

How Brand Vibes, Stellar Service, and Prime Location Fuel WOM (Word of Mouth) and Drive Bookings in the Hotel Industry

Di-An Guevarra San Diego¹, Zazli Lily Wisker^{2*}

Wellington Institute of Technology, Wellington, New Zealand¹

Eastern Institute of Technology, Napier, New Zealand²

Corresponding Author: lwisker@eit.ac.nz²

ORCID ID: <https://orcid.org/0000-0002-3069-6112>²

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This study aims to examine the effects of brand image, perceived value, customer service, and hotel location on word of mouth (WOM) among hotel customers. Additionally, it posits that purchase intention mediates the relationship between the How brand vibes, stellar service, and prime independent variables. Primary quantitative location fuel WoM (word-of-mouth) and data were collected through an online drive bookings in the hotel industry. survey using the SurveyMonkey platform, with established scales measuring the variables under study. A total of 110 participants responded to the survey. Data were analyzed using multiple regression and the Macro PROCESS Model 4. The findings demonstrate that brand image, perceived value, and services emerged as critical factors influencing WOM. However, location does not seem to affect WOM and purchase intention. This indicates that customers are more inclined to book a hotel room and recommend it to others when they perceive high value in the services offered, even though the location is unfavorable. Excellent customer service enhances the overall guest experience, leading to higher satisfaction and an increased likelihood of recommending the hotel to others.

Keywords: Brand Image; Customer Services; Location; Perceived Value; Purchase Intention; Word of Mouth

INTRODUCTION

The hotel industry is considered as one of the most important service industries which caters to people who need accommodation services overnight. New Zealand's hotel industry has been a significant component of its tourism sector, attracting both domestic and international visitors. Key factors influencing the hotel industry in New Zealand include tourism trends, economic conditions, and global events, such as the COVID-19 pandemic. According to the market report of [Horwath HTL \(2019\)](#), the hotel industry in New Zealand has experienced significant growth in terms of its revenue and profitability. This shows how dominant the hotel industry is in the country as time goes by. However, when the pandemic hit the world, the numbers dropped significantly. The influx of visitors and business travelers to New Zealand in recent years has led to a thriving hotel industry in the country. Statistics from New Zealand reveal that in the year ending in May 2019, approximately 4.3 million foreign tourists arrived, marking a 3.2% increase from the previous year. Unsurprisingly, this surge in visitors has led to the opening of new hotels across the nation. Moreover, the growth of internet booking platforms and the availability of upscale New Zealand boutiques and luxury accommodations have expanded the options for tourists. Undoubtedly, the hotel industry stands as one of the dominant sectors in New Zealand, presenting significant business opportunities for both citizens and locals ([Horwath HTL, 2019](#)). Following the COVID-19 pandemic, there has been a noticeable return of various international visitors to the country.

In addition, while past studies have underscored the impact of brand image, perceived value, and customer services on purchase intention and word of mouth or WOM ([Ahmed et al., 2022](#)), caution is advised against relying solely on WOM as a marketing strategy due to the potential negative impact of unfavorable customer feedback on a hotel's reputation. Previous research primarily investigates individual factors like brand image, perceived value, and customer service in isolation ([Wisker et al., 2023](#)). Much of the existing research focuses on these factors in isolation, without examining their collective influence or the mediating role of purchase intention in the context of the hotel industry, particularly in New Zealand. Moreover, research pertaining to brand image, brand loyalty, and customer satisfaction in the hotel industry in New Zealand is also lacking ([Wisker & Morgan, 2023](#)). Given the importance of the hotel industry's contribution to the economy and the lacked research addressing brand image and purchase intention pertaining to the hotel industry in the New Zealand context, this study will partially fill the gap and extend the body of knowledge in the hotel industry literature in New Zealand. This study aims to examine the effect of brand image, customer services, location of a premise, and perceived value on WOM. This study further posits that purchase intention mediates the relationship between understudied independent and dependent variables.

This study contributes to the literature in several ways. First, previous studies have acknowledged the importance of a brand image to purchase intention and repurchase behavior in several industries such as retailing, tourism, health, and education ([Effah et al., 2023](#); [Wisker, 2020](#)). Given the economic downturn and the effect of the COVID-19 outbreak, we wonder if brand image is still a preferable feature over price when choosing hotel accommodation. Thus, it is important to explore a clear and positive relationship between a strong brand image, purchase intention, and WOM in a post-COVID-19 pandemic. Second, though several studies have acknowledged location plays a major role in determining the purchase intention of hotel accommodation ([Xiang & Krawczyk, 2016](#)), others claimed that location does not matter especially if the hotel premise has accessibility to points of interest and its own attraction ([Ulucan, 2021](#)). This contradictory claim warrants further research.

