

Influential Factors on Word of Mouth in Service Industries (The case of Iran Airline Company)

Tahmoures Hasangholipour Yasvari

Associate Professor, Faculty of Management, Tehran University, Tehran, Iran

Reza Abachian Ghassemi

MSc. student in MBA, Faculty of Management, Tehran University, Tehran, Iran

Email: R_abachian@ut.ac.ir

Elnaz Rahrovay

MSc. student in MBA, Faculty of Management, Tehran University, Tehran, Iran

Accepted: September 12, 2012 Published: October 06, 2012

Doi:10.5296/ijld.v2i5.2366 URL: <http://dx.doi.org/10.5296/ijld.v2i5.2366>

Abstract

Word of mouth has become a strong promotional instrument and an important source of information effective in consumer's attitudes and behaviors, especially in the field of service where the consumer's beliefs play an important role in choosing it. Word of mouth is very important in service industries, because intangible products can't be evaluated before consumption. The present study examines the factors effective in the formation of word of mouth about the services of airline companies and their results. The population of the research is all of the passengers used the services of Iran Air Company in the period of conducting the research. The sample size was estimated 212 using Cochran's formula. The convenience sampling plan was used for data collection. Pearson's correlation test and the structural equation modeling were used for testing the hypotheses. Data analysis was conducted using SPSS and AMOS software. Findings show that satisfaction, trust, service quality, the perceived value and loyalty are the factors effective in the formation of word of mouth about airline companies and can directly and indirectly affect on customers' decision about using the services of these companies.

Keywords: Word of mouth, Consumer's behavior, Airline company, Structural equation modeling

Introduction

Today, presenting new services and using various promotional instruments, airline companies try to obtain a more share of the market and attract more and more passengers to use their services. But some of these instruments are not able to encourage the consumers to use their services, especially in the final decision making stages. People receive information from their environment, mass media and also interaction with other people. Information resulting from interaction with other people about the products and the services is the result of their personal experience or the information received from the employees of the company or other consumers (Silverman, 2001). In an environment where the trust in the organizations and advertising announcements has reduced, word of mouth is a way to obtain a competitive advantage. Word of mouth is a kind of informal communications about the features of an enterprise or a service in the society. The effectiveness in the believes of other people has considerable interests for organizations supplying the products or the services (Sweeny et al, 2007). Word of mouth makes one able to affect on the evaluation and the purchase intentions of similar consumers in terms of information and norms (Bone, 1995). Passengers essentially need information about an airline company and its services to choose it. They always collect information from the mass media including television, satellite, internet, etc. Although the mentioned resources provide valuable information, passengers prefer to receive a huge part of their information from informal resources such as their relatives, their friends, their acquaintances and other people (Silverman, 2001). Since these people are not interested people, they are more noticed by the passengers. It must be mentioned that the formation of positive words of mouth about a service company can be due to different factors and will also have remarkable outcomes. Nevertheless, few studies have examined these factors and outcomes. Based on the discussion above, this study follows two purposes: 1) identifying some of the most important factors effective in the formation of word of mouth among the passengers about airline companies (Iran Air) as a service industry and 2) determining some of the outcomes of word of mouth about airline companies (Iran Air). In this writing, reviewing first the theoretical basis of the research, a conceptual model is presented that includes the hypotheses of the research. Then, the methodology of the research and the findings are presented. Finally, the findings are discussed and the suggestions are presented.

The theoretical basis of the research

Like many decisions about the consumed products, it is necessary to obtain information for choosing an airline company and making decisions about the demanded services (Gursoy&Chen, 2000). Researchers have presented a three stage process for searching information that includes feeling the need to travel (problem identification), searching information about the airline company and the related choices and evaluating the chosen option. Identifying the need or the problem is the first stage of searching that theoretically directs the behavior of searching information by people and is based on the knowledge gathered from past experiences or thoughts. People not satisfied with this level of knowledge (their past knowledge) externally search to obtain new information (Kerstetter&Cho, 2004). Information searching is the stimulation for activating knowledge stored in the mind (internal search) or obtaining information from the environment (external search). When the internal search provides the necessary information for the decision to travel, there is no need for external search (Gursoy&Chen, 2000). When the internal search for information is not enough, passengers gather extra information from external resources. Passengers tend to use three external information resources during planning their travels: 1) relatives, friends and acquaintances, 2) media and 3) travel agencies. It is during obtaining information that marketers can affect on the purchase decisions of the consumers (Gursoy&McCleary, 2004).

