

THE RELEVANCE OF ONLINE REVIEWS FOR THE DEVELOPMENT OF RESTAURANT INDUSTRY

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Abstract

The practice of eating-out in a restaurant is a phenomenon marked by expansion. The unprecedented development of travel for tourism purposes, both in Romania and abroad, exerts significant pressures on restaurant's management decisions. The online word-of-mouth communication becomes essential in the restaurant industry. The process of selecting a restaurant is more difficult, alongside with the constant increase of tourists' number and claims. Therefore, online reviews become more and more valuable information sources for this purpose. The results of the research presented in this article pointed out the utility of online reviews and the need to identify different situations to evaluate their relevance. The research differentiates two types of situation, i.e. visits in restaurants/bars/coffee-shops in the city of residence and, a second situation, same visits at new, unknown tourism destinations. For residents, the trust is mainly based on previous experiences. As for the visitors, the selection process of a restaurant is more difficult, but it would become much easier when it is based on online reviews. The comments section is considered to be the highest element of interest when tourists read a restaurant's online review. Also, the results indicate the constant increase of the population's degree of confidence in the assessments and recommendations which can be browsed online.

Keywords: Online reviews, restaurants, selection process, young generation.

Clasificare JEL: M31, M37, Z32

1. Introduction

Local gastronomy is an essential factor to assess satisfaction at a tourism destination. Selecting a restaurant is becoming a more complex and difficult process due to the unprecedented development of this sector worldwide. Information and smartphone technologies generate essential benefits, consumers being able to access a great variety of information which allow them to refine the decision process for hotels, restaurants, tourist attractions, etc. The rapid development of online tools in the tourism sector favoured and reshaped the extended use of online reviews which have become an increasingly popular and also important source of word-of-mouth [13, 20].

The paper's main goal is to identify the relevance of online reviews for selecting a restaurant. The characteristics of younger generation behavior are the basic elements to explain future challenges for the business environment and to foresee the necessary adjustments. These elements are the major reasons for author's motivation to conduct a quantitative marketing research amongst the young segment of restaurants' clients.

2. Theoretical background

The rapid growth of Internet usage has transformed technology into an integral part of the tourism information system which affects final purchase decisions particularly for the food and beverage sector [16]. Studies related to the use of technology in restaurants are numerous [18]. The use of online opinion platforms to analyze large amounts of data about the customer experience in the restaurant became a common approach [7-8, 21-23].

An online consumer review has a dual role: it provides information about products and services, and serves as a recommendation [17]. Electronic word-of-mouth is a powerful mean of communication and encompasses a variety of media forms and types of websites, of which online

consumer reviews and ratings are the most accessible and prevalent [23]. Understanding the factors behind consumers' online review posting behavior is essential for business success and theoretical development [14].

There are some features taken into account when selecting a restaurant, and the main elements are the offer which is considered the most important choice variable, followed by the atmosphere at the establishment, value for money and the social experience [2, 5, 15]. As for Romanian restaurant market, the prevalent elements which motivate the selection of a restaurant are the quality of food, prices, service and restaurant's location [4].

Matson-Barkat and Robert-Demontrond (2018) pointed out the various elements of restaurant experiences, among which sharing was the most important, alongside family togetherness and transmission, cultural guidance and other customers. The same authors highlighted the expression of the sharing role through different components, such as sharing pleasure, social status, honouring social rituals, environment as a social catalyst, creating memories and sharing food culture [15, p. 570]. Sharing is an expression of social belonging, and nowadays the sharing experience is experienced mainly through online means of communication.

Online restaurant review websites are channels aiming to connect potential diners with many other diners, they usually feature a variety of filtering services designed to help consumers easily narrow down their search selections, and by clicking the hyperlink, consumers can view more detailed information about the restaurant, such as location, menus, photos, and text comments posted by consumers [23]. The number of views or visits to this dedicated webpage indicates the popularity of a restaurant among online users. Online popularity is valuable especially for international individual tourists for whom restaurants' choice are limited due to language barriers, the destination's novelty and time pressures [23].

