

# Enhancing Company Performance through Strategic eWOM Management: Lessons from the Langkawi Hotel Sector

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## ABSTRACT

Company performance is crucial for sustained growth, profitability, and competitiveness. Positive electronic word-of-mouth (eWOM) on social networking sites (SNS) can significantly influence company performance by shaping brand perception and customer trust. This study examined the impact of strategic eWOM management on customers' hotel booking intention in Langkawi and how it affected company performance. The Theory of Reasoned Action and the Information Acceptance Model acted as underpinning theories. The study employed a quantitative research methodology, utilizing an online survey questionnaire. 180 respondents were specifically selected from the population of Langkawi overnight travellers who possessed prior knowledge and familiarity with SNS. Findings indicated that eWOM quality exhibited the most prominent impact, followed by eWOM quantity and subjective norm. In contrast, eWOM credibility exerted a small impact on the intention of hotel booking. This study contributes to the existing literature by investigating the impact of strategic eWOM management on customers' hotel booking intentions and its effect on the company's performance. Practically, this study provides significant insights for hoteliers to leverage the significance of strategic eWOM as a strategic management tool to collectively shape reputation, customer perception, and operational success, influencing long-term sustainability and competitiveness in the digital era.

**Keywords:** Strategic Management, eWOM, Company Performance, Hotel Industry

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## INTRODUCTION

Company performance in the hotel industry is multifaceted, encompassing financial stability, customer satisfaction, operational efficiency, and competitive positioning (Mathews et al., 2022). Financial metrics like revenue, profit margins, and return on investment are critical indicators. Customer satisfaction, measured through reviews and feedback, influences reputation and repeat business. Efficient operations ensure smooth service delivery, cost control, and resource optimization. Adapting to industry trends, technological advancements, and maintaining a skilled workforce are essential for long-term success. Competitive positioning involves strategic marketing, differentiation, and maintaining a strong brand image. Overall, sustained company performance in the hotel industry requires a holistic approach, aligning financial, operational, and customer-centric strategies (Reyes-Menendez et al., 2020).

On the other hand, company performance, electronic word-of-mouth (eWOM), and social media networks (SNS) are intricate in the hotel industry. Positive eWOM on SNS can significantly impact a hotel's reputation, influencing customer trust and choices (Ismail et al., 2018). Improved company performance, including financial success and customer satisfaction, can result from effective eWOM management on SNS platforms. Conversely, negative eWOM can harm reputation and performance (Chen et al., 2022). SNS serves as a powerful channel for disseminating eWOM, influencing brand perception and overall competitiveness. In the digital age, strategic management of eWOM on SNS is integral for shaping and sustaining positive company performance in the hotel industry (Mathews et al., 2022).

The hotel industry in Malaysia plays a vital role in generating cash, making a substantial contribution to the country's Gross Domestic Product (GDP). The tourism industry has been observed to yield beneficial effects on the development of infrastructure, generation of employment opportunities, and enhancement of the overall well-being of the populace (Shaliza et al., 2023). In 2019, the tourism sector in Malaysia made a significant contribution of 15.9% to the country's Gross GDP, positioning it at the 15th spot in terms of tourist arrivals and 21st in terms of tourism receipts on a global scale (Ahmad et al., 2020). Accommodation played a crucial role in

Malaysia's tourism sector, making a significant contribution of 24% to the overall international visitor receipts in 2019. In 2019, Malaysia possessed a total of 5,382 hotels, including a substantial number of 340,547 rooms. These accommodations catered to a considerable influx of almost 80 million people. Notably, overseas visitors constituted 36.1% of the whole guest count, whereas the remaining 63.9% were domestic visitors. The COVID-19 pandemic presented several difficulties, reducing the number of hotels and available rooms throughout the year 2020 (Bonfanti et al., 2021).

In today's digital age, where SNS has become integral to communication and decision-making processes, understanding their impact on company performance, particularly in the hospitality sector, is paramount. The Langkawi hotel sector, known for its tourism appeal, serves as a pertinent backdrop for exploring the significance of strategic eWOM management (Tsou, 2019). However, despite the increasing acknowledgement of the influence of eWOM on consumer behaviour, there remains a noticeable gap in the literature regarding its strategic management within the context of hotel booking intentions and subsequent company performance. Hence, this study sought to bridge this gap by delving into the dynamics of eWOM, specifically focusing on its quality, quantity, credibility, and subjective norms. While previous research has touched upon the importance of eWOM in shaping brand perception and consumer trust (Rahman et al., 2020), as few studies have comprehensively examined how strategic management of eWOM can directly impact hotel booking intentions and, consequently, overall company performance.

