) will keep their word, fulfill their promises and be sincere (e.g. Doney and Cannon, 1997). Finally, *benevolence* reflects the belief that one of the parties is interested in the well-being of the other. Taking into account the previous considerations, we propose that the concept of consumer trust may be considered as a construct formed by three different dimensions: honesty, benevolence and competence.

2.3. Satisfaction

From a global perspective, customer satisfaction may be defined as an affective condition resulting from an evaluation of all the aspects that make up a relationship (Severt, 2002). In this project, we will concentrate on the psychological perspective of satisfaction (Shankar *et al.*, 2003). In this perspective, satisfaction is the result of previous interactions and means a global evaluation of the relationship history between the parties. As a result, satisfaction is built up over time and every new experience will suppose new feedback for the individual's perception and will influence his/her level of satisfaction at any time.

2.4. Confirmation of expectations

Confirmation of expectations is the result of the comparison of the product/service performance against a pre-consumption standard (Tse and Wilton, 1988). In this work, confirmation of expectations is measured following a subjective approach (e.g. Churchill and Surprenant 1982) since consumer behaviour includes several psychological processes that cannot be measured through algebraic expressions. This alternative implies a subjective evaluation of the difference between product performance and the comparison standard.

3. Formulation of Hypotheses

Satisfaction is the result of the consumer's perception that the benefits received in a relationship are equal (or greater) to the expected benefits (Hallowell, 1996). Thus, if a consumer has already followed the advice obtained in a network and his/her expectations have been met, the consumer will feel satisfied and motivated to follow the advice obtained in that network again. Indeed, satisfaction has been widely used in consumer behaviour literature to study post-purchase behaviours such as repurchases (Bhattacharjee, 2001). Therefore, satisfaction may provide a useful approach for explaining the continuance intention to follow the advice obtained in an online network. Thus, we propose our first hypothesis:

H1: Consumer satisfaction with previous experiences has a positive effect on the intention to follow the advice obtained in an online network.

Similarly, trust placed in an individual has been proposed to positively influence the intention to follow his/her advice (e.g. McKnight *et al.*, 2002). To be precise, these authors consider that a consumer will follow vendor advices if s/he perceives that the vendor is: (1) competent, so that the vendor will provide good advices, (2) honest, so that the vendor will not show opportunistic behaviour, and (3) benevolent, so that the vendor will offer the advice in the consumer's best interest. Thus, translating this reasoning to the context of online travel

networks, it seems reasonable to think that a consumer will follow the advice obtained in a travel network (e.g. in order to choose tourist destinations, hotels or restaurants) if s/he trust on the other network members. Therefore, we propose the following hypotheses:

H2: Consumer trust in an online travel network has a positive effect on consumer intention to follow the advice obtained in that network.

In addition, relationship marketing has also considered satisfaction as a crucial aspect in the development of trust in a relationship (e.g. Bauer *et al.*, 2002). Broadly speaking, satisfaction with previous interactions also indicate equity in the relationship, which provides evidence that the other party: (1) is not taking advantage of the relationship, and (2) performs in an effective manner (Ganesan, 1994). Therefore, it is reasonable to think that a positive relation can be established between both variables. Hence, we propose the next hypothesis:

H3: Consumer satisfaction with previous experiences has a positive effect on the trust placed in an online network.

Finally, following the Expectation-Disconfirmation Theory (Oliver, 1980), satisfaction is influenced by the confirmation of expectations after using a product/service. To be precise, confirmation of expectations is positively related to satisfaction since it implies the realization of the expected benefits, while disconfirmation leads to dissatisfaction since it denotes failure to achieve expectation (Bhattacharjee, 2001). In this sense, the confirmation-satisfaction association has been widely supported in the context of new technologies (e.g. Bhattacharjee, 2001). Following this reasoning, we propose our last hypothesis:

H4: Confirmation of expectations has a positive effect on consumer satisfaction with previous experiences.

4. Data Collection

Data was collected through a web survey using Spanish-speaking subjects. This method of collecting the data is consistent with the habitual research practice in the online context (e.g. Steenkamp and Geyskens, 2006). In order to obtain the responses a banner was published for three weeks on Lastminute.com (<http://www.es.lastminute.com/>), the Spanish website of an important online travel agency. In addition, several posts were included on heavy traffic websites, email distribution lists and well-known electronic forums, all of them related to the travel sector. Potential interviewees were linked to a specific website where they could answer the questionnaire and obtain all the information about the research project. Finally, all latent variables were measured using a multiple-item measurement scale. These measures use a seven-point Likert type response format, and respondents rated them from 1 (“completely disagree”) to 7 (“completely agree”).

5. Measures Validation

5.1. Content and face validity

Scale development was based on the review of the most relevant literature on relationship marketing and the recent advances in e-marketing. From the literature review an initial set of items was proposed. However, due to the lack of valid scales adapted to the context of online networks it was necessary to adapt the initial scales according to the opinions of a group of experts.