Marketers try very hard to persuade the customers, but they sometimes ignore this fact that conversations between customers will have the highest effect (Bruyn&Lilien, 2008). Word of mouth is the talking about the products and services among people independent of the company supplying the products or the service. These talks can be as mutual conversations or only one-way recommendations and suggestions. But the main point is that these conversations are among people it is believed benefit little from encouraging the others to use the product (Sweeny et al. 2007). The probability of the consumer's reaction to the suggestion of a trusted friend, colleague or advisor is much more than that to a commercial message and this reaction is not limited to gathering information, but it often leads to the purchase of the product (Silverman, 2001). Consumers trust to the opinions of their friends, family and acquaintances, because these opinions are sincere and without any prejudice (Podoshen, 2008). The power of the affect of other's recommendations originates from three key factors: first, the way of communicating is an important factor in the word of mouth. Many discussions with the family or the friends lead to their support from conducting special behaviors. Second, contrary to one-way communications such as commercial messages, customer's word of mouth is a two-way communication. The power of mutual communication stems from the fact that the person can ask questions, receive explanations and follow useful results. Third, customer's word of mouth has the vicarious trial quality. It means that people talking about products and services have experiences them (Wilkie, 1990). Word of mouth is more important in final stages of the purchase process, because it assures the consumer (Walker, 1995). The results of the researches show that only 14% of people trust to what they see, read or hear in the commercial announcements. Interestingly, 90% of people trust to the products or services confirmed by one of their family members, friends or colleagues, because they are sure that they won't benefit from anything (Alire, 2007). Even in computer and internet era, people still like to talk together about it; 80% of conversations of word of mouth are live and 20% of them occur on-line (Balter&Butman, 2005). Before we examine the studies about the factors effective in word of mouth or affected by it in service industries, several general questions must be answered.

1. Why do consumers publish word of mouth?

Westbrook (1987) found that positive and negative feelings due to experiencing a product lead to the internal tendency of the person to transfer the information as the word of mouth. Other researchers also believe that cognitive elements such as satisfaction, acquiescence and irritation stimulate the consumers to share their experiences with the others (Neelamegham and Jain, 1999).

2. Where does word of mouth stem from?

The main and key role of word of mouth is played by the belief leader. The belief leader is an active consumer interpreting the meaning and the content of the media for other belief seekers. Belief leaders are interested in a class of a special product and try to be subject to the mass media and be trusted by the belief seekers to be able to give their opinions about the product or service (Walker, 1995). The study by Duhan et al. (1997) showed that although creators of word of mouth can be close friends, family or acquaintances, they may be also the strangers or the acquaintances having weak relations.

3. What are the moderator variables in word of mouth?

Literature suggests two types of moderator variables: the class affecting on the message producer and the class affecting on the audience. Gremler et al. (2001) studied the behavior of bank clients and dentistry patients and found that a positive relation between the employees and the customers can lead to positive words of mouth about the service provider. Examining the purchase decision of air conditioners, Webster and Sundaram (1999) found that words of

mouth affect on customers' evaluations from an unknown brand and their attitudes to that brand more than known brands.

4. What are the results and outputs expected from words of mouth?

It is not surprising that desirable words of mouth increase the probability of purchase, while negative words of mouth have also the opposite results. Mahajan et al. (1990) found that word of mouth can be effective in the evaluation of a product. Therefore, exchanging information of the product by word of mouth makes the consumer more powerful and decreases the asymmetry in the information exchanged between the consumer and the producer and finally, increases or decreases the speed of accepting the product (Price et al., 1995).

Using the reasoned action theory, the relationship between word of mouth and the consumer's decision becomes clear (Fou, 2008). As figure 1 shows, when choosing an airline company, if the passenger receives recommendations about a special company, the probability of choosing that company and using its services increases (Keller, 2007).