By drawing upon established theoretical frameworks, this study aimed to provide a robust understanding of the factors through which eWOM influences consumer behaviour in the context of hotel bookings. Moreover, the utilization of a quantitative research methodology ensured a rigorous analysis of the data collected from Langkawi overnight travellers, a demographic with a direct stake in the hotel sector and familiarity with SNS. The significance of this study extends beyond academic investigation; it offers practical insights for hoteliers to strategically leverage eWOM as a management tool. Understanding how to cultivate and manage eWOM effectively can empower hotel businesses to enhance their reputation, shape customer perceptions, and ultimately drive operational success in an increasingly competitive digital landscape. Thus, this study not only

addressed a crucial gap in academic literature but also provides actionable knowledge for industry practitioners, facilitating informed decision-making and sustainable growth in the digital era.

This paper is organized as follows; the first section covers the literature, and the second section presents the theoretical underpinning. Following that, hypotheses and a research framework are described. The third section deliberates on the research method and explains the empirical findings. The final portion discusses research limitations as well as potential research directions.

## LITERATURE REVIEW

Monitoring company performance in the hotel industry is paramount for several reasons. It provides insights into financial health, enabling effective budgeting and investment decisions. Guest satisfaction metrics guide service enhancements, crucial for retaining customers and positive reviews (Ioannidis et al., 2021). Operational efficiency is assessed to streamline processes, control costs, and ensure optimal resource utilization. Monitoring facilitates compliance with industry standards and regulatory requirements. It enables adaptability to market trends, fostering competitiveness. Real-time assessment aids in identifying issues promptly, allowing for timely interventions and improvements.

Consistent with Berne Manero et al. (2023), monitoring company performance through strategic eWOM management in the hotel industry involves several key steps. Begin by actively tracking online reviews, social media mentions, and guest feedback. Utilize sentiment analysis tools to gauge the overall tone and sentiment of eWOM. Establish clear key performance indicators (KPIs) related to customer satisfaction, online reputation, and booking trends. Regularly assess these metrics to identify patterns and areas for improvement. Engage with customers online, responding promptly to both positive and negative reviews. Leverage analytics to measure the impact of eWOM efforts on booking rates and revenue Mathews et al. (2022).

In the hotel sector, where the intangible nature of services and the abundance of promotional messages provide difficulties for consumers, eWOM arises as a powerful weapon with significant ramifications. eWOM significantly shapes consumer decision-making processes, especially when making hotel reservations (Jalilvand et al., 2013). Ismagilova et al. (2020) asserted that prior studies have predominantly concentrated on the reasons for eWOM participation, the persuasiveness of eWOM communications, and the consequential effects of eWOM communications. However, it is worth noting that a considerable proportion of these investigations have been centred on select industries, namely tourism and hospitality.

Previous scholarly investigations have explored the impact of eWOM on the strategic management decision-making processes of consumers across various domains, such as cosmetics and beauty products (Ramadanty et al., 2020), beverages (Leong et al., 2021), dining establishments (Yan et al., 2018), digital products (Rahman et al., 2020), lifestyle products (Kala & Chaubey, 2018), hotel accommodations (Lee et al., 2021), and travel destinations (Abubakar & Ilkan, 2016). According to Tsao and Hsieh (2015), an abundance of eWOM could lead to information overload, reducing its effectiveness in persuasion. The phenomenon of eWOM on SNS has attracted the attention of numerous scholars. This attention stems from its impact on stimulating customer purchase intentions, as evidenced by studies conducted by (Bilal et al., 2021).

Hence, strategic eWOM management is important to ensure the amount of information shared is appropriate and able to meet customer demand. Strategic eWOM management involves purposeful control and optimization of eWOM to shape brand perception (Tsou, 2019). Focused on online platforms, it encompasses proactive engagement, encouraging positive user-generated content, and addressing negative feedback promptly. This strategic approach aimed to influence customer opinions, enhance brand credibility, and drive favourable eWOM. Investigating company performance through proper strategic eWOM management in the hotel industry is vital for several reasons. It provides insights into the impact of online reputation on customer decisions, affecting bookings and revenue. Understanding the dynamics of eWOM allows hotels to strategically manage their digital presence, influencing brand perception and loyalty. Identifying successful eWOM strategies helps establish benchmarks for effective online

engagement (Tsou, 2019). Ultimately, this study contributes to a holistic understanding of how strategic eWOM management influences and shapes overall company performance in the hotel sector. The next sections enlighten the relevant theories and inter-relationships among the aforementioned elements in forming the main hypotheses of the study.