5.2. Exploratory analysis of reliability and dimensionality

The Cronbach alpha indicator was used to assess the initial reliability of the scales, considering a minimum value of .7 (Nunnally, 1978). The item-total correlation was used to improve the levels of the Cronbach alpha, considering a minimum value of .3 (Nurosis, 1993). We then proceeded to evaluate the unidimensionality of the proposed scales. Factor extraction was based on the existence of eigenvalues higher than 1.

5.3. *Confirmatory Analysis of Dimensionality*

With the aim of confirming the dimensional structure of the scales, we used the Confirmatory Factor Analysis. We employed the statistical software EQS version 6.1. We followed the criteria proposed by Jöreskog and Sörbom (1993). We obtained acceptable levels of convergence, R^2 and model fit. Therefore, no item was eliminated.

Finally, with the aim of confirming the existence of multidimensionality in trust, we developed a Rival Models Strategy (Hair *et al.*, 1998). In this strategy, we compared a second order model in which the construct is measured by various dimensions with a first order model in which all the items formed only one factor. Results showed that the second order model fits much better than the first. This implies that trust is a multidimensional construct.

5.4. *Composite Reliability*

Although the Cronbach alpha indicator is the most frequent test to assess reliability, some authors consider that it underestimates reliability (e.g. Smith, 1974). Consequently, the use of composite reliability has been suggested (Jöreskog, 1971), using a cut-off value of .6 (Nunnally and Bernstein, 1994). Results were satisfactory.

5.5. *Construct Validity*

Construct validity was assessed by considering two types of criteria: convergent and discriminatory validity:

- a- *Convergent validity.* It was tested by checking that the factor loadings of the confirmatory model were statistically significant (level of .01) and higher than .5 points. In addition, we used the Average Variance Extracted (AVE) to contrast convergent validity. According to Fornell and Larcker (1981), adequate measures should contain less than 50% error variance (that is; AVE should be .5 or above). Results were satisfactory.
- b- *Discriminatory validity.* We checked that correlations between variables in the confirmatory model were not much higher than .8 points. Secondly, we checked that the value 1 did not appear in the confidence interval of the correlations between the different variables. Results showed an acceptable level of discrimination since all pair of constructs satisfied both criteria.

6. Results

With the objective of testing the proposed hypothesis we developed a structural equation model. We observed that the four hypotheses were supported at the .01 level (see the structural equation solution in table 1). Similarly, model fit was also acceptable (Chi-square = 202.333, 61 d.f., $p < .001$; NFI=.973; NNFI=.987; CFI=.990; IFI =.990; RMESA=.036; 90% Confidence Interval of RMESA (.022, .049); normed Chi-Square= 3.3169).

Table 1. Path estimates and explained variance of endogenous variables

Hypotheses		Standardized Path coefficients	t-value	Endogenous variable	R ²
H1	Satisfaction- Intention to follow the advice	.364*	4.106	Intention to follow the advice	.635
H2	Trust- Intention to follow the advice	.482*	5.263		
H3	Satisfaction- Trust	.770*	17.385	Trust	.592
H4	Confirmation of Expectations- Satisfaction	.794*	15.572	Satisfaction	.631

Note: “*” expresses that coefficients are significant at the level of .01.

7. Conclusions

Online networks are motivating great changes in consumer behavior. Consumers are continuously turning to computer-mediated communication in order to get information on which to base their purchase decisions (Kozinets, 2002). To move on this topic, in this work we have tried to identify some determinants of the intention to follow the advice obtained in an online network. More specifically, we have focused on the travel sector since each year millions of travellers have to gear up for their holidays and they are increasingly using the Internet and online networks to look for help with their travel planning (Hock, 2007).

To be precise, we consider that trust in an online network and satisfaction with previous experiences are key antecedents of this intention to follow the advice. Empirical results showed the existence of positive and significant effects of both variables on the intention to follow the advice obtained in the network, which was explained at a high level ($R^2 = .635$). Similarly, we have found a positive, direct and significant relationship between satisfaction with previous interactions and trust placed by the consumer in the online network. Finally, it was also observed that confirmation of expectations has a positive influence on satisfaction.

Therefore, the results obtained in this work confirm the possible influence that online networks may exert on consumer decision making since consumers may decide to follow the advice obtained in the network if they trust enough in that network or if they were satisfied following the advice in previous occasions. However, there are other variables that may influence the intention to follow this advice. Thus, an interesting route to extend this work would be to analyze in more detail how participation in an online network influences the consumer decision process. For instance, consumer expertise in a purchase decision may moderate the effect of other members' suggestions. At the same time, positive and negative opinions in an online network may have a different effect on the consumer decision process.

Finally, this work has some limitations that allow us to establish some lines for future research too. First of all, it is important to note that the survey was answered exclusively by Spanish-speaking members of online travel networks. Thus, to generalize the results of this research, we should repeat the study using a wider sample of consumers that represent a greater diversity of nationalities. Similarly, in this paper we have analyzed a specific type of social networks: online travel networks. Therefore, to generalize the results, it would be a good idea to repeat this study by using other commercial and brand communities. Thus, it would be possible to state whether the participation in these networks influences consumer behaviour. These analyses would help to reveal the real importance of online networks for marketers.

References

- Bauer, H. H., Grether, M. & Leach, M. (2002). Building customer relations over the Internet. *Industrial Marketing Management*, 31, 155-163.
- Bhattacharjee, A. (2001). Understanding Information Systems Continuance: An Expectation/Confirmation Model. *MIS Quarterly*, 25 (3), 351-370.
- Churchill, G.A., & Surprenant, C. (1982). An Investigation into the Determinants of Customer Satisfaction. *Journal of Marketing Research*, 19 (November), 491-504.
- Doney, P., & Cannon, J. (1997). An Examination of the Nature of trust in the Buyer-Seller Relationship. *Journal of Marketing*, 61, 35-51.
- Fornell, C., & Larcker, D. (1981). Structural Equation Models With Unobserved Variables and Measurement Error. *Journal of Marketing Research*, 18, 39-50.
- Ganesan S. (1994). Determinants Of Long-Term Orientation In Buyer-Seller Relationship. *Journal Of Marketing*, 58, 1-19.
- Geyskens, I., Steenkamp, J., & Scheer, L.K. (1996). The effects of trust and interdependence on relationship commitment. A trans- Atlantic study. *International Journal of Research in Marketing*, 13, 303-317.
- Hair, J.F. Jr., Anderson, R.E., Tatham, R.L., & Black, W.C. (1998). *Multivariate Data Analysis*. Prentice Hall.
- Hallowell, R. (1996). The relationships of customer satisfaction, customer loyalty and profitability: an empirical study. *International Journal of Service Industry Management*, 7 (4), 27-42.
- Hock, R. (2007). *The Traveler's Web: An Extreme Searcher Guide to Travel Resources on the Internet*.
- Jöreskog, K. (1971). Statistical analysis of sets of congeneric tests. *Psychometrika*, 36 (2), 109-133.
- Jöreskog, K., & Sörbom, D. (1993). *LISREL 8: Structural Equation Modeling with the SIMPLIS Command Language*. Chicago-Illinois: Scientific Software International.
- Kozinets, R.V. (2002). The Field Behind the Screen: Using Netnography for Marketing Research in Online Communities. *Journal of Marketing Research*, 39 (1), 61-72.
- Mayer, R., Davis, J., & Shoorman, F. (1995). An Integrative Model Of Organizational Trust. *Academy Of Management Review*, 20 (3), 709-734.
- McKnight, D.H., Choudhury, V., & Kacmar, C. (2002). The impact of initial consumer trust on intentions to transact with a web site: a trust building model. *Journal of Strategic Information Systems*, 11, 297-323.
- Morgan, R., & Hunt, S. (1994). The Commitment - Trust Theory of Relationship Marketing. *Journal of Marketing*, 58, 20-38.
- Nunnally, J.C. (1978). *Psychometric Theory* (2nd ed.). New York: McGraw-Hill.
- Nunnally, J.C. and Bernstein, I.H. (1994). *Psychometric theory*. New York: McGraw-Hill.
- Nurosis M.J. (1993). *SPSS: Statistical Data Analysis*. Spss Inc.
- Oliver, R. (1980). A Cognitive Model of the Antecedents and Consequences of Satisfaction Decisions. *Journal of Marketing Research*, 14, 495-507.
- Ridings, C.M., Gefen, D., & Arinze, B. (2002). Some antecedents and effects of trust in virtual communities. *Journal of Strategic Information Systems*, 11, 271-295.
- Sen, S., & Lerman, D. (2007). Why are you telling me this? An examination into negative consumer reviews on the web. *Journal of Interactive Marketing*, 21 (4), 76-94.
- Severt, E. (2002). *The Customer's Path to loyalty: A Partial Test of the Relationships of Prior Experience, Justice, and Customer Satisfaction*. Doctoral Thesis, Faculty of the Virginia Polytechnic Institute and State University.

- Shankar, V., Smith, A., & Rangaswamy, A. (2003). Customer Satisfaction and loyalty in online and offline environments. *International Journal of Research in Marketing*, 20, 153-175.
- Smith, K.W. (1974). On estimating the reliability of composite indexes through factor analysis. *Sociological Methods & Research*, 2, 485-510.
- Tse, D.K., & Wilton, P.C. (1988). Models of Consumer Satisfaction: An Extension. *Journal of Marketing Research*, 25 (May), 204-212.
- Wiertz, C., & De Ruyter, K. (2007). Beyond the Call of Duty: Why Consumers Contribute to Firm-hosted Commercial Online Communities. *Organization Studies*, 28 (3), 347-376.