LITERATURE REVIEW

Brand Image, Purchase Intention, and WOM

Brand image, also known as brand identity or brand label, plays an important role in influencing the behavior of a consumer (Keller, 1993; Wisker & Morgan, 2023). Brand identity facilitates consumers' purchase decisions, and repurchase intention, and fosters long-term commitment and brand loyalty. Brand image is crucial and it serves as the foundation for brand equity, brand awareness, and brand association (Aaker, 2009). The brand image also provides a total impression of the offered products and services (Keller, 1993). A strong brand image resonates with consumers, evoking positive emotions, trust, and credibility, thereby enhancing the overall attractiveness of the brand (Aaker, 2009; Wisker & Morgan, 2023). Other studies in this area also found that brand image, brand credibility, and brand attractiveness act as mediating variables between independent and dependent variables (Mathea & Laksmidewi, 2024).

The literature has documented how the brand image could increase customers' intention to purchase and enhance positive WOM for decades (El-Said, 2020; Wisker et al., 2023). Wisker et al. (2023) study has demonstrated how consumers' purchase intention was enhanced through a reputable and recognizable brand image because that could foster confidence and brand trust among the consumers would result in increased purchase intention. In contrast, if a brand has been tarnished due to certain events such as being used as a quarantine place for a deadly pandemic such as COVID-19, it would lead to the spread of negative WOM (Wisker & Morgan, 2023). Customers would be seen to shy away from purchasing the brand during the pandemic because of the image of the brand.

Business always engages in mass advertising to project their brand image hoping that it would enhance customer's purchase intention and to spread positive WOM. The investment to engage in mass media campaigns to project the company's brand image is rather large, the outcomes often supersede the investment. These empirical findings are somewhat not surprising as several consumer behavior theories have posited the effect of repetitive advertising on building a positive brand image. One of the most popular models that explain this phenomenon is the Hierarchy of Effect (HOE) by Lavidge and Steiner (1961). They posit that if a brand or product is exposed through repetitive advertising, it would create a sticky factor in the mind of a consumer which eventually influences their conative behavior. Other studies that observed the relationship between brand image and purchase intention and WOM include El-Said (2020) and Wisker et al. (2023). A favorable brand image can also stimulate positive WOM recommendations among consumers. People tend to share their experiences with brands they trust and admire, thereby contributing to the brand's reputation and potentially attracting more customers. A positive relationship exists between brand image, purchase intention, and WOM behavior, with a strong brand image catalyzing both intentions to purchase and advocacy among consumers. Discussing the effect of brand image on purchase intention and WOM thus far, it is fair to hypothesize the following:

H1: Brand image affects WOM positively and purchase intention mediates the relationship.

Perceived Value, Purchase Intention, and WOM

Zeithaml (1988) conceptualized perceived value as "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given". She further argued that perceived value is a strike balance between what a customer is willing to pay and the perceived quality. Perceived value can be categorized into four dimensions: value as a low price, value as meeting the consumer's desired attributes in

a product, value as the quality received relative to the price paid, and value as the overall trade-off between what the consumer receives and what they sacrifice. Consumers' evaluation of perceived value is measured by the benefits received against the instrumental costs such as monetary, time, and effort and the social and psychological costs (Zeithaml, 1988). Offering perceived value is about providing a strike balance between perceived benefit and perceived cost (Zeithaml, 1988). If perceived value is about offering monetary and non-monetary benefits (Wisker, 2023), theoretically speaking, it should be able to influence purchase intention and positive WOM. This assumption finds support in the literature, which illustrates how perceived value plays an important role in enhancing intention to use, purchase intention, customer engagement, repeat purchases, and positive WOM (Souki et al., 2024; Wisker & Guler, 2022; Zhang et al., 2021).

A study conducted by Zhang et al. (2021) on accommodation through user-generated reviews in China, found that perceived value does not only affect purchase intention but also influences repeat purchases. These scholars argue that perceived value is a multidimensional construct contributed by four domains: functional values, hedonic values, social values, and epistemic values. From these domains, they found the strongest effect on repeat purchases was from social relationship value. They have also observed how perceived value affects travelers' attitudes toward online hotel books. Similarly, another research by Kim et al. (2017) on hotel accommodation, in Seoul has also observed how perceived value and trust affect online hotel bookings. They surveyed 307 respondents using hotel.com, booking.com, Agoda, and HotelsCombined.com. In their study of perceived value, they observed two subdomains: price and quality. Nevertheless, they found that price has a stronger effect than quality indicating that perceived value matters (Kim et al., 2017). In summary, perceived value plays a crucial role in shaping consumer behavior such as purchase intention, repeat purchases, and encouraging positive WOM. Consumers tend to evaluate the benefits received from a product or service against its cost. This positive association between perceived value and purchase intention is further reinforced by WOM communication. Satisfied customers who perceive high value in a product or service, can enhance the purchase intention and encourage positive WOM. Therefore, it is fair to posit the following hypotheses:

H2: Perceived value affects WOM positively and purchase intention mediates the relationship.