## Theories

Several scholars have employed various methodologies to identify and conceptualize factors related to eWOM and its impact on purchase intention which eventually improves company performance including the Theory of Reasoned Action (TRA) (Lee et al., 2021), the Persuasion Knowledge Model (Pektas & Hassan, 2020), Information Acceptance Model (IACM) (Leong et al., 2021), Information Adoption Model (Tien et al., 2019), Stimuli-Organism-Response Theory (Aslam et al., 2019), and Social Identity Theory (Bilal et al., 2021). In addition, prior research on eWOM has predominantly examined the reasons that drive customers to generate reviews and the effects of eWOM on both consumers and company performance (Cantalops & Salvi, 2014; Mathews et al., 2022). This study incorporated components from the IACM (Leong et al., 2021) and the TRA (Lee et al., 2021), delineating eWOM information attributes about its quality, quantity, credibility, and subjective norms to explore the domain of eWOM on SNS.

## Hypotheses Development

### ***eWOM quality***

eWOM quality can be characterized as the ability of comments or reviews to exert influence through an instructive message. Al-Ja'afreh and Al-Adaileh (2020) proposed that the inclination of customers to purchase items and services depends on the extent of information acquired. According to Wei and Leng (2017), there is a positive relationship between eWOM quality and its impact on customers' purchase intentions. On the other hand, the quality of eWOM plays a pivotal role in determining company performance. Positive eWOM signals customer satisfaction fosters trust, and contributes to enhanced brand image. High eWOM quality can attract new customers, drive repeat business, and positively influence financial outcomes. Conversely, negative eWOM quality may lead to reputational

challenges and impact company performance adversely (Arruda Filho & Barcelos, 2021). Consequently, it is plausible to propose the hypothesis:

**H1:** eWOM quality has a positive effect on Langkawi's hotel booking intention and company performance.

### ***eWOM quantity***

The concept of eWOM quantity pertains to the volume of information that customers receive, which subsequently impacts their decision-making process when purchasing various products and services. According to Omar et al. (2021), extensively reviewing comments made by other individuals can decrease customers' anxiety levels while making purchasing decisions. However, this finding opposed the findings of Zahratu and Hurriyati (2020). While eWOM quantity can indicate brand visibility, its impact on company performance is nuanced. High eWOM quantity may attract attention, but its effectiveness depends on quality. Meaningful engagement and positive sentiment in a substantial volume of eWOM contribute positively to brand image, customer trust, and overall company performance. However, sheer quantity without quality may not guarantee favourable outcomes (Kala & Chaubey, 2018). Therefore, this discovery potentially provides evidence in favour of the hypothesis that:

**H2:** eWOM quantity has a positive effect on Langkawi's hotel booking intention and company performance.

### ***eWOM credibility***

eWOM credibility pertains to the extent to which a recommendation from a trustworthy and familiar individual is viewed as reliable compared to information obtained from alternative sources. Erkan and Evans (2016) posited that customers actively seek eWOM information from various online platforms to facilitate their decision-making process. However, Al-Ja'afreh and Al-Adaileh (2020) found a negative association between the trustworthiness of eWOM and consumers' purchase intention. Credible eWOM enhances brand trust, attracts customers, and positively impacts purchase decisions. Conversely, unreliable or dubious eWOM may erode trust, leading to reputational damage and potential financial implications. Hence, ensuring the credibility of eWOM is essential for businesses aiming to leverage digital channels effectively and enhance their overall

performance in the competitive market landscape (Farzin & Fattahi, 2018). Therefore, it is plausible to hypothesize that:

**H3:** eWOM credibility has a positive effect on Langkawi's hotel booking intention and company performance.

**Subjective norm**

Subjective norm refers to an individual's perception of social pressure or influence to engage in a particular behaviour. It refers to the individual's perception of the social pressure to engage in or abstain from a particular behaviour (Ajzen, 1991). Lee et al. (2021) put up the proposition that subjective norm has a significant role in influencing individuals' decision to book online through tourism websites. However, eWOM is frequently emphasized due to its distinct impact on individuals' decision-making processes. Instead, when stakeholders, employees, and the community perceive positive social norms surrounding a company, it may foster a supportive environment, leading to increased productivity, customer loyalty, and overall positive performance (Sun et al., 2020). Conversely, negative subjective norms may result in reputational challenges, reduced employee morale, and potential financial implications. Therefore, the subsequent hypothesis is proposed:

**H4:** Subjective norm has a positive effect on Langkawi's hotel booking intention and company performance.

**RESEARCH METHOD**

**Measurement and Survey Instrument**

The instruments for each construct were generated based on a thorough literature review and adapted from the research of previous scholars (Ajzen, 1991; Erkan & Evans, 2016; Mathews et al., 2022; Panno, 2020). The instruments used to indicate customers' hotel booking intentions in Langkawi were based on research on behavioural intention and its impact on company performance. The questionnaire items used to measure factors affecting customers' hotel booking intentions were slightly modified from prior studies as shown in Table A1 in the Appendix. Content validation was undertaken to confirm that the instruments were accurate and acceptable.

Two experts were asked to assess the questionnaire's instruments. One of the experts was a managing director for a local hotel company with over 25 years of experience in the hotel industry. The other expert is a professor of hospitality and tourism management. The instruments were improved based on the thoughts and opinions of both experts. Moreover, panel experts provided diverse perspectives and expertise, ensuring the questionnaire's relevance, clarity, and effectiveness. Their insights enhanced the questionnaire's instrument quality, reduced bias, and increased reliability. Collaborating with experts fostered robust validation, enhancing the questionnaire's validity and overall quality for meaningful data collection and analysis. All of the instruments used a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

### **Sample and Data Collection**

To test the research model and hypotheses, hotels in Langkawi that were registered with the Ministry of Tourism, Arts, and Culture (MOTAC, 2022) were selected. The researchers chose this location since the Langkawi Development Authority had designated Langkawi as Malaysia's most popular tourist destination and safest area for tourists. Questionnaires were distributed using an online platform. Utilizing an online platform for distributing questionnaires offered several advantages. It allowed for wider reach and accessibility, enabling respondents to participate conveniently from various locations. Moreover, online platforms streamlined data collection, facilitated efficient organization and analysis of responses. This method also reduced costs associated with traditional paper-based surveys.

The target population for this study was domestic tourists who visited Langkawi and stayed in Langkawi hotels from 2017 to 2022 and had experience with SNS as an information source for hotel booking in Langkawi. To mitigate non-response bias, this study employed clear communication on the purpose and importance of the survey to respondents. Moreover, the questionnaire was made easy to understand, and accessible across different devices and platforms to minimize the burden on respondents (Sham et al., 2019)

The data was collected from March to July 2022. Based on the sample size calculator by Raosoft.com (2015), the recommended sample size was

384. From 293 respondents, only 180 were yielded at 61.4% valid responses throughout Malaysia were selected for this study. According to Faul et al. (2009), the sample size for this study is in line with the good practice of minimum sample size determination using Gpower 3.1 statistical analysis. The sample size was estimated with a power of 0.80, a medium effect size of 0.15, and  $\alpha$  error of 0.05, as indicated by Cohen (2016). With 85 responders, the research sample size exceeds the minimum criteria. As a result, the sample size of 180 was consistent with previous methods. IBM SPSS Statistics 29 was used to validate the causal relationship between the various latent constructs described in the previous section’s framework.

## RESULT

### Respondent’s Characteristics

Most respondents (95% of the total sample) were female, and the remaining 47.2% were male. Most of them were in the range of 40 - 49, which represented 48.3%. The smallest group of respondents was 60 and above (3.3%). Concerning the respondent’s qualification level, 50% of them possessed a bachelor’s degree. 68.3% of the respondents come from the central region, including Selangor, Kuala Lumpur and Putrajaya, with fair distribution of monthly income (ranging from RM25,000 to RM85,001 yearly). Most respondents visited Langkawi between 1 to 3 from 2017 to 2022 and frequently used more than one social network (including Facebook, Instagram, TikTok, Twitter, WhatsApp, and YouTube) to get updated information.

**Table 1: Respondent’s Characteristics**

Category	N=180	%
<b>Gender</b>		
Male	85	47.2
Female	95	52.8
<b>Age</b>		
20-29 years old	18	10.0
30-39 years old	50	27.8
40-49 years old	87	48.3
50-59 years old	19	10.6
60 years old and above	6	3.3

<b>Education Level</b>		
Primary/Secondary	8	4.4
Diploma	26	14.4
Bachelor degree	90	50.0
Postgraduate	56	31.1
<b>Residential Area</b>		
East Coast (Kelantan, Pahang, Terengganu)	8	4.4
Northern Region (Perlis, Kedah, Penang, Perak)	28	15.6
Central Region (Selangor, Kuala Lumpur, Putrajaya)	123	68.3
Southern Region (Negeri Sembilan, Melaka, Johor)	16	8.9
East Malaysia (Sabah, Sarawak)	5	2.8
<b>Annual Income (yearly)</b>		
Less than RM25,000	28	15.6
RM25,001 -RM45,000	24	13.3
RM45,001 – RM65,000	34	18.9
RM65,001 – RM85,000	33	18.3
More than RM85,001	61	33.9
<b>Frequency of Langkawi Hotels Overnight Trips and Stayed (2017 – 2022)</b>		
Less than 3 visits	152	84.4
4 – 6 visits	19	10.6
7 – 9 visits	3	1.7
More than 10 visits	6	3.3
<b>Social Networking Sites Frequently Used</b>		
Less than 2 times	10	5.6
2 – 4 times	133	73.9
More than 5 times	37	20.5

## Pearson Correlation Analysis

Based on Pearson Correlation analysis, between the dependent variable (hotel booking intention and company performance) and independent variables (eWOM quality, eWOM quantity, eWOM credibility and subjective norm), eWOM quantity and eWOM quality were positively and strongly correlated with  $r$  values of 0.601 and 0.525 respectively. In contrast, the eWOM credibility ( $r = 0.349$ ) and subjective norm ( $r = 0.485$ ) correlated positively and moderately, respectively, with a  $p$ -value of 0.00. Since all the  $p$ -values were less than 0.05, it was concluded that all independent variables were significantly related to the dependent variable. Increases in eWOM quality, eWOM quantity, eWOM credibility, and subjective norm correlated with hotel booking intention increase and enhance company performance.

**Table 2: Pearson Correlation**

Variables	Pearson Correlation
eWOM Quality	0.601
eWOM Quantity	0.525
eWOM Credibility	0.349
Subjective Norms	0.485

### Regression Analysis

The findings reported that R square was 42.8% of the variation in hotel booking intention and company performance can be explained by the independent variables (eWOM quality, eWOM quantity, eWOM credibility and subjective norm). Meanwhile, other variables or unknown factors addressed the other 57.2% of the total variation in dependent variables. According to Moore and Kirkland (2007), the value of R square between 0.3 to 0.5 was generally considered a weak or low effect size.

**Table 3: Regression Analysis Results**

Model	Unstandardized Coefficients		Standard Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.330	0.288		4.614	0.000
eWOM Quality	0.418	0.085	0.392	4.914	0.000
eWOM Quantity	0.204	0.072	0.213	2.818	0.005
eWOM Credibility	-0.063	0.072	-0.063	-0.876	0.382
Subjective Norms	0.204	0.068	0.211	2.976	0.003
R	0.654				
R Square	0.428				
Adjusted R Square	0.415				
Std. error of the estimate	0.4724				

The findings indicated that eWOM quality strongly influenced purchase intention and eventually affected company performance, as evidenced by a substantial positive relationship with a  $\beta$  coefficient of 0.418 and a p-value of 0.000 ( $p < 0.05$ ). Therefore, it was inferred that a rise in the eWOM quality led to a corresponding increase of 41.8% in hotel booking intention. This finding suggested that improving the eWOM quality was the most impactful approach for influencing consumers' hotel booking intention in Langkawi. Therefore, the findings supported Hypothesis 1. These findings aligned with other studies conducted by Al-Ja'afreh and Al-Adaileh (2020)

and Ahmad et al. (2019). This study posited that the eWOM quality should be pivotal in providing evaluative information from user experiences. In order to effectively capture hotel booking intention in Langkawi, eWOM must exhibit certain qualities. These qualities included accuracy, objectivity, comprehensiveness, trustworthiness, and the ability to provide benefits to Malaysian clients. Similarly, high-quality eWOM positively correlated with company performance. Positive eWOM signalled that customer satisfaction fostered trust, and contributed to enhanced brand image. This relationship indicated that strategic management of eWOM quality was integral for businesses seeking sustained success and competitiveness in the digital era (Mathews et al., 2022).

Additionally, the findings indicated a positive association between the eWOM quantity and hotel booking intention. The unstandardized coefficient  $\beta$  is 0.204, and the significance value was 0.005 ( $p < 0.05$ ). Therefore, it was inferred that a rise in the eWOM quantity led to a corresponding increase of 20.4% in hotel booking intention. Consequently, it supported Hypothesis 2. The above observation aligned with the research conducted by Al-Ja'afreh and Al-Adaileh (2020) and Ahmad et al. (2019). In this context, the quantity of reviews and debates on SNS aids Malaysian consumers in cultivating a heightened sense of attentiveness. This phenomenon is widely acknowledged as a reliable indicator of the product or service's level of popularity and trendiness. The number of likes or ratings can serve as an informative signal for Malaysian consumers, influencing their behaviour and decision-making. While high eWOM quantity indicates brand visibility, its impact on company performance is nuanced. Meaningful engagement and positive sentiment in a substantial volume of eWOM contribute positively to brand image, customer trust, and overall company performance (Bahar et al., 2021). However, sheer quantity without quality may not guarantee favourable outcomes, emphasizing the importance of a balanced approach.

Nevertheless, the findings indicated a negative association between eWOM credibility and hotel booking intention. This relationship was supported by an unstandardized coefficient ( $\beta$ ) of -0.063 and a significant p-value of 0.382 ( $p > 0.05$ ). Therefore, it was inferred that an augmentation in the eWOM credibility will lead to a reduction of 0.063% in hotel booking intention. Hence, Hypothesis 3 was rejected. This study emphasized that eWOM credibility is a factor that Malaysian clients evaluate when

booking hotels. However, it was shown that this factor did not necessarily directly impact their hotel booking intention in Langkawi. Lkhaasuren and Nam's (2018) findings presented a contrasting perspective to the assertion mentioned above. Siddiqui et al. (2021) also revealed a limited link between eWOM credibility and buying intention.

In contrast, previous studies by Al-Ja'afreh and Al-Adaileh (2020) indicated a negative relationship between eWOM credibility and consumers' purchase intention. This conclusion aligned with the results of the current study. This phenomenon can be attributed to the inclination of customers to place greater trust in messages sent by reliable and known individuals, as opposed to information acquired from other sources. Moreover, individuals often believed that information from persons with higher expertise, experience, abilities, or knowledge is positively associated with a specific product, service, or brand. The credibility of eWOM significantly influenced company performance. Credible eWOM enhanced brand trust, attracts customers, and positively impacts purchase decisions. Ensuring the credibility of eWOM is essential for businesses aiming to leverage digital channels effectively and enhance their overall performance in the competitive market landscape (Siddiqui et al., 2021).

Furthermore, the findings indicated a positive relationship between subjective norms and purchase intention. The subjective norm unstandardized coefficient ( $\beta$ ) was 0.204, and the associated p-value was 0.003, which was statistically significant at the 0.05 level. Therefore, an augmentation in subjective norms led to a corresponding rise of 20.4% in hotel booking intention. Accordingly, Hypotheses 4 was accepted. The present conclusion aligned with prior research conducted by Lee et al. (2021) and Gohar et al. (2020), where subjective norm significantly influenced individuals' behaviour as it was shaped by the societal pressures exerted on customers, influencing their desire for social acceptance. According to Kitcharoen (2019), the significance of social influence is heightened when individuals are more inclined to conform to societal expectations.

Given the prevalence of social influence, individuals often exhibit a strong inclination to be swayed in their decision-making as a result of concerns with the opinions and judgments of their peers. SNS play a crucial role in enabling communication and fostering the formation of

peer connections. Hence, the exchange of shared experiences, thoughtful reflections, and constructive suggestions would substantially impact cultivating favourable opinions among fellow users inside the network. Subjective norms, reflecting perceived social expectations, impact company performance. Positive subjective norms foster a supportive environment, leading to increased productivity, customer loyalty, and positive performance (Gohar et al., 2020). Conversely, negative subjective norms may result in reputational challenges and reduced employee morale, potentially influencing financial outcomes. Managing subjective norms is crucial for cultivating a positive company image (Arruda Filho & Barcelos, 2021).

## **DISCUSSION AND IMPLICATION**

### **Theoretical and Managerial Implications**

The results provide insights into the determinants of eWOM on SNS and its impact on hotel booking intentions in the context of Langkawi. The findings highlight the importance of the quality of eWOM as the main predictor, followed by the amount of eWOM and subjective norm. This aligns with the existing body of literature, emphasizing the significance of coherent and relatable communication, the quantity of information, and peer reflections in shaping the buying intentions of potential customers. Nevertheless, eWOM credibility's influence on Malaysian clients' purchase intentions was observed to have minimal significance. This implies that within specific contexts, such as the hotel business, considerations such as product features (such as price and quality) may influence decision-making more than information obtained from reputable sources. The subtlety above highlights the intricate nature of customer behaviour and the wide range of factors that impact the choices made during the purchasing process.

The interplay between strategic eWOM management and company performance offers insights into communication, marketing, and reputation management theories. It advances the understanding of how eWOM influences brand perception, customer engagement, and overall business success (Reyes-Menendez et al., 2020). The study contributes to social influence theories by revealing the persuasive impact of online recommendations. Additionally, it extends reputation management

theories by emphasizing the role of eWOM in shaping corporate image. These theoretical contributions enhance academic discourse, providing a foundation for future research on the dynamic relationships between strategic eWOM management and company performance in the evolving landscape of digital communication (Mathews et al., 2022).

The findings yield significant practical insights for the hotel business. The utilization of strategic eWOM management on SNS has the potential to be a highly effective marketing strategy. In the dynamic and ever-changing business environment characterized by the transition from conventional marketing methods to digital platforms, direct engagement with customers becomes increasingly crucial. Hoteliers can leverage SNS capabilities by actively interacting with visitors, promoting feedback collection, and employing hashtags to expand their online presence. Hoteliers can raise purchase intentions and increase income by emphasizing the quality and quantity of eWOM, as well as subjective norms.

Additionally, managerial implications of strategic eWOM management for company performance include refining digital marketing strategies to leverage positive online narratives. Companies can enhance customer relationship management by promptly addressing feedback and improving overall service quality. Insights from eWOM management inform brand positioning, helping companies align services with customer expectations. Operational adaptations, guided by eWOM findings, contribute to improved performance. Furthermore, companies can strengthen crisis management strategies to mitigate reputational damage. Integrating eWOM indicators into performance metrics provides a comprehensive evaluation of online presence, aiding in strategic decision-making for sustained positive company performance in the competitive digital landscape.

Moreover, the findings of this study have implications that go beyond the confines of the hospitality industry. The significance of incorporating eWOM on SNS is pertinent throughout diverse sectors, encompassing government communication. Governments can employ SNS as a means to enhance the accessibility of their services and foster active engagement with citizens. Through monitoring and actively interacting with users on various platforms, governments can get valuable information that can significantly enhance the quality of services provided and inform policy-making in diverse fields.

## Limitations and Recommendation

This study investigated four independent variables: eWOM quality, eWOM quantity, eWOM credibility, and subjective norm towards booking intention and its effect on company performance. This study used a quantitative research methodology by implementing an online survey. The judgmental sampling technique was employed to select participants from various regions across Malaysia. The limited sample size of 180 respondents may have hindered the generalizability of the findings to the entire population of hotel consumers in Langkawi between 2017 and 2022. Another constraint of this study was its aggregate consideration of all SNS rather than a specific focus on individual platforms such as Facebook or online travel agent booking platforms like Agoda or Booking.com. The results may vary depending on the specific webpage utilized in the study. Furthermore, integrating a mixed methods approach, which combines quantitative data with qualitative insights, such as in-depth interviews or focus groups, can yield a more comprehensive comprehension of the intricacies associated with eWOM and its influence on hotel reservations.

Given the constraints inherent in this study, it is advisable to propose recommendations for further investigations. It is crucial to identify the elements that may contribute to this observation. Investigating the underlying factors contributing to this phenomenon can yield valuable knowledge regarding customers' perceptions and assessments of eWOM credibility within the domain of hotel reservations. Furthermore, the research emphasizes that the quality of eWOM has the most significant impact on consumers' intention to make a purchase. However, it would be beneficial to investigate further the particular elements of eWOM quality that are most important to customers. What factors contribute to the perceived quality of eWOM content? Examining the attributes of high-quality eWOM reviews has the potential to offer practical and valuable knowledge for both consumers and businesses.

Furthermore, the research highlights the significance of eWOM as a strategic tool in management decisions. Potential avenues for future research include doing a comparative analysis to examine the impact of strategic eWOM management and conventional marketing methods on individuals' purchase intentions about hotel bookings. Gaining insight into

the contrasting effects of these two tactics could assist organizations in optimizing the allocation of their marketing expenditures. Furthermore, this study offers valuable insights into the immediate intentions of consumers to make a purchase. The finding also provides hoteliers with better strategic decisions through effective eWOM management. However, a potential area for future research is examining the enduring impacts of eWOM on consumer loyalty and the frequency of repeat reservations. Gaining a comprehensive understanding of how positive eWOM interactions contribute to establishing and maintaining enduring customer relationships holds significant potential for generating valuable insights that can inform strategies to foster brand loyalty and enhance company performance.

## CONCLUSION

This study examined the impact of eWOM on SNS on purchase intention for booking hotels in Langkawi and its implication on the company's performance. It found that eWOM quality, quantity, and subjective norm significantly influence purchase intention. The findings give insight to hoteliers to strategies a dynamic eWOM management towards enhancing company performance. However, eWOM credibility had negligible influence. Hence, the study highlights the importance of establishing direct connections between hotels and clients and suggests that focusing on these factors could increase hotel performance. This study explores the impact of strategic eWOM management for marketing on brand recognition in Malaysia's hotel industry. The findings can help hoteliers identify underutilization and underperformance factors, enabling better decision-making and strategy execution towards improving company performance in a dynamic business environment. The study also suggests that businesses must adapt to technological changes to stay competitive in the digital era. Policymakers should focus on building infrastructure like 5G and encouraging the hotel industry to leverage the use of SNSs through online platforms.

The deployment of 5G infrastructure in the hotel industry facilitates unprecedented connectivity and services. Enhanced network speed and reliability allow hotels to offer seamless, high-tech experiences like augmented reality (AR), virtual concierge services, and efficient operations

through the Internet of Things (IoT). This improves guest satisfaction, operational efficiency, and overall service quality. Additionally, 5G enables innovative marketing strategies, personalized guest interactions, and efficient management systems, fostering growth and competitiveness in the dynamic landscape of the hotel industry.

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## APPENDIX

Table A1: Survey instruments

Constructs	Sources
<i>eWOM Quality (QUAL)</i>	Bataineh (2015)
QUAL1 The online reviews and comments on social networking sites are clear.	
QUAL2 The online reviews and comments on social networking sites are understandable.	
QUAL3 The online reviews and comments on social networking sites are helpful.	
QUAL4 The online reviews and comments on social networking sites have sufficient reasons to support the opinions.	
QUAL5 The quality of each review and comment on social networking sites is high.	
<i>eWOM Quantity (QUAN)</i>	Lin et al. (2013)
QUAN1 The number of online reviews and comments is large, meaning that the hotel is popular.	
QUAN2 The number of online reviews and comments has great reference, meaning that the hotel has good service.	
QUAN3 Highly ranked and recommended, meaning that the hotel has a good reputation.	
<i>eWOM Credibility (CRED)</i>	Bataineh (2015)
CRED1 Most contacts on my social networking sites can be trusted.	
CRED2 I feel confident about having discussions with the contacts on my social networking sites.	
CRED3 The contacts on my social networking sites will do everything within their capacity to help others.	
CRED4 My contacts on my social networking sites always offer honest opinions.	
CRED5 I believe my contacts' opinions on my social networking sites.	
<i>Subjective Norms (SUBJ)</i>	Lee et al. (2021)
SUBJ1 My peers prefer me to read eWOM before booking a hotel room.	
SUBJ2 My peers prefer me to pass along eWOM to friends and relatives.	
SUBJ3 My peers prefer me to book a hotel room after I understand the content of eWOM.	

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<i>Purchase Intention Item (INTEN)</i>	Lee et al. (2021), Yang and Zhou (2011)
INTEN1 I will read hotel guests' reviews and comments on social networking sites before booking a hotel room.	
INTEN2 I will use hotel guests' reviews and comments on social networking sites to help me decide which hotel to book.	
INTEN3 I will search for hotel guests' reviews and comments on social networking sites before I book a hotel room.	
INTEN4 I will consider making decisions based on hotel guests' reviews and recommendations on social networking sites before I book a hotel room.	

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