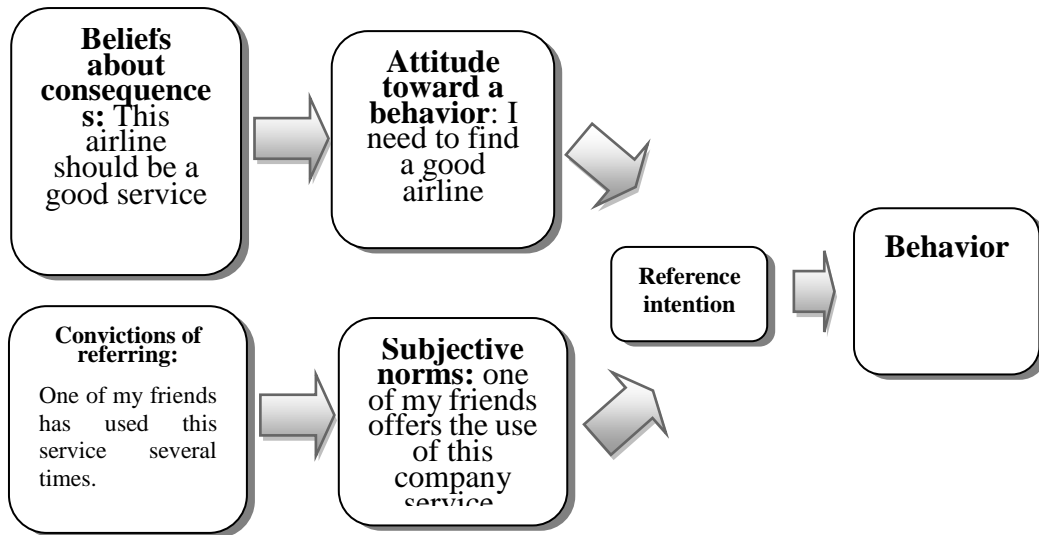


Figure1. The reasoned action theory for decision to travel (Fou, 2008)

Believes about the outcomes: this airline company must have suitable services/ attitude to a behavior: we should find the suitable airline company. The intention of referring to the company/ behavior (using the services of the airline company). Believes from reference: one of my friends has used the services of this company for several times. mental norms: a friend suggests using the services of this company

The studies conducted about word of mouth have mentioned some factors effective in it and those affected by it. For example, some researchers regard satisfaction as one of the stimulators of word of mouth. In this view, satisfaction is due to the consumer's evaluation after choosing a special product or service. In fact, satisfaction includes consumer's evaluation from various experiences of the person from a product or service provider during the time and since this cumulative construct combines with the previous experiences of the person, the cumulative satisfaction construct includes also the element of the consumer's attitude (Westbrook and Oliver, 1991). The level of customer's satisfaction affects on two types of purchase behavior including repurchase intention and word of mouth (Ranaweera and Prabhu, 2003). The probability that customers publish words of mouth depends on their satisfaction from product or service providers for two reasons; first, depending on the level at which the product or service performance exceeds from customer's expectations, it makes him tell about his positive

experience to the others (Maxham and Netemeyer, 2002). Second, depending on the level at which customers' expectations is not met, an unpleasant experience probably forms for the customer and he publishes words of mouth to express his negative feelings such as anger, to reduce his anxiety and warn the others (Sweeney et al., 2005). Researchers like Brown et al. (2005), Heitmann et al. (2007) and Wangenheim and Bayon (2007) believe that customer's satisfaction of a service or product provider affects significantly on the emergence of word of mouth about a company. According to what is stated, the first hypothesis of the research can be proposed as follows:

The first hypothesis (H1): customer's satisfaction has a positive and significant effect on the formation of word of mouth about service companies.