Google Maps applications, TripAdvisor.com, Booking.com are major third-party opinion platforms which share a large amount of information. Google Maps, for instance, dominates local search and discovery, and its interest in the restaurant business is huge, comprising a large amount of restaurant data — hours, address, location, popular times, images, reviews — coupled with support of third-party restaurant actions: reserve a table, call ahead, or order takeout or delivery [9].

Several factors influence customers' reviews and ratings: personal consumption experiences [10], social influence [10, 12], and the interaction effect between a consumer's experience and social influence [14]. The number of reviews has a significantly positive influence on restaurant's financial performance [11]. Moreover, previous studies identified the moderating effect of excellence certificate generated by the number of reviews and restaurant financial performance - increase in revenue, customer counts, and average check [11, 19].

Restaurants are facing more intense competition. The success criteria include, among other managerial decisions, the technological advancements as a pillar for future actions [3]. Also, restaurant managers need to improve their marketing strategies to enhance the online attractiveness of their restaurants and to attract online users as an effective word-of-mouth means of communication [21].

3. Research methodology

The article presents the results of a quantitative marketing research conducted by the author amongst the students and master students from the Faculty of Economic Sciences and Business Administration Braşov, Transilvania University of Braşov. The method chosen was the survey based on questionnaires. The research was conducted between 12.05 – 1.06.2019. The questionnaire used in the research included a number of 9 questions, of which 3 were identification questions. The questionnaire was distributed online through the Facebook network, being recorded a number of 273 valid questionnaires completed. 162 of the members of the sample were female

(59.3%). The average age of the sample was 22.4 years old and 91.65% of the members have their residence in cities.

This article's main objectives were the following:

- Identifying the frequency for spending the leisure time in a restaurant/bar/coffee-shop;
- Identifying the means for restaurant's selection both in the city of residence and at a tourism destination;
- Identifying the relevant information from a restaurant's online review;
- Measuring the level of trust in restaurants' online reviews.

4. Results

Respondents were asked to specify the frequency they spend their leisure time in a restaurant/bar/coffee-shop. An equal percentage of 36% was obtained by those respondents who pointed out they usually visit a restaurant twice a month, but also by respondents who choose to spend their leisure time in a restaurant occasionally (see Fig. no. 1).

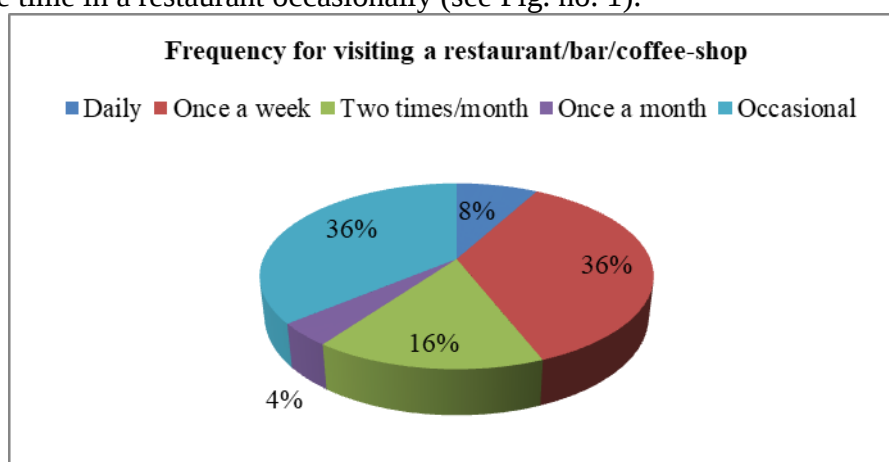


Figure no. 1. The frequency to spend leisure time in a restaurant/bar/coffee-shop

Another question highlighted the main means used for the restaurant's selection process. 53.3% out of the subjects pointed out the habit to choose the restaurants they know and where the satisfaction level has been consolidated over time. Another answer recorded indicated the fact that recommendations from friends and other people they know and trust is another factor in the selection process (33.3%). Only 11.1% declared that online reviews represent the main selection factor and 2.3% out of the subjects are influenced by restaurants' daily offers (see Fig. no. 2).