Customer Services, Purchase Intention, and WOM

Customer service is one of the backbones of the hotel industry (Kuo et al., 2009; Piccoli et al., 2017). This is because the hotel industry is a service-based industry that offers intangible products. Customer service represents the experience that a guest gets while staying in any hotel accommodation. This experience covers from the minute they check-in, the luxury and cleanliness of the room, bed, and bathroom, the quality of the furniture, the level of service at the front office; fast and efficiency, perception of hotel amenities, dining experience and value, responsiveness to guest request, flexibility and overall experience (Piccoli et al., 2017). The study by Kuo et al. (2009) investigates the influence of customer service on post-purchase intentions in the mobile industry and highlights the importance of customer service performance, customer satisfaction, and value-added services in shaping the competitive edge. The study underscores the importance of integrating customer service and marketing efforts to develop a competitive advantage in the marketplace (Kuo et al., 2009). Another study done in Indonesia has demonstrated that customer bonding and customer satisfaction appear to impact customer loyalty (Tumbelaka et al., 2022), indicating that these elements can be embedded in customer services to enhance purchase intention. Nevertheless, these findings are somewhat not

surprising given several theories that have posited the importance of customer service to influence purchases and repeat purchases (Zeithaml, 1988). In Zeithaml's (1988) SERQUAL model, she posits that service quality is contributed by reliability, responsiveness, empathy, and tangible cues. Arguably these are the domains of quality customer services in the hotel industry that would eventually lead to customer satisfaction and repeat purchase.

The positive effects of service quality and guest experiences on customer satisfaction, commitment, purchase intention, and loyalty have been documented in the literature for decades (Piccoli et al., 2017; Wisker et al., 2023). To sum up, practically speaking, when customers receive satisfactory service, they are more likely to develop positive attitudes toward the brand, leading to higher purchase intentions and positive WOM. Hence, this study posits the following hypotheses:

H3: Customer services affect WOM positively and purchase intention mediates the relationship.

Location, Purchase Intention, and WOM

Location refers to the specific geographical position or site where something is situated or located (Kurniawan, 2024). Location in the hotel industry is about the physical location of a hotel premise. It can be a situation in a particular city or region, in bustling towns or quiet places (Kurniawan, 2024). For example, holiday resorts can be physically placed such as resorts on the beach, or mountain areas whilst hotels that cater to business travelers can be placed in busy cities, proximity to attractions, transportation hubs, business districts, natural landmarks, amenities, and eating places. Kim et al. (2018) found that the hotel's physical location can shape a guest's decision-making in choosing hotel accommodation. They further argued that a hotel location such as its accessibility, visibility, and convenience can enhance a guest's perception of overall value. The location of a hotel premise can indeed enhance overall hotel appeal, reputation, and market positioning (Kim et al., 2018; Kurniawan, 2024).

Theoretically speaking, the Theory of Planned Behavior (TPB) by Ajzen (1991) can be applied to explain the relationship between the location of the hotel premise purchase intention and positive WOM. According to TPB, an individual's behavioral intentions, which ultimately predict actual behavior, are shaped by the interaction of three factors: attitudes toward the behavior, favorable subjective norms, and perceived behavioral control. The stronger the positive attitude towards the behavior then the more favorable subjective norms, and the greater perceived control over the behavior, the more likely an individual is to form strong intentions to engage in that behavior. Translating the TPB to this situation, the perceived behavioral control would be the choices that a traveler could control in choosing the hotel accommodation. If a traveler values an accommodation that has a convenient location, then that will be the deciding factor to purchase. The location of the hotel can be the deciding factor in the change of a traveler's behavior.

Practically speaking, the location of the hotel building, and the premises have drawn significant attention from travelers when choosing hotel accommodations (Kurniawan, 2024; Xiang & Krawczyk, 2016). The study conducted by Kurniawan et al. (2024) in Indonesia has observed how hotel location impacts tourists' accommodation choices. The survey had 150 respondents. The findings also revealed that hotel locations tourist attractions and transportation hubs play crucial roles in customers' purchase intention. Similarly, Xiang and Krawczyk's (2016) study found that a hotel's convenient location positively influences travelers' intention to purchase the service offered by the hotel such as dining at the restaurants. Shukla and Mishra (2023) studied 310 travelers above 18 years old in India have discovered that visual information that describes the hotel location

and surroundings was considered to be more credible and eventually developed positive purchase intention towards the hotel. Similarly, a study done in Hawaii has observed how accessibility and location of the hotel play crucial roles in purchase intention and repeat purchase decisions. Given the discussion thus far, it is fair to hypothesize the following:

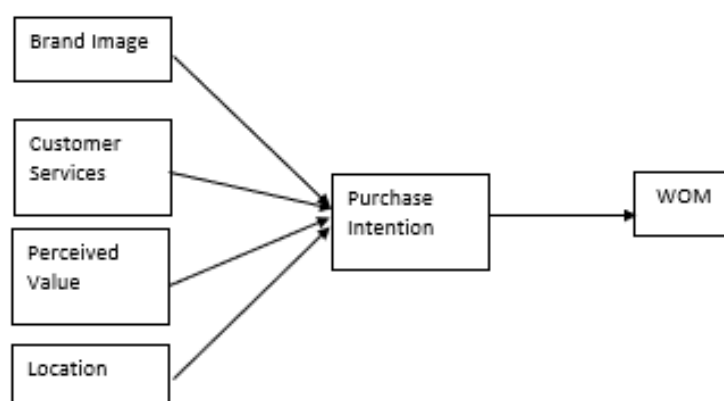
H4: Location affects WOM positively and purchase intention mediates the relationship.

Mediation Concept

This research posits that the understudied independent variables (brand image, perceived value, the location of the premise, and customer services) impact on WOM is rather indirect through a mediating variable, purchase intention. In this study, the researchers use the concept of mediation from Hayes (2018). Mediation analysis is a statistical method used to evaluate the indirect and direct effect of independent on dependent variables (Hayes, 2018; Leech et al., 2015; Wisker & Kwiatek, 2018). In a basic mediation model, the total effect of X (independent) on Y (dependent) is the sum of the direct and indirect effects of X on Y (Hayes, 2018). The indirect effect goes through the mediating variable, M. This study posits that purchase intention acts as the mediator between understudied independent and dependent variables.

The study framework model is depicted in Figure 1.

Figure 1. Research Framework



RESEARCH METHOD

The quantitative research study was conducted in New Zealand. The research setting for this study involves any consumers above 18 years old and residing in New Zealand. The inclusion of the sampling frame involves individuals who have had experience purchasing products and services from the hotel industry. The study uses simple random sampling to collect its data. Data were collected through intercept mall and also online surveys. The survey used the SurveyMonkey platform. For the online survey, the link was posted on several local communities' social media sites such as Facebook, Instagram, and other community channels. Possible participants were also invited to participate through email. Ultimately the survey received 171 responses, providing an 85% confidence level (CL) and 5.39% margin of error. Data were analyzed using multi-regression and mediation analyses were tested using Macro PROCESS Model 4 (Hayes, 2018).

Measures

The study adopted established scales in measuring the understudied variables. The brand image was measured using Lien et al.'s (2015) scale, the perceived value was measured using Sweeney and Soutar's (2001) scale, the location was adapted from Le-Hoang et al. (2020), and the customer services scale was adopted from Kuo et al. (2009).

RESULTS

The summary of the scale and its reliability analysis is depicted in Table 1.

Table 1. Reliability Test Results

Variable/Items		F. Loadings	AVE	(α)
Brand Image (BI)				
BI1	The hotel brand that I choose is reliable.	0.683	0.54	0.79
BI2	The hotel brand that I choose is attractive.	0.796		
BI3	The hotel brand that I choose is a symbol of social standing.	0.775		
BI4	The hotel brand that I choose has a good reputation	0.691		
Perceived Value (PV)				
PV1	The service is reasonably priced.	0.837	0.60	0.84
PV2	The service offers value for money.	0.769		
PV3	It is a good service for the price.	0.703		
Location (L)				
L1	I choose the hotel due to its proximity to a shopping mall.	0.745	0.63	0.82
L2	I choose the hotel because it is near eating places.	0.873		
L3	My choice of the hotel was influenced by its convenient location.	0.760		
Customer Service (CS)				
CS1	The hotel provides diversified value-added services.	0.675	0.52	0.72
CS2	The hotel provides multiple types of room rates.	0.762		
CS3	The hotel staff is friendly.	0.685		
CS4	The hotel staff is friendly.	0.747		
Purchase Intention (PI)				
PI1	I might purchase this hotel service again.	0.891	0.84	0.89
PI2	It is worth purchasing this hotel service.	0.936		
WOM (WOM)				
WOM1	I am likely to say good things about this hotel service.	0.913	0.79	0.89
WOM2	I would recommend this hotel service to my friends and relatives.	0.872		
WOM3	I would recommend this hotel service to others.	0.889		

From Table 1, it appears that all factor loadings are above the cutoff value of 0.6, the average variance extracted (AVE) is above the cutoff value of 0.5, and Cronbach's Alpha is above the cutoff value of 0.7, indicating that the measures used are reliable (Leech et al., 2015).

Table 2. Correlation, Mean, and Standard Deviation Results

Measurement Items	Mean	Std Deviation	1	2	3	4	5	6
Brand Image	3.9136	0.83091	1					
Perceived Value	3.6728	0.82153	0.428**	1				
Location	3.3067	0.96375	0.097	0.408**	1			
Customer Service	3.8091	0.70624	0.670**	0.553**	0.461**	1		
Purchase Intention	3.8273	0.84711	0.618**	0.573**	0.170*	0.682**	1	
WOM	3.9787	0.77197	0.424**	0.624**	0.176*	0.432**	0.653**	1

Note: Correlation is significant at the * $p < 0.05$, ** $p < 0.01$ level (2-tailed).

Before testing the posited hypotheses, the study tested the correlation through Pearson Bivariate Correlation to ascertain the association between variables. Table 2 depicts the result. The correlation analysis revealed a significant positive relationship between brand image and perceived value ($r = 0.428^{**}$, $p < 0.01$), brand image and customer services ($r = 0.670^{**}$, $p < 0.01$), brand image and purchase intention ($r = 0.618^{**}$, $p < 0.01$), and brand image and WOM ($r = 0.424^{**}$, $p < 0.01$). Interestingly, brand image does not correlate with the location of the hotel accommodation. Perceived value exhibited a significant positive correlation with location ($r = 0.408^{**}$, $p < 0.01$), with customer services ($r = 0.553^{**}$, $p < 0.01$), with purchase intention ($r = 0.573^{**}$, $p < 0.01$) and with WOM ($r = 0.624^{**}$, $p < 0.01$) indicating positive association with those variables. Location showed a significant positive correlation with purchase intention ($r = 0.170^{*}$, $p < 0.05$), and with WOM ($r = 0.176^{*}$, $p < 0.05$) although the correlation is only significant at $p < 0.05$, indicating small associations of location with purchase intention and WOM.

Additionally, customer service shows a notable correlation with purchase intention ($r = 0.682^{**}$, $p < 0.01$) and with WOM ($r = 0.432^{**}$, $p < 0.01$). Finally, purchase intention strongly correlated with WOM ($r = 0.653^{**}$, $p < 0.01$). In scrutinizing the bivariate correlation results, none of the variables correlate larger than 0.7 indicating no multicollinearity issue (Leech et al., 2015).

Following that, this study tested the posited hypotheses using Macro PROCESS Model 4 (Hayes, 2018).

Hypothesis Testing

H1: Brand Image Affects WOM Positively and Purchase Intention Mediates the Relationship

Table 3. Total Effect of Brand Image on WOM

Model Summary 1: Brand Image						
R	R-sq	MSE	F	df1	df2	p
0.4243	0.1800	0.4932	23.7114	1.000	108.000	0.000
Total Effect of Brand Image (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.3944	0.0810	4.8694	0.0000	0.2339	0.5549	
Direct Effect of Brand Image (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.0312	0.0864	0.3607	0.7190	-0.1402	0.2025	
Indirect Effect(s) of Brand Image (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.3632	0.0871			0.1936	0.5339	

Note: Level of Confidence Interval – 95%; Bootstrapping – 5,000

The study conducted mediation analysis to test the effect of mediation, in this case, Purchase Intention (M) in the relationship between Brand Image (X) and WOM (Y). The study observed the total effect of brand image on WOM ($\beta = 0.3944$, $t = 4.8694$, $p = 0.000$). The Lower-level and Upper-level confidence intervals did not include zero (LLCI = 0.2339 to ULCI = 0.5549), indicating a significant effect, thus, supporting hypothesis H1. Results are shown in Table 3.

The summary of the relationship between Brand Image (X), Purchase Intention (M), and WOM (Y) is as follows:

$$\begin{aligned} \text{Direct effect} &= c' = 0.0312 \\ \text{Indirect effect} &= a' \times b' \\ &= 0.6299 \times 0.5766 = 0.3632 \\ \text{Total effect} &= [c' + (a' \times b')] \\ &= 0.0312 + 0.3632 = 0.3944 \end{aligned}$$

H2: Perceived Value Affects WOM Positively and Purchase Intention Mediates the Relationship

Table 4. Total Effect of Perceived Value on WOM

Model Summary 2: Perceived Value						
R	R-sq	MSE	F	df1	df2	p
0.45753	0.3284	0.4864	52.8038	1.000	108.000	0.000
Total Effect of Perceived Value (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.5868	0.0706	8.3082	0.0000	0.4468	0.7268	
Direct Effect of Perceived Value (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.3498	0.0768	4.5546	0.0000	0.1975	0.5020	
Indirect Effect(s) of Perceived Value (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.2370	0.1026			0.0647	0.4643	

Note: Level of Confidence Interval – 95%; Bootstrapping – 5,000

Mediation analysis two investigated the role of mediating variable Purchase Intention (M) on the relationship between Perceived Value (X) and WOM (Y). The study observed the total effect of perceived value on WOM ($\beta = 0.5868$, $t = 8.3082$, $p = 0.000$). The Lower-level and Upper-level confidence intervals did not include zero (LLCI = 0.4468 to ULCI = 0.7268), indicating a significant effect, thus, supporting hypothesis H2. Results are shown in Table 4.

The summary of the relationship between Perceived Value (X), Purchase Intention (M), and WOM (Y) is as follows:

$$\begin{aligned} \text{Direct effect} &= c' = 0.3498 \\ \text{Indirect effect} &= a' \times b' \\ &= 0.5909 \times 0.4011 = 0.2370 \\ \text{Total effect} &= [c' + (a' \times b')] \\ &= 0.3498 + 0.2370 = 0.5868 \end{aligned}$$

H3: Customer Services Affect WOM Positively and Purchase Intention Mediates the Relationship

Table 5. Total Effect of Customer Services on WOM

Model Summary 3: Customer Services						
R	R-sq	MSE	F	df1	df2	p

0.6537	0.4273	0.3476	39.9244	2.000	107.000	0.000
Total Effect of Customer Services (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.4717	0.0949	4.9711	0.0000	0.2836	0.6598	
Direct Effect of Customer Services (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
-0.094	0.1094	-0.2685	0.7888	-0.2462	0.1875	
Indirect Effect(s) of Customer Services (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.5011	0.1118			0.3000	0.7304	

Note: Level of Confidence Interval – 95%; Bootstrapping – 5,000

Mediation analysis three was conducted to explore the mediating role of Purchase Intention (M) in the relationship between Customer Service (X) and WOM (Y). The findings revealed that the total effect of customer service on WOM was statistically significant ($\beta = 0.4717$, $t = 4.9711$, $p < 0.000$). The Lower-level and Upper-level confidence intervals did not include zero (LLCI = .2836 to ULCI = 0.6598), indicating a significant effect, thus, supporting Hypothesis H3. Table 5 offers an overview of Model Summary 3, the strength of the direct, indirect, and total effects.

The summary of the relationship between Customer Service (X), Purchase Intention (M), and WOM (Y) is as follows:

$$\begin{aligned}
 \text{Direct effect} &= c' = -0.0294 \\
 \text{Indirect effect} &= a' \times b' \\
 &= 0.6122 \times 0.8185 = 0.5011 \\
 \text{Total effect} &= [c' + (a' \times b')] \\
 &= -0.0294 + 0.5011 = 0.4717
 \end{aligned}$$

H4: Location Affects WOM Positively and Purchase Intention Mediates the Relationship

Table 6. Total Effect of Location on WOM

Model Summary 4: Location Value						
R	R-sq	MSE	F	df1	df2	p
0.1761	0.0310	0.5828	3.4571	1.000	108.000	0.0657
Total Effect of Location (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.1411	0.0759	1.8593	0.0657	-0.0093	0.2915	
Direct Effect of Location (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.0534	0.0593	0.9017	0.3692	-0.0640	0.1709	
Indirect Effect(s) of Location (X) on WOM (Y)						
Effect	se	t	p	LLCI	ULCI	
0.0876	0.0569			-0.0336	0.1976	

Note: Level of Confidence Interval – 95%; Bootstrapping – 5,000

Mediation analysis four investigated the role of mediating variable Purchase Intention (M) on the relationship between the Location (X) and WOM (Y). The study observed the total effect of the location of the hotel accommodation on WOM ($\beta = 0.1411$, $t = 1.8593$, $p = 0.0657$). The Lower-level and Upper-level confidence intervals include zero (LLCI = -0.0093 to ULCI = 0.2915), indicating an insignificant effect, thus, rejecting hypothesis H4. Results are shown in Table 6.

Summary of the relationship between Location (X), Purchase Intention (M), and WOM (Y) is as follows:

$$\begin{aligned} \text{Direct effect} &= c' = 0.0534 \\ \text{Indirect effect} &= a' \times b' \\ &= 0.1498 \times 0.5851 = 0.0876 \\ \text{Total effect} &= [c' + (a' \times b')] \\ &= 0.0534 + 0.0876 = 0.1411 \end{aligned}$$

DISCUSSION

Theoretical Implications

In this study, purchase intention has been found to significantly influence WOM, aligning with [Ajzen's \(1991\)](#) TPB. The TPB suggests that a stronger positive attitude toward a behavior, combined with favorable subjective norms and greater perceived behavioral control, increases the likelihood of forming strong intentions to perform that behavior. These intentions, alongside situational factors, ultimately shape the probability of the behavior occurring. This study illustrates this phenomenon, where perceived value functions as both a subjective norm and a form of perceived behavioral control, influencing purchase intention and culminating in the final behavior—spreading positive WOM.