Some other empirical studies in the field of customer's behavior regard loyalty as one of the predictors of word of mouth about the products or services of companies. Loyalty can be defined as "the tendency to show a various series of behaviors such as assigning a huge part of money to a special provider, publishing positive words of mouth and repurchase that indicate the person's incentive to keep his relation with a company" (Sirdeshmukh et al., 2002). Loyalty can be considered as one of the factors effective in word of mouth, because as much as customers are loyal to a product or service provider, 1) they probably present positive recommendations about the company to people being in the reference groups (friends and relatives), 2) have more incentives to process new information about the company, and 3) resist more negative information about the company and are less affected by it (Dick and Basu, 1994). If there is no loyalty to the company, customers act to change the service provider and they probably publish negative words of mouth about the company to reduce their cognitive dissonances (Wangenheim, 2005). Based on the discussions presented about the effect of loyalty on word of mouth, the following hypothesis is proposed:

The second hypothesis (H2): loyalty has a positive significant effect on the formation of word of mouth about service companies.

In marketing literature, service quality is regarded as one of the factors effective in customer's satisfaction and hence, the emergence of word of mouth about the company. So far, different models are suggested for evaluation and measurement of the factors determining service quality. Parasuraman et al. (1988) has developed the famous SERVQUAL Scale to evaluate the quality in the view of customers. According to him, quality is the difference between customers' expectations and their perceptions. In other words, quality can be defined as the capability of supplying customers' expectations or going beyond it. Based on SERVQUAL Scale, service quality includes five dimensions including tangible factors, reliability, assurance, empathy and responsiveness. Customers' perceptions of service quality have an important relation with their behavioral reactions, especially loyalty and word of mouth (Zeithaml et al., 1996). When customers have positive perceptions from service quality, they recommend using the services of the company to the others. But if they evaluate undesirable service quality, they publish negative words of mouth about the company. Empirical studies have also shown that service quality is one of the factors determining word of mouth (Bloemer et al., 1999). In fact, it can be expected that the higher (lower) the service quality is, the more positive (negative) words of mouth among the customers form. According to the above discussion, the third hypothesis is stated as follows:

The third hypothesis (H3): service quality has positive significant effects on the formation of word of mouth about the service company.

The perceived value is also proposed as one of the predictors of words of mouth. The perceived value is consumer's overall evaluation from the desirability of a product based on perceptions from what he receives and what he gives for it (Zeithaml, 1988). In other words, the perceived value is a kind of trade-off among the benefits or what is received (quality, convenience,

amount, etc) and the costs or what is given (money, time, effort, etc). The result of a study by Hartline and Jones (1996) showed that the perceived value affects on the behavioral intentions of customers, especially on the word of mouth, because customers that think they have received a rather high value have more commitments to the organization and try to recommend the members of the reference group to be loyal to that organization (McKee et al., 2006). Researches have shown that the perceived value is one of the factors predicting the word of mouth (Hartline and Jones, 1996; Gruen et al. 2006; Keiningham et al. 2007). Based on the above argument, the fourth hypothesis is proposed as follows:

The fourth hypothesis (H4): the perceived value has a positive significant effect on the formation of words of mouth about service companies.

In the field of service marketing, customers' trust in service companies is one of the factors effective in their future behaviors. Trust is the tendency to trust in the exchange party, so that one of the parties trusts in the other's reputation (Moorman et al. 1993). The studies conducted in this field show that customers' trust- whether in the whole organization or the employees- is strongly affected by their satisfaction (Kau and Loh, 2006). This finding indicates that the higher (lower) customer's satisfaction of an organization is, the higher (lower) his trust in the organization will be. Trust has a significant effect on behavioral structures of the customer, especially on the tendency to give up or be loyal to a service provider (Singh and Sirdehmukh, 2000). In fact, findings from empirical studies show that high levels of customers' trust in an organization have a significant relationship with their higher tendencies to publish words of mouth about it (Ranaweera and Pranbhu, 2003). One of the other reasons that trust affects on the word of mouth is its indirect effect through satisfaction. Trust produces benefits such as a lower anxiety, non-assurance and vulnerability in the exchange for the customers. These benefits affect on satisfaction that affects on the word of mouth, especially in the field of service which is more complex (Hennig-Thurau et al. 2002). According to the literature stated, the fifth hypothesis can be stated as follows:

The fifth hypothesis (H5): trust has a positive significant effect on the formation of words of mouth about service companies.

