The Moderating Effect of EWOM on the Perception of Service Quality and Repurchase Intention Relationship: The Case of the West Bank Restaurants

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Abstract: This study aims to find the effect of electronic word of mouth (eWOM), on the relationship between perception of service and the repurchase intention of restaurants’ customers in the West Bank. It will clarify the relationship between the dimensions of perception of service and the repurchase intention. In addition, it tests the moderation effect of eWOM on that relationship. The eWOM that will be studied is one that people share on social media (Social eWOM). A questionnaire was digitally distributed and 197 responses were returned. Cronbach’s alpha formula proved the reliability of the scale's variables. The data was analyzed using SPSS 19 by conducting factor analysis to determine the dimensions of perception of service in West Bank, the correlation analysis to find the relationship between the variables, multiple regression analysis to find the effect of the dimensions on the repurchase intention, the hierarchical regression was conducted to examine the moderation effect of eWOM.

The perception of service dimensions in West Bank was found to be Assurance and Reliability. Both of the dimensions were found to affect the repurchase intention of restaurant customers positively, however, assurance has a stronger effect on repurchase intention. EWOM’s moderation effect was partially supported. The size of the chosen sample was mainly the limitation of the study.

Keywords: EWOM, Repurchase Intention, Service Quality, SERVQUAL, Social Media.

I. INTRODUCTION

Restaurants in West Bank and Gaza found to participate in around 38 % of the sum of tourism foundations outcomes (PCBS, 2016). However, previous studies presented a fact which implies that in general, six out of ten restaurants fail (Bellini, 2016). Thus, the variables that can affect the success of restaurants became important to be studied with the aim of supporting that industry.

Service quality is one of the variables that affect business success, its usage for competing others in the same industry, was presented in numerous previous studies and in different contexts (Warraich et al., 2013).

The most popular scale that was utilized for the purpose of assessment of the quality of service is SERVQUAL. It consists of five dimensions that are conducted twice in the scale. The first time to measure the perception of service and the second for assessing the expectations of service, since the perceived service quality is measured by finding the output of the difference between them (Parasuraman et al., 1988).

Previous studies found that repurchase intention is affected by service quality. Whilst, repurchase intention can anticipate future purchasing behavior (Montaño and Kasprzyk, 2015). Purchase intents were found able to promote the success of the business (Xiao et al., 2018). Therefore, this study will concentrate on finding the effect of perception of service on repurchase intention of restaurants’ customers in West Bank where the perception of service will be studied from the importance perspective, so that the results of the study will show the important dimensions to the customers that can affect the repurchase intention and their order with respect to their effect on the repurchase intents. By studying that relationship, restaurant owners can understand which services need to concentrate on improving, and providing customers with, with the aim of getting higher repurchases and consequently have a successful business.

Moreover, the study is interested in testing if eWOM can play the role of the moderator on that relationship between perceptions of service and repurchase intents. The relationship between the study variables in West Bank needed to be clarified since previous studies there did not study that subject. By testing the moderating effect of eWOM, an additional contribution regarding eWOM studies will be added regarding the possibility of moderation to occur, and its effect in West Bank.

The resulted moderation effect of eWOM will be helpful for restaurant owners, who will have new plans and strategies for the purpose of benefiting from social eWOM in supporting their business success.
II. LITERATURE REVIEW

This section reviews the prior researches and findings regarding service quality, repurchase intention, eWOM, and the relationship between them together with presenting the study's proposed hypotheses.

A. Repurchase Intention

Repurchase intention is defined as the judgment of an individual to purchase a service again from a certain company (Hellier, et al., 2003). Repurchase intention predicts the behaviors of customers to purchase repetitively from the same service supplier, while the repurchasing behaviors lead the business to gain more profits, increase its competitiveness, and lead it to grow fast (Chinomona & Maziriri, 2017). Repurchase intents are affected by different factors, for instance by trust (Curra-Perez et al., 2017), satisfaction (Lin and Lekhawiapat, 2014), and the perception of value (Wu, et al., 2014). According to Hellier and his colleagues (2003), past loyalty, equity, value, quality of the service, switching cost expectations, and brand preference.

B. Service Quality

Scholars in their studies became more interested in the quality of service since the 80s (Parasuraman et al., 1985). One of the reasons for the importance of studying the quality of service subject is the success, which service quality can lead businesses to attain (Markovic, et al., 2011). One of the contexts where the service quality was studied is the restaurant (Mensah & Mensah, 2018; Nguyen, et al., 2018). The perceived quality of service is defined as "the degree and direction of discrepancy between consumers' perceptions and expectations" (Parasuraman et al., A., 1988, p. 17). For the purpose of assessing service quality, different dimensions and different scales were suggested. SERVQUAL is a well-known scale that was used previously in various researches (Asogwa et al., 2014; Pabedinskaitė & Akstmaite, 2014). SERVQUAL scale included five main dimensions through which the quality of service is studied, they are Tangible, Reliability, Assurance, Empathy, and Responsiveness (Berry & Parasuraman, 2004). These dimensions are conducted two times when applying the scale, the first time for assessing the service which is perceived by customers and the second for finding the customers expected service. The reading of the perceived service quality is the result of the difference between perception and expectation of service readings (Parasuraman et al., 1988).

Service quality affects other variables, for instance, customers' satisfaction and loyalty (Kheng et al., 2010), purchase intents (Alharthey, 2019), and repurchase intents (Satriandhini et al., 2020).

C. Electronic Word of Mouth (eWOM)

According to Ismagilova (2017), eWOM is the dynamic and continuing information exchange process between future, present, or past consumers about a product, service, brand, or company that is accessible to a large number of individuals and companies over the Internet. It is considered one of the new marketing approaches. EWOM is one of the contents users generate digitally (UGC); for instance on social media (Manap & Adzhharun, 2013). The type which is shared by people on social media is called Social eWOM (Kudeshia & Kumar, 2017). EWOM can be positive or negative (Jeong & Jang, 2011). Because of its digital nature, eWOM spreads quickly (Huete-Alcocer, 2017) and widely (Hennig-Thurauf et al., 2003). It is easily found on digital platforms and the duration of its existence is long compared to word of mouth which people say orally between them (Al Halbusi & Tehseen, 2018).

EWOM was found to affect other variables, for instance, the satisfaction of customers and their repurchase intention (Tandon et al., 2020), sales of business (Babić Rosario et al., 2016). In addition, it affected the relationship between variables, for instance, it plays the role of the moderator on the relationship between personal norm and green purchase intention (Jainti et al., 2019).

D. Perception of Service and Repurchase Intention Relationship

Previous studies found that there is a significant positive relationship between service quality and repurchase intentions (Li & Lai, 2021; Prabowo et al., 2019). In addition, it was found that the perceived service influences the customers’ repurchase intents (Eldejany, 2016; Hellier et al., 2003). Referring to the fact that service quality has two components "perception" and "expectation" of service, they are anticipated to affect the repurchase intention separately. Still, in the context of restaurants in the West Bank, the relationship between perception of service and repurchase intention is yet to be tested. It is supposed that the perception of service will have a positive effect on repurchase intentions there.

H1: Perception of service has a positive effect on repurchase intention.

The five dimensions of service quality in literature was proved to have different strength of effect on other variables. For instance, all of them were found to have a positive influence on the equity of the brand, but tangibles had the biggest strength of that influence (Esmaeilpour et al., 2016).

It is supposed that the dimensions of perception of service will have positive effects on repurchase intentions in West Bank.

H1.1: The dimension of tangibles has a positive effect on repurchase intention.
H1.2: The dimension of reliability has a positive effect on repurchase intention.
H1.3: The dimension of responsiveness has a positive effect on repurchase intention.
H1.4: The dimension of assurance has a positive effect on repurchase intention.
H1.5: The dimension of empathy has a positive effect on the repurchase intention.
Ahmed & Zhang (2020) stated that Green word of mouth is a moderator for the relationship between the quality of e-service and purchase intents of its customers, and that was proved, counting on the reality that the quality of service raises the reference groups and consequently their word of mouth (WOM). Since the reference groups were found to be able to strengthen the influence of quality of e-commerce service on customers’ repurchase intents (Atmaja & Puspitawati, 2019), and the fact that WOM was found to be close to eWOM in the way it works (Hennig-Thurau et al., 2004), then it is expected that the eWOM can play the role of moderator by positively affecting the relationship between the service quality and repurchase intentions, and consequently on the relationship between the perception of service and repurchase intention in the West Bank.

H2: Social eWOM has a positive effect on the relationship between perception of service and repurchase intention.

Based on the review and previous studies, the proposed conceptual framework is provided in Fig.1 below:

![Conceptual Framework](Fig1)

**III. METHOD**

For conducting the study, convenience sampling was utilized, a questionnaire was distributed online and 197 responses were collected from restaurant customers around the West Bank in a duration of five weeks. The questionnaire has two sections one for the demographic data of gender, age, monthly expenditure, city, and frequency of visiting a restaurant/café. The other section regarding the three variables studied in the research’s framework. The second section of the questionnaire is composed of adapted questions regarding the variables of social eWOM, perception of service, and repurchase intention from previous studies conducted by (Kudeshia & Kumar, 2017; Lee & Hing, 1995; Tong & Wong, 2014).

Items regarding the perception of service were measured utilizing SERVQUAL by studying the responses of the respondents by applying a five-point Likert scale. SERVQUAL dimensions were applied only for assessing the perceived service through the five dimensions of Tangibles, Reliability, Responsiveness, Empathy, and Assurance. EWOM and repurchase intention were studied through items utilized by previous scholars for the same purpose and also utilizing the same five-point Likert scale. A Statistical package for social sciences (SPSS) was utilized for analyzing the collected data. The statistics performed in this study were factor analysis, correlation, multiple regression analysis, and difference tests.

**IV. FINDINGS**

This part of this study focuses on presenting the analysis findings and the hypotheses testing results based on data collected from 197 respondents.

**A. Factor Analysis and Reliability Test Results**

Factor analysis was conducted with the aim of reducing the variables’ number inside the study’s questionnaire. Its implementation was done after applying the Kaiser- Meyer- Olkin (KMO) test which shows if the data is appropriate for being analyzed using the factor analysis. It was applied to the perception of service part of the questionnaire since it included 22 items classified under 5 dimensions. The analysis resulted in finding 2 dimensions for measuring the perception of service. They were Assurance and Reliability. They included some items from other dimensions. Consequently, the hypotheses H1.1, H1.3, and H1.5 regarding the other dimensions were not supported. Other parts of the questionnaire were not classified into dimensions and have a small number of items so they did not need to be reduced.

The reliability results of the variables are presented in Table 1 below. The variables have their alpha readings of more than 0.7 which means they are internally consistent.

<table>
<thead>
<tr>
<th>Number of items</th>
<th>Variable</th>
<th>Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Assurance</td>
<td>0.890</td>
</tr>
<tr>
<td>9</td>
<td>Reliability</td>
<td>0.907</td>
</tr>
<tr>
<td>4</td>
<td>Social EWOM</td>
<td>0.767</td>
</tr>
<tr>
<td>4</td>
<td>Repurchase Intention</td>
<td>0.734</td>
</tr>
</tbody>
</table>

**Table 1: Cronbach’s Alpha Results**

**B. Correlation Analysis Results**

To test the relationship between the variables, the Bivariate correlation analysis was conducted and Spearman’s correlation coefficient $rs$ was utilized. It was found that the tested variables in Table 2 below were related to one another and ranged from moderate to very strong (Leclezio et al., 2015).
C. Regression Analysis Results

Table 3 below represents the results of applying the multiple regression test to see how the two dimensions of perception of service are explaining the effect they have on the repurchase intention in the study.

<table>
<thead>
<tr>
<th>Dependent Variable: Repurchase Intention</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reliability (REL)</td>
<td>0.223</td>
<td>2.330</td>
<td>0.021</td>
</tr>
<tr>
<td>Assurance (ASS)</td>
<td>0.243</td>
<td>2.533</td>
<td>0.012</td>
</tr>
</tbody>
</table>

R²=0.461; R2=0.213; F=26,214; p=0.000

**Table 3: Multiple Regression Results**

The resulted readings demonstrated that both of the variables significantly and positively affected the repurchase intention where reliability affected 22% of the repurchase intention and assurance affected 24% of it. This result supports hypotheses H1.2 and H1.4.

Table 4 below presents the steps applied while conducting the hierarchical regression and their results.

<table>
<thead>
<tr>
<th>Dependent Variable: Repurchase Intention</th>
<th>Beta</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perception of Service</td>
<td>0.461</td>
<td>7.258</td>
<td>0.000</td>
</tr>
<tr>
<td>R²=0.461; R2=0.213; F=52,863; p=0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Step 1**

| Perception of Service                   | -0.011| -0.137| 0.891|
| Social EWOM                             | 0.667 | 8.724 | 0.000|
| R²=0.659; R2=0.435; F=74,541; p=0.000   |

**Step 2**

| Perception of Service                   | 0.247 | 1.635 | 0.104|
| Social EWOM                             | 1.013 | 5.293 | 0.000|
| Interaction (Service*EWOM)              | -0.569| -1.971| 0.050|
| R²=0.668; R2=0.446; F=51,728; p=0.000   |

**Step 3**

Step 1 clarifies that the perception of service significantly and positively affects the repurchase intention since P=0.000<0.05 and R²=0.213.

Step 2 clarifies that after including Social EWOM in the model, the perception of service became insignificant in affecting the repurchase intention since P=0.891>0.05.

In the same model, Social EWOM is found to have a significant effect on the repurchase intention P=0.000<0.05.

Step 3 clarifies the results of the interaction between perception of service and Social EWOM. It represents that the interaction is about to explain the repurchase intention, since P=0.05=0.05, and R²=0.446. Consequently, Social EWOM nearly has a moderating effect on the relationship between perception of service and repurchase intention. Therefore H2 is partially supported.

D. Difference Tests Results

To check if the variables can differ with respect to the demographic variables, non-parametric tests of Kruskal Wallis and Mann-Whitney rank were applied.

As a result of the applied difference test, Assurance is the only variable that had a significant difference with respect to the frequency of visiting a restaurant/café as presented in Table 5 below.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>N</th>
<th>Mean</th>
<th>Significance Level</th>
<th>Chi-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than once a week</td>
<td>49</td>
<td>119.8</td>
<td>0.044</td>
<td>9.786</td>
</tr>
<tr>
<td>Once a week</td>
<td>40</td>
<td>92.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Once a month</td>
<td>56</td>
<td>90.51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Twice a month</td>
<td>11</td>
<td>108.5</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Once in two months or more</td>
<td>41</td>
<td>89.96</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table 5: Results of the Difference Test for Assurance**

After ignoring twice a month for its law base which equals 11, the figure presents that generally, as the frequency gets higher, the perception of assurance increases.

V. CONCLUSION AND DISCUSSION

According to the study results, both of the hypotheses H1.2 and H1.4 are supported, where the perception of service in the West Bank is affected by Assurance and Reliability. Moreover, Assurance is the most significant factor that affects the repurchase intents of customers in the context of the West Bank restaurants. However, Reliability follows it in that strength of the effect. Thus, restaurant owners could concentrate on improving the services related to Assurance and Reliability, however, more on Assurance.
The influence of the independent variable which is the perception of service, on the dependent variable that is the repurchase intention is found in the analysis of this study. Thus, hypothesis H1 is supported. Previous studies’ findings support that hypothesis. For example, Eldejany (2016) stated that the perception of service has a positive effect on the repurchase intents of customers.

The moderating effect of electronic word of mouth on social media that is presented in hypothesis H2 and clarified in the framework is just supported partially, however, the reading of beta of the interaction in the hierarchical regression had a negative sign, and so a tendency for a negative effect of the moderator is expected. Thus it will be in favor of business if business owners monitor the electronic word of mouth on social media sites which can affect their business by decreasing the effect of perception of service on repurchase intents. The negative electronic word of mouth could be the reason behind the tendency for the negative effect of the moderator since it’s stronger than positive electronic word of mouth in its effect (Chih et al., 2013).

There is a difference in customers’ perception of assurance with regards to the frequency of visiting a restaurant or a café. Thus, restaurants are recommended to search for strategies that can persuade customers to increase the frequency of their visits. This may associate with the increase of the perception of assurance and consequently increase the intent of customers to repurchase from them.

The study results give insights for future research regarding the moderating effect of eWOM on the relationship between perception of service and repurchase intention. Future researches can investigate the influence of positive and negative forms of eWOM in different contexts on that relationship since researches regarding that effect are very few. In addition, they can study the direct effect of the frequency of visiting restaurants or cafes on the perception of assurance to understand if the increase of visit frequency can increase the perception of assurance.

The results will lead to new contributions to the literature in addition to creating a clear understanding of the mentioned effects in different contexts.

VI. LIMITATIONS

Due to the COVID-19 pandemic, it was difficult to distribute the questionnaire in person. Therefore, the studied sample that was collected online was small, which is expected to be the reason why the social eWOM moderating effect studied by finding the interaction result, showed a significance reading of 0.05. Thus it is recommended that future studies cover a bigger number of respondents.

Most of the responses came from customers living in Nablus and Ramallah so it is recommended to study other areas in the West Bank in separated studies, to get a clear and comprehensive idea regarding the effects of the studied variables in the whole area.

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