The study reveals that brand image has a positive impact on WOM, with this relationship being mediated by purchase intention. Both the direct and indirect effects of this mediation are significant. These findings support Classical Branding Theory ([Aaker, 2009](#)), underscoring the critical role of brand image in shaping consumer behavior. In this context, consumer behavior is reflected through purchase intention and positive WOM. Furthermore, the results are consistent with prior empirical studies that have established a connection between brand image and purchase intention ([Wisker & Morgan, 2023](#); [Wisker et al., 2023](#)).

This result confirms that a favorable brand image can also stimulate positive WOM recommendations among consumers which ultimately enhances the standouts of the particular brand. What makes the brand stronger is that often positive WOM provides more impact than traditional mass advertising. People tend to share their experiences with families and friends for brands they trust and admire, thereby contributing to the enhancement of a brand's reputation and potentially attracting more customers. Theoretically speaking, when a positive relationship exists between brand image, purchase intention, and WOM behavior, indicating that a strong brand image catalyzes both intentions to purchase and advocacy among consumers. Business always engages in mass advertising to project their brand image hoping that it would enhance customer's purchase intention and to spread positive WOM. Although the investment to engage in mass media campaigns to project the company's brand image is rather large, the outcomes often supersede the investment ([Keller, 1993](#)).

The study has also observed how perceived value significantly affects WOM and this relationship is also mediated by purchase intention. Fortunately, both direct and indirect effects are also significant. This aligns with the Value-Based Approach Theory ([Zeithaml, 1988](#)) and several other value-based theories such as [Brandenburger and Stuart's \(1996\)](#) Value Creation Framework and the Brand Equity Theory by [Keller \(1993\)](#). Certainly, perceived value has become the fundamental determinant for purchase intention and to some extent loyalty by spreading positive WOM. One of the crucial theoretical implications of this result, reinforces the crucial aspect of positioning pricing strategies and service offerings with consumer perceptions of value, emphasizing the

role of perceived value as a key driver of consumer choice and behavior within the hotel accommodation sector. As mentioned earlier this result also aligns with Brand Equity Theory (Keller, 1993) that the values and strengths of a brand are not built overnight.

Customer services have also been observed to affect positive WOM and this relationship is also mediated by purchase intention. Interestingly, the direct effect of customer services does not seem to positively affect WOM. This observation affirms the SERVQUAL model (Zeithaml, 1988) that explains the relationship between service quality, customer satisfaction, and repurchase behavior. The significant influence of customer services observed in this study demonstrated that hotels could use the SERVQUAL framework to identify strengths and weaknesses in service delivery, prioritize areas for improvement, and align service offerings with customer expectations. SERVQUAL model stipulates a systematic approach for evaluating and improving the quality of guest experiences. Theoretical frameworks in service management and marketing may benefit from incorporating the nuanced findings of this study, emphasizing the importance of service excellence in driving positive consumer outcomes and fostering long-term relationships with customers.

Finally, this study has observed how location does not significantly affect purchase intention, nor does it affect positive WOM. Although this result contradicts several other empirical past studies, it demonstrates that the hotel location does not matter. Nevertheless, it affirms Ulucan's (2021) study that claims if the hotel has its own attractions and facilities, it would attract hotel guests and visitors regardless of where it is located. In scrutinizing the demographic of the respondents, it appears that more than 65% made references to their past experience staying in a New Zealand hotel/motel accommodation while on leisure. This factor might affect the result. When a consumer is on holiday or traveling for leisure, the location of the hotel premises might not be the contributing factor when choosing the accommodation. The popularity of the New Zealand tourism brands as clean and green could also contribute to this phenomenon where travelers would prefer to stay in remote areas without the hustle and bustle of city life.

Managerial Implications

This study has demonstrated how the brand image could influence purchase intention and positive WOM in the hotel industry in New Zealand. Hence, marketing managers and hotel operators should be aware that brand image matters. Senior marketing managers and hotel operators ought to re-evaluate their branding strategies and other elements that might contribute to brand image. They could invest more in visual and tangible cues that are perceived to reflect brand image. They could also enhance their brand image by contributing to society such as increasing their corporate social responsibility (CSR) and projecting a green hotel image. These sorts of activities have been found to project the hotel image (Wisker et al., 2020). Past studies have also shown that optimizing the online travel agency (OTA) could enhance brand image. Be consistent with the image that the hotel wanted to be portrayed, it could include everything from the tangible cue to the front office, to the services, hotel décor, and community engagement. Hotel operators and senior marketing managers must remember that strong brand equity is built over time through strategic brand management efforts aimed at creating positive brand perceptions and associations in the minds of consumers.

Hotel operators also need to be strategic with the limited marketing budgets they have, which leads to the next result: how perceived value affects purchase intention and WOM. A noteworthy finding observed in this study is the relationship between perceived value, purchase intention, and WOM. The significance of this result underscores the importance for senior marketing managers to reinforce value-driven marketing strategies in the hotel

industry. One of the main criteria for determining perceived value is the gap between the actual services received and the expectations established by the customer (Zeithaml, 1988). In the hotel industry, the products and services offered should align with the star ratings.

Therefore, it is not surprising that customer service has also been demonstrated as a crucial determinant of purchase intention and positive WOM. By successfully conveying their value propositions through marketing channels and other platforms, hotels can strengthen consumers' perceptions of value, leading to increased purchase intention and brand loyalty (Li et al., 2022). A key factor influencing customer decision-making is perceived value or the perceived benefits of a product or service relative to its cost. Hotels can use this information to highlight their unique value propositions—such as reasonable pricing, practical amenities, and personalized services—to attract and retain customers effectively.

CONCLUSION

This study has contributed to understanding the variables that influence hotel accommodation purchase intention and WOM, providing marketers and hotel operators with valuable insights on improving visitor experiences and fostering loyalty. The findings highlight the significance of perceived value and exceptional customer service in creating satisfying customer experiences and enhancing brand loyalty in the hotel industry. While WOM and purchase intention were found to be unaffected by the hotel's location, perceived value, quality services, and brand image emerged as key factors shaping consumer behavior. This underscores the importance of adopting value-driven marketing strategies to effectively attract and retain customers. Such strategies should prioritize affordable pricing, convenient amenities, and personalized services tailored to meet the needs and preferences of individual customers.

LIMITATION

Although the results of this study have provided both theoretical and managerial implications, caution must be exercised when interpreting them, as the study is also bound by its limitations. First, the study participants were hotel guests from New Zealand, and perceptions of hotels were measured through the lens of New Zealand hotel/motel accommodations. Consequently, the results were constrained by the research's localized methodology. This means that future researchers should approach these findings cautiously. To validate, confirm, and generalize the results of this study, future research should incorporate diverse settings and socio-cultural contexts.

Additionally, the sample size used in this study was relatively small, with a confidence level of 80% and a margin of error exceeding 0.05. Future studies could address this limitation by increasing the sample size.

From a methodological perspective, this study employed a first-order scale for all its measures, including brand image and customer services. Past research, however, has suggested that brand image is better represented by second-order measures that account for multiple subdomains. Future studies could enhance the measurement of brand image by including these subdomains. Furthermore, the use of cross-sectional data in this study makes it more challenging to determine causal relationships between variables. While regression analysis may illuminate potential relationships, it does not necessarily establish causation. Longitudinal studies, which observe changes in variables over an extended period, would be more suitable for analyzing causal links and providing stronger evidence of the factors influencing hotel accommodation purchase

intention and WOM. Despite these limitations, this study offers opportunities for future research.

Future studies can explore several avenues to deepen our understanding of consumer behavior in the hotel lodging market, building on this study's findings and limitations. For instance, longitudinal research could investigate how factors such as brand image, perceived value, location, and customer service impact purchase intention and WOM over time. By tracking changes in these variables, researchers could evaluate the stability of these relationships and identify evolving trends or patterns in consumer behavior.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare no potential conflicts of interest.

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ABOUT THE AUTHOR(S)

1st Author

Di-An Guevarra San Diego is a postgraduate student at the Wellington Institute of Technology, Wellington, New Zealand. Her research focuses on hotel management and tourism.

2nd Author

Zazli Lily Wisker (ORCID: <https://orcid.org/0000-0002-3069-6112>) is a Postgraduate Programme Coordinator and Senior Lecturer at the Eastern Institute of Technology, Napier, New Zealand. She has published extensively in areas such as cross-cultural marketing, internal branding, sales management, tourism and destination marketing, and advertising. Her work has been featured in the Journal of Product & Brand Management, Marketing Intelligence & Planning, Journal of Hospitality & Tourism Research, and Journal of Islamic Marketing. Her publications and citations can be viewed at https://scholar.google.co.nz/citations?user=foWRe_cAAAAJ&hl=en. She could be reached by email at lwisker@eit.ac.nz