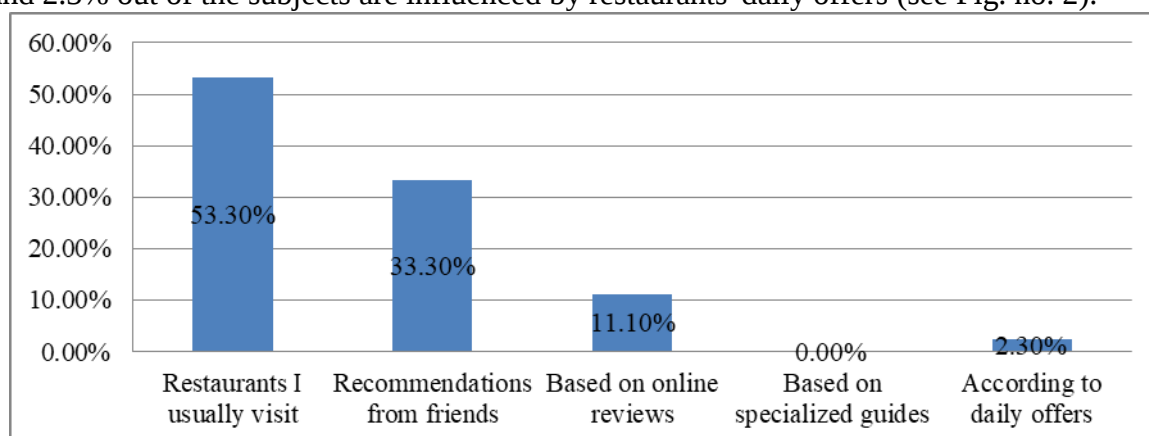


Figure no. 2. Means to select a restaurant/bar/coffee-shop in the city of residence

At the same time, the respondents indicated the means for the restaurant's selection process when they visit a new tourism destination. The results show a very different situation. The highest percentage (40%) was obtained by those who browse the online reviews, followed by those who trust recommendations from friends (35.6%), recommendations included in specialized travel guides (13.3%), and 11.1% out of the subjects are mainly influenced by restaurants' daily offers (see Fig. no. 3).

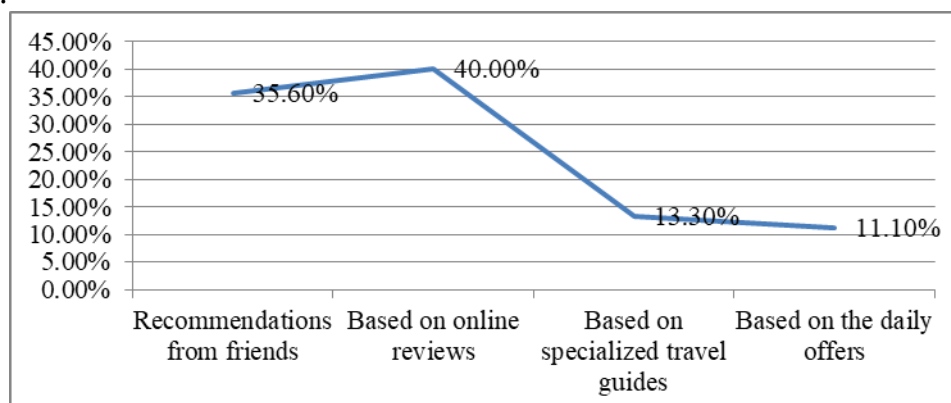


Figure no. 3. Means to select a restaurant/bar/coffee-shop at a tourism destination

Subjects also highlighted which is the relevant information in a restaurant's online review. For 34% out of them, the comments section are the most relevant information offered by the review, 28% are interested in the restaurant's overall rating, the restaurant's type is important for 20% out of the respondents, while 18% are interested in the restaurant's location (see Fig. no. 4).

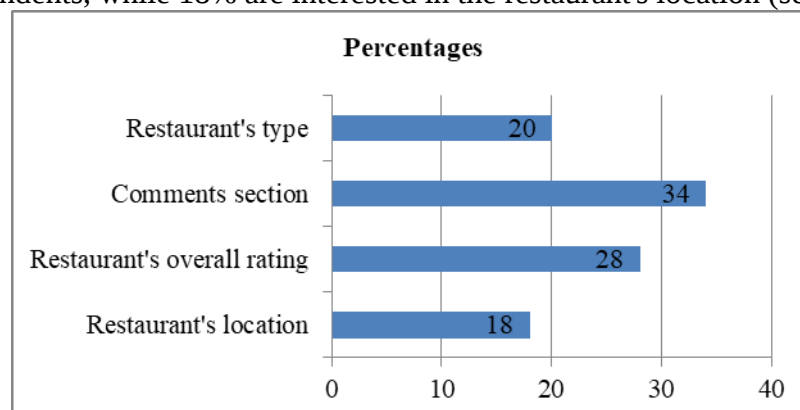


Figure no. 4. The relevant information from a restaurant's online review

Asked if they know other rating systems applied within the restaurant industry, such as Michelin Star rating or Gault-Millau guide rating, respondents indicated the shortage of information in this respect.

Moreover, the level of subjects' trust in the online reviews was highlighted. The results are presented in Figure no. 5.

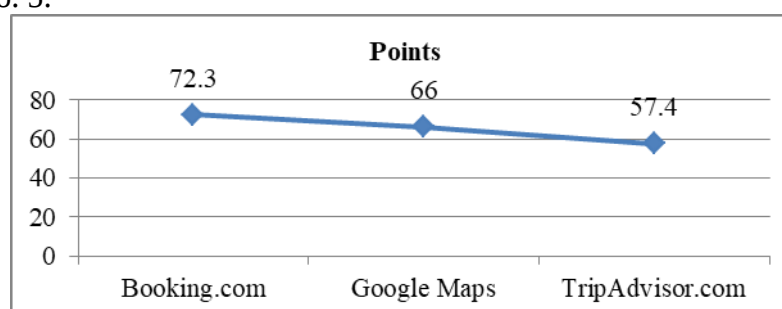


Figure no. 5. The scores for the online reviews' level of trust

The results indicated that reviews found on Booking.com have the highest score, the average score obtained being 72.3 points out of a maximum of 100 points. The second place in trust perceptions was obtained by Google Maps, with 66 points, and TripAdvisor.com recorded a level of trust of 57.4 points.

5. Conclusions

The results presented highlighted that the young generation is influenced at a great extent by online information sources, mainly online reviews. At the same time, the student period is not a great time for visiting restaurants, and their experience in purchasing restaurants's services is not large enough to enable sophisticated evaluations. Nevertheless, it was obvious that when they visited a tourism destination they know little about, online reviews are the main information source.

An interesting result revealed the values of trust level for the well-known online platforms. Being the most used platform by young generation (and not only) for booking accommodation services, Booking.com registered the highest values, followed, in order, by Google Maps and TripAdvisor.com.

As the Internet fundamentally changed customers' notions of convenience, speed, price, product information and service [6], online reviews and recommendations represent an indicator regarding tourists' satisfaction and provide relevant information for the new visitors at the tourism destination [1]. Online reviews will continue to raise in importance, as the current young generation who is dependent on smart phones and similar devices, will be the mature generation of the future. Restaurants' interests in obtaining good online reviews and high online ratings will represent an important element in their management process.

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