Recent researches in the field of different service industries have proved positive and negative effects of words of mouth on purchasing the services provided by service companies in different companies. For example, Oneil et al. (2002) conducted a study about tourism in Australia and found that when the belief leaders returned back to their country, they talked about their experiences and their verbal recommendations led to the increase in the sale of local drinks. Conducting a study in the US, Litvin et al (2004) found that choosing restaurants by tourists was affected by verbal recommendations of the belief leaders and interestingly, a small number of these choices was affected by the formal media. Based on the discussions presented about the effect of word of mouth on consumer's decision, the following hypothesis is proposed:

The sixth hypothesis (H6): word of mouth has a positive significant effect on the intention of referring to service companies.

With a review of the research literature in the field of word of mouth, the above six proposed hypotheses can be displayed as the conceptual model in figure 2.

The methodology of the research

The present study is a descriptive-applied one that is conducted by the survey method. The population of the research is all of the passengers of Iran Air airline companies in Tehran. After elementary studies on a small part of the population including 50 passengers of Iran Air Airline Company and determining the standard deviation, the sample size was estimated 212 at the error level 5% and the precision 0.1. In this research, the convenience sampling method was

used, so that referring to the offices and agencies of Iran Air Company located in Tehran, their passengers were randomly sampled. The tool of data collection was a questionnaire provided by the researcher composed of seven sections including questions about satisfaction (3 questions), trust (3 questions), service quality (3 questions), loyalty (3 questions), the perceived value (3 questions), word of mouth (3 questions) and the intention of referring to the company (3 questions).

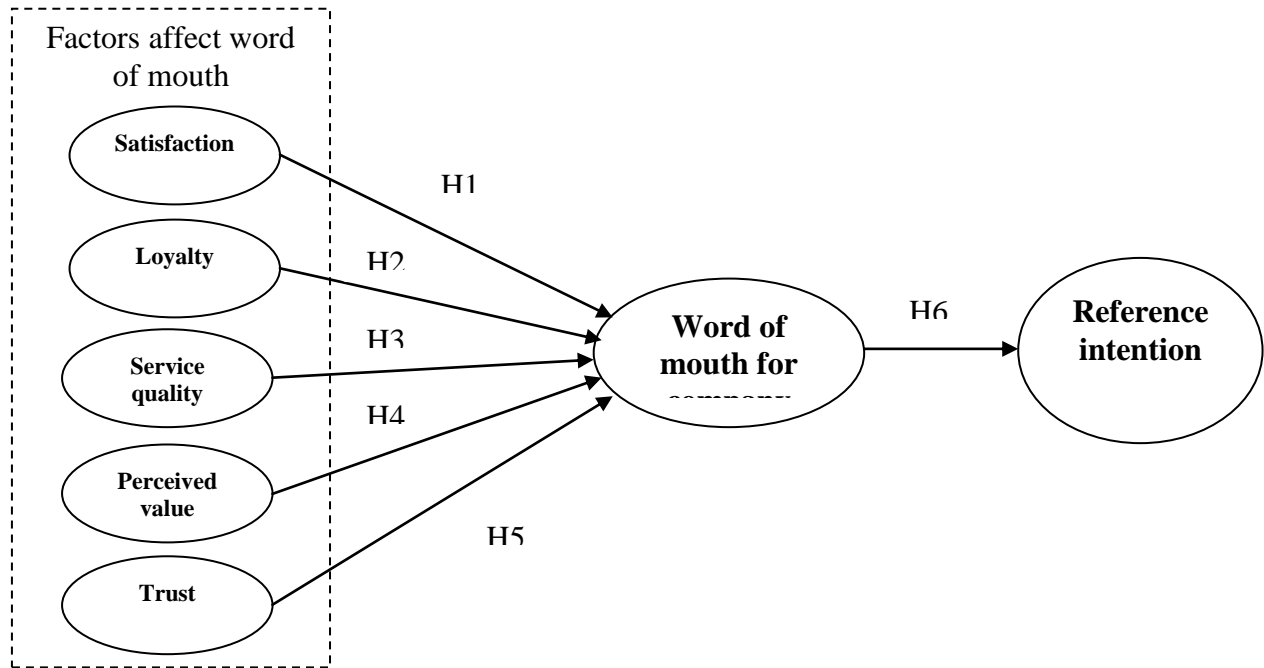


Figure2. The conceptual model of the research

The respondents were asked to rank their agreement or disagreement with any question on Likert's five spectra scale from 1 (strongly disagree) to 5 (strongly agree). The questions of the service quality, satisfaction and the perceived value sections were adopted from the study by Babin et al. (2005), those of trust section were adopted from the study by Kassim and Abdullah (2006) and those of word of mouth and the reference intention sections were adopted from the study by Jalilvand and Samiei (2012). Data analysis is conducted in two stages. In the first stage, the validity and the reliability of the measurement tool are tested and then, the structural model of the research is statistically measured to test the hypotheses and the fitting of the model. In the first stage, the confirmatory factor analysis was used to test the validity of the questionnaire. The validity test includes two convergent and discriminate validities (Gefen et al., 2000). The convergent validity shows that whether the questions can state the factor corresponding to them. The discriminate validity measures the significance of the difference between two factors. Factor loads are used to examine the convergent validity and correlation coefficients among the factors are used to examine the discriminate validity. If the values of the factor loads are more than 0.5, the convergent validity is desirable. If the correlation coefficients among the factors are lower than 0.85, it can be argued that the measurement tool has a suitable discriminate validity (Kline, 2005). Cronbach's alpha coefficient was used to determine the reliability of the questionnaire. If the values of alpha are higher than 0.69, the

reliability of the questionnaire is satisfying (Hair et al., 2006). In the second stage, the Structural Equation Modeling (SEM) using the sixteenth duplicate of AMOS Software was used to test the hypotheses and the fitting of the model. The parameters and the total fit index of the measurement model were estimated based on the Maximum Likelihood (ML) method. In this research, Chi-Square indexes (χ^2), Goodness of Fit Index (GFI), Adjusted Goodness of Fit Index (AGFI), Comparative Fit Index (CFI), Tucker-Lewis Index (TLI) and Root Mean Square Error of Approximation (RMSEA) index were used.

Findings of the research

Results of the descriptive statistics show that 58.49% of the respondents (124 respondents) were male and 41.15% of them (88 respondents) were female. 48.58% of the respondents (103 respondents) had bachelor's degree and 22.17% of them (47 respondents) had master or higher degree. 29.25% of them were 36 to 45 years old, 24.06% of them were 25 to 35 years old and 20.28% of them were younger than 25 years old. In addition, 32.07% of them (68 respondents) had used the services of this airline company for three to five times. Table 2 shows the average, standard deviation, factor loads and Cronbach's alpha coefficients of the variables of the research. As it is seen, Cronbach's alpha coefficients of all of the variables of the research are also higher than 0.69 that indicates that the research's tool has the required reliability. All of factor loads are higher than the acceptable level 0.5 and it shows the appropriateness of the convergent validity of the measurement tool. According to table 2, satisfaction and service quality that are among the factors determining the word of mouth have the highest factor loads and enjoy more importance and weight compared to other factors.

Table1. Demographic characteristics of the respondents

Factor	Frequency	percentage	cumulative percentage
Gender			
Male	124	58.49	58.49
Female	88	41.51	100
Age			
Younger than 25	43	20.28	20.28
Between 25 to 35	51	24.06	44.34
Between 36 to 45	62	29.25	73.59
Between 46 to 55	33	15.57	89.16
Older than 55	23	10.84	100
The experience of using the services of airline companies			
Never	22	10.38	10.38
One time	31	14.62	25
Two times	45	21.23	46.23
Three to five times	68	32.07	78.03
Six times or more	46	21.70	100
Education			
Elementary and lower	16	7.55	7.55
Intermediate	46	21.70	29.25
Bachelor	103	48.58	77.83
Master or higher	47	22.17	100

Table2. Descriptive statistics, factor loads, and Cronbach's alpha coefficients

Variable	Question	statement	average	Standard deviation	Standard factor loads	Cronbach's alpha
Satisfaction	I'm satisfied of my decision to use the services of this company.	Sat1	3.7213	0.7689	0.851	0.764
	I'm satisfied of the services provided by this company.	Sat2	3.5849	0.7136	0.736	
	Services of this company have met my needs and demands.	Sat3	3.4387	0.8767	0.798	
Loyalty	I would use this company if I wanted to travel	Loyal 1	3.6557	0.7410	0.534	0.804
	My future travels will be by this company	Loyal 2	3.7594	0.7244	0.746	
	I'm loyal to this company	Loyal 3	3.7406	0.7810	0.539	
Service quality	The quality of the services of this company are at a high level	Serv1	3.6934	0.7574	0.788	0.697
	The service quality of this company is better than other companies	Serv2	3.9198	0.6220	0.764	
	The services of this company have a high standard	Serv3	3.7358	0.7324	0.845	
Perceived value	Compared to other companies, this company charges better prices for the quality of the services provided	Valu1	3.4623	0.8507	0.628	0.759
	Compared to other companies, this company provides better services with more competitive prices	Valu2	3.4292	0.9183	0.681	
	Compared to other companies, this company provides the highest value for me	Valu3	3.7028	0.7736	0.744	
Trust	This company always	Trus1	3.9245	0.7503	0.725	0.713

	meets its commitments					
	I trust to the employees of the company for service provision	Trus2	3.2547	0.9545	0.732	
	This company tries to protect from the information of its customers	Trus3	3.9151	0.6968	0.712	
Word of mouth	I'll say positive things about this company to the others	Wom 1	3.4858	0.8056	0.738	0.797
	I'll recommend this company to people asking my opinion	Wom 2	3.1038	0.8700	0.682	
	I encourage my friends and my relatives to use the services of this company	Wom 3	3.2783	0.8885	0.746	
Reference intention	I'll refer to this company and use its services in future	Int1	3.5047	0.9002	0.783	0.823
	I prefer the services of this company to other companiesint2	Int2	3.6038	0.7990	0.744	
	Compared to other companies, this company will be my first choice	Int3	3.0566	0.0333	0.792	

In addition, according to the correlation coefficients in table 3, it can be found that the correlations existing among the variables are lower than the suggested value 0.85 that shows the existence of the discriminate validity of the measurement tool used in the research. It must be mentioned that the significance of the correlations among the variables is tested at the level $P \leq 0.001$. According to the results from Pearson's correlation test, all of the relations between the variables of the research are positive and significant that shows the existence of a direct relation between independent and dependant variables. According to table 3, it can be found that the correlation coefficients are rather high among the variables and it indicates the existence of a direct and strong relation between the factors effective in word of mouth (satisfaction, trust, perceived value, service quality and loyalty).

The SEM (Structural Equation Modeling) method was used to achieve the purposes of the research. In this study, the double chi-square is 996.218 with the freedom degree 386, that their ratio 2.581 is in the desirable range. Fit indexes (GFI=0.916, NFI=0.931, CFI=0.945, TLI=0.912, AGFI=0.910) have acceptable values and are significant at the level 5%. The value of RMSEA is also 0.048 that is lower than the suggested desirable level (0.08). In fact, the results from SEM show a complete fitting of the proposed model (see table 4). Figures 3 and 4 show the standard and nonstandard regression coefficients of the structural model of the research.

Table3. Correlation coefficients among the variables of the research

Correlation between	satisfaction	Loyalty	Service quality	Perceived value	trust	Word of mouth	Reference intention
Satisfaction	1	-	-	-	-	-	-
Loyalty	*0.529	1	-	-	-	-	-
Service quality	*0.511	*0.621	1	-	-	-	-
Perceived value	*0.529	*0.628	*0.621	1	-	-	-
Trust	*0.501	*0.525	*0.481	*0.565	1	-	-
Word of mouth	*0.420	*0.449	*0.484	*0.624	*0.597	1	-
Reference intention	*0.539	*0.525	*0.534	*0.609	*0.524	*0.651	1

Note: * significant at $P \leq 0.01$

The results from testing the hypotheses of the research are briefly shown in table 5. As it is seen, all of the proposed relations are confirmed. In fact, the quality of the services provided, customers' satisfaction of the service provider, trust in the service provider, the value perceived by customers and their loyalty to the service provider have positive significant effects on the formation of word of mouth about the company (the subject of the first, second, third, fourth and fifth hypotheses). As one of the outcomes of satisfaction, loyalty, trust, perceived value and service quