

The Effects of Social Media Reviews On Service Perception

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ABSTRACT

With this paper, the authors try to understand the relationship between online ratings on social media and its impact on service perception. Design/ Methodology: An electronic questionnaire was made, and data was collected using that. Once we collected data from them, we resorted to snowball method and asked them to float the questionnaire to their colleagues or friends who qualify our criteria for respondents. Sampling frame was approximately 263 in number but after cleansing, we were able to get 257 clean data.

Keywords

Customer satisfaction, Online Reviews, Service Perception

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Introduction

According to Jeff Bezos, CEO of Amazon.com, he/she said if your customer is not satisfied or happy with the service in a physical world he might tell these to 6 other friends or family. But if he/she shares it in digital platform then he/she is telling to more than 6,000 friends.

The growth of internet in the last decade has been phenomenal. Mobiles, these days, are powered with great speed, affordable data making smart phones a household commodity. Wireless access to the Internet is becoming omnipresent and rightly predicted that by the end of 2015, the mobile web has surpassed the desktop Internet connections (IBM IBV, 2010). The growth of internet resulted in the higher involvement of people towards Social Media.

Social media has become one of the most important part of human lives without which even existence is questioned. The time spent by people on social media is constantly increasing. The daily social media usage of global internet users has increased from 126 daily minutes in 2016 to 135 daily minutes in 2017. On a day-to-day basis, 100,000 tweets are sent, 684,478 posts are shared on Facebook, 2 million hunt questions are made on Google, 48 long stretches of video are transferred to YouTube, 3,600 photographs are shared on Instagram, and 571 sites are made (James 2012). The usage now a days is not just restricted to Facebook, YouTube, Instagram or Twitter, rather it has extended to more specialized functions like selling and purchasing stocks based on online discussion forums, booking hotels based on online ratings etc.

The appearance and involvement of internet-based life has created opportunities of individual and customised associations with the customers for marketers and brands. Brands see immense chances and are anxious to take advantage of this opportunity. Social Media has given the consumer's power to voice their opinions. Before the advent of social media, consumers shied away from either providing a feedback or to make a complaint. It was a time-consuming and an ill-defined process. But that is not the scenario these days, people prefer to check online reviews

before consumption of either a product or a service. Websites such as Zomato, MakeMyTrip, Near Buy, LittleApp are familiar names in the online service integrators. The reviews, whether positive or negative, by the customers play a crucial role in the service perception offered by them. Service, on contrary to products are highly customised and personal. Despite being high on subjectivity, people prefer to skim through online reviews and ratings to help them make a choice.

When we talk about restaurant culture, the various factor which play a key role in service perception are advertisements, word of mouth publicity, recommendations by friends and peers etc. With online rating website like Zomato, these recommendations by families take the form of reviews by other customers. The graphical representation of these ratings makes it easier for customers to view and understand the customer sentiments towards that particular restaurant. With our study we, aim to bring light to the aforementioned notion and exemplify on the basis of facts and numbers.

Literature Review

The effect of social media reviews on restaurant service perception

As per Seltz, 1983 [1] importance should be given to quality of service but perception of customer towards quality of service is of utmost important. Level of satisfaction and perception of quality by the customer would influence their decision on patronizing the restaurant again.

There is a switch from one type of service to another service mainly amongst food service consumers. This is particularly of the mealtime or thru the day. The categorization can't be done among the consumers for as such for two different type of service. In a year's of time, one patronized segment is likely to patronize other food segments.

As per Peter Drucker (1993)[2], customers do not bother whether a business make a profit. It is up to the business to ensure that they not only remain profitable but also satisfy the needs of the customer by fulfilling their promises.

A lot of studies across various industries have examined the influence of reviews on the performance of a service being offered by the industry that it is catering to. There is a direct correlation between the number of reviews being written by experts on the social media channels about any restaurant and the perception of the customer towards that restaurant. Park and Allen (2013) [3] disputed that managers in restaurants require to explore the relationship among online review and restaurant performance.

Kim et al. (2015)[4] additional stated that restaurants ought to manage the amount of reviews as a serious measure of their promotion activity. However, investigators have conducted a dearth of studies that studies the relationship between reviews and restaurants' financial performance.

An exclusion to this is a study was by Yim et al. (2014) [5] who exhibited the number of blogger reviews strongly influenced restaurants' average meal prices. But, they additional pointed out that forthcoming investigators required more empirical evidence to support the positive impact on restaurant financial performance.

In this world where most of us are predominantly dependent on social media for everything we do, it becomes extremely important for the restaurants to keep track of the online reviews and act immediately in order to cater to all the queries which are raised by the customers. The stickiness index of the customer is on a decline and not many will wait for a long time for the restaurant to reply before they switch restaurant because of dissatisfaction in service. In such circumstances it becomes critical for the restaurants to act at the earliest in order to retain the customer.

Restaurant rankings are positively associated with restaurant performance. A good ranking on the online platform will create a positive perception in the minds of the customer about the quality of a particular restaurant. A customer will feel that a restaurant which has a higher ranking will definitely perform better than some of its other counter parts. Over the previous eras, many investigators have studied the operation efficiency measurement as an pointer for reflecting how well organizations manage resources (Sanjeev, 2007)[6]. Restaurant average number of customers attended by a waiter, meal duration time, seat turnover and percentage of labor and food cost (Davidson et al., 2010) [7] are part of this efficiency measurement.

More and more food bloggers and professional food reviewers share a lot of details about the type of restaurants they visit and the taste of the food that is served in restaurants. A customer on the lookout of a restaurant will first have a look at the online reviews of these experts and then decide whether or not to go to that restaurant or not. These experts have a tendency to influence the decision of a customer. Thus, any customer who is looking for a recommendation will readily find these experts' opinion on the social media.

A normal tendency of a customer is to look out for recommendations on social media as compared to mass media primarily because the suggestions are more direct and have much more authenticity when you compare it to mass media. One other reason for this is that social media is much more personal in nature and is convincing enough for the customer to believe the review.

While social media has always been a good platform for the customers to check out for reviews before visiting a restaurant, it has provided a great platform for the restaurant owners as well in order to gauge their performances. This becomes extremely critical for relatively new restaurants because a good impression on the social media can go a long way in ensuring resounding success for the restaurants. Social media influencers can help them leverage the social media platform which can help these restaurants get some identity. Study by Lee et al. (2014)[8] found a moderating effect of food quality in a hotel and service quality.

A customer's loyalty towards a restaurant will depend on the type of service he/she receives. There is a certain level of expectation that a customer will have towards a restaurant. If he /she is satisfied with the service, it will have a really positive impact on his overall perception towards that restaurant. This positive perception will reflect in that restaurant performing really well and it will eventually help the restaurant gain a loyal customer base.

Research Methodology

Objective

The objective was to understand how social media reviews influences service perception of the individuals particularly for restaurant industry. Furthermore, the objective was also to find out which social media platform individual uses the most to check the reviews of a restaurant. The two major factors are social media reviews and service perception.

Questionnaire

The questionnaire focused on a comprehensive set of effects of social media reviews on service perception. The questionnaire was aimed to understand how reviews on social media platforms influences the service perception on an individual. So, the questionnaire included two major factors social media reviews and service perception. The questionnaire's purpose was to find out the social media platform used for posting reviews, along with the time individuals use the social media platform.

Sample

Total number of sample surveyed were two hundred and fifty individuals. The questionnaire was distributed through social media platforms like Facebook and WhatsApp. The convenience method of sampling was used to get responses from the individuals. Total of 257 responses were collected among which more than 55% of the respondents are of age group 25-30 years. Moreover, more than 50% of the respondents are female.

Statistical Tools

The statistical tool is used by the help of question pro to find out the how social media reviews influences the perception of service of a restaurant. Graphical representation was also performed by using excel.

Result and Analysis

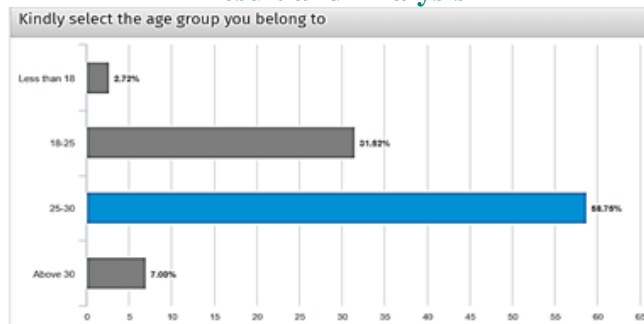


Fig 1. Age group of respondents

Most of our respondents were from age group 18-30. This age group was targeted as they form the majority of population who are influenced by various social media platforms. Age group 25-30 years old are usually the decision makers or influencers in any house hold purchases, hence, having 58.75% responses from them gave us a better picture of how social media influences customer decisions.

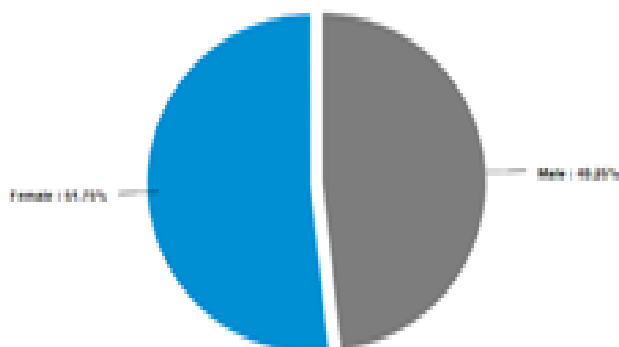


Fig 2. Gender

It was ensured that the sample size remains fairly equally distributed between males and females. This was important to ensure that we have a complete picture of how social media affects the perceptions of both the genders.

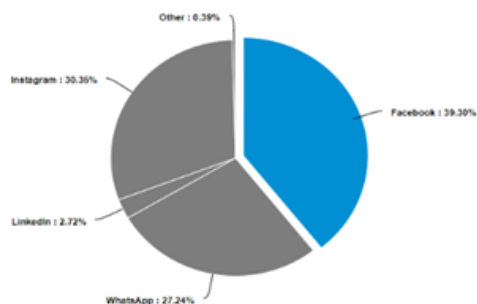


Fig 3. Social Media Platform for data Analysis

Facebook is the most used app by 39.3% of the respondents. While Instagram and WhatsApp aren't far behind. Hence, the most used social media apps are – Facebook, Instagram

and WhatsApp. Hence, it is quite clear that why these are the most widely targeted social media platforms by various companies to build a stronger brand image.

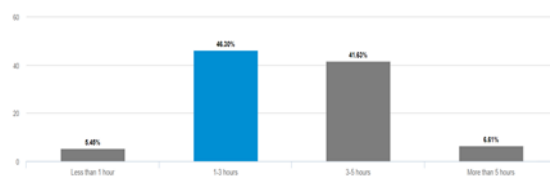


Fig 4. Time Spent on social Media Platforms Daily

46.3% respondents claim to have spent roughly 1-3 hours on daily basis on the above-mentioned social media platforms. Interestingly, 41.63% respondents, spend 3-5 hours on the same. In conclusion, we can say, a majority of population spend roughly 3 hours at least on these social media platforms on daily basis.

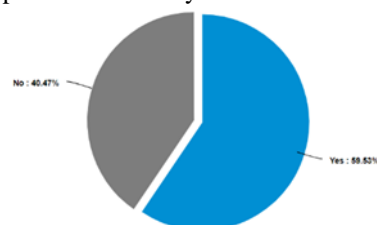


Fig 5. Share Restaurant accounts or links on social media
59.53% of respondents share restaurant accounts and links on social media, while, 40.47% do not share any such link or accounts.

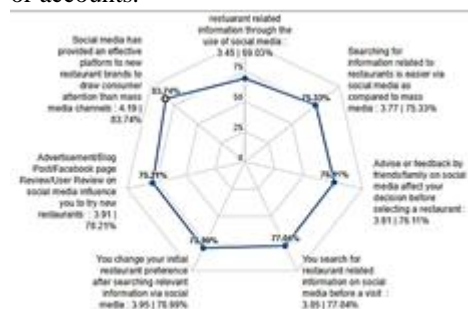


Fig 6. Service Perception

The spider web chart indicates an overall positive perception about the way social media has influenced the restaurant business. Majority of them believe that reviews and ratings on social media drives their decision making significantly.

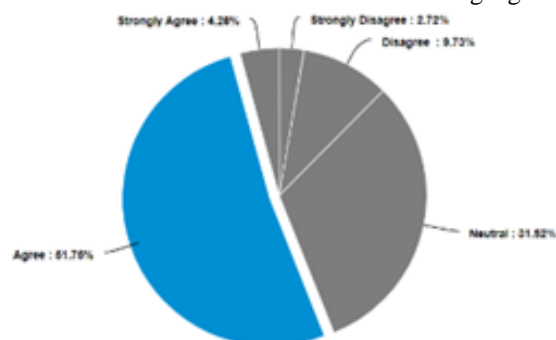


Fig 7. Customers able to find restaurant related information on social media

Around 52% of the respondents agreed that they were able to find restaurant related information easily through the use of social media. But here, 31.52% were neutral to this question as the information on social media was mostly based on user reviews and feedbacks.

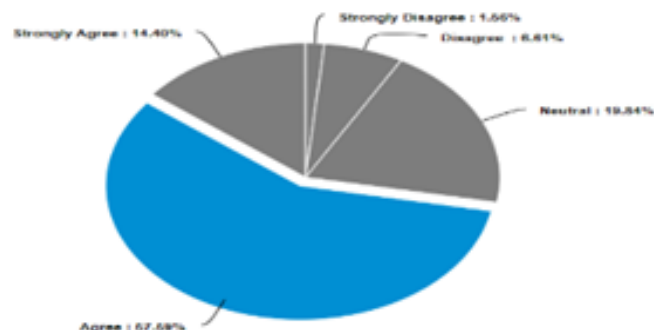


Fig 8. Searching for Information is easier via social media as compared to other medias

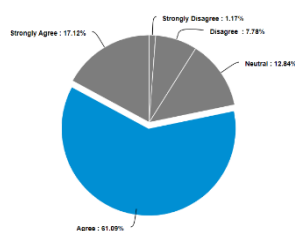
Around 72% of respondents accept that it is easier to search about a restaurant through social media as compared to mass media. Of this 72%, 57.59% agree, while another 14.40% strongly agree to this.

Fig 9. Family/friends opinion on social media affect decision before selecting restaurant

Answer	Count	Percent	20%	40%	60%
Strongly Disagree	4	1.56%			
Disagree	13	5.06%			
Neutral	50	19.46%			
Agree	152	59.14%			
Strongly Agree	38	14.79%			

A majority 71.91% (59.14% agree and 14.79% strongly agree) that the reviews and feedbacks of their peers on social media has a significant impact on their decision about selecting a restaurant.

Fig 10. Search restaurant related information before visit



61.09% people agree and 17.12% strongly agree that they search for restaurant related information on social media before making a visit. This clearly indicates the extent to which social media is impacting the customer decision making in selecting any service. Not just that, the information available on social media greatly influences the perceptions about any restaurant.

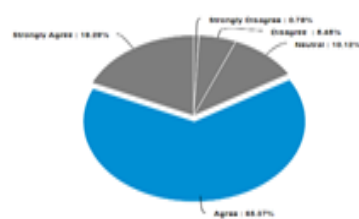


Fig 11. Initial restaurant preference after searching on social media

A large percentage of people have also accepted that they would change their initial preference after reading reviews about any restaurant over social media platforms. This clearly depicts the main reason that why social media has become so important to ensure a strong brand image. Any negative information about the restaurant may hamper its business significantly.

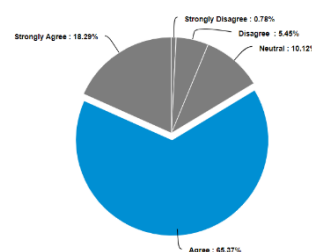


Fig 12. Social media provides platform for new restaurants to draw attention than other channels

A majority 86.77% of respondents have accepted that social media is proving out to be an effective platform for restaurants to attract potential customers. Out of this 86.77%, 35.02% strongly agree to this and believe that social media is a much better platform than mass media channels to increase their customer base and brand awareness.

Recommendations

With so much advancements in social media, the customers today, do not just read and share information. Rather, they have become empowered enough to generate information and content that could educate others and influence their decisions. A customer has become a critical source of value creation for the businesses. Hence, it becomes crucial to have a well-defined system to address customer-generated information and ensure that trust and loyalty is built around these. The companies need to ensure that the customers perceive the various brand communications correctly, to ensure proper positioning of the value of the service provided.

The major factors that influence the perception of a service are trust and perceived usefulness. These two factors can be built by ensuring high quality of the entire system and the information provided to the customers. Research also proves that if a prospect has developed trust in the service provided, the propensity of that prospect to turn into a customer increases significantly. Not only this, enhanced trust in the system also increases the perceived usefulness about the values received by the customer. The best possible way to ensure positive sentiment amongst the customers is to have

transparent and authentic reviews and recommendations on the websites. There have been many instances where brands have engaged in paid reviews and recommendations, these things have eventually led to distrust in the brand and have proved to be detrimental for them. Hence, no such practice should be promoted on any platform to ensure that the trust of customers is maintained.

While social media provides the customer with the liberty to share their experiences, it also provides the service providers with the opportunity to address customer's questions and complaints publically. Addressing the problems faced by the customers quickly, over these platforms, improves the brand perception. It also ensures that a sense of trust is built among the customers about the various reviews they read over the various platforms. Not only that, social media can also be used to turn a negative experience into a positive one. Providing service recovery to a dissatisfied customer will greatly enhance the image of the brand and it will also increase the word of mouth promotion for the brand. The best part of addressing complaints over social media is that it will stay there for a very long time for all other to read. This will greatly influence in developing a positive perception about the business.

Another major aspect where social media can prove to be very significant in improving the value provided to the customers is by taking feedbacks over these platforms. With high reach and targeted audience readily available over these platforms, it becomes very easy to gather feedbacks from the customers that would otherwise require various surveys and other methods. Asking customers for feedbacks over social media has two benefits, one that the business gets to know the areas of improvement and the other that the customers feel that the company or the service provider is concerned about them, again creating a positive image of the brand.

Social media also provides a platform to communicate any change in the organization, be it its structure or its offerings. The efficiency of social media in providing a two-way communication between the business and customers can be utilized to build better customer engagement. Communicating promotional campaigns, offers etc. becomes very effective using the social media. It has huge potential in word of mouth promotions, and this makes it a very critical weapon for today's marketers.

The service providers should focus on providing relevant information to the audience to build awareness and interest in their brand. Sharing user generated content also helps in increasing customer engagement. This will encourage users and customers to share more and more positive experiences over their personal social media platforms.

Conclusion

Firstly, consumer spends a lot of time on platforms like – Facebook, Instagram and WhatsApp and the perception building happens involuntarily while they share information about the restaurants. Secondly, they are using these platforms to get information about restaurants and find it to be an easier medium for accessing restaurant related queries. Thirdly, sharing information pertaining to food especially restaurants have become integral part of the virtual identity,

Finally, Social media post from credible source like family, friends, etc plays an important part in decision making regarding restaurant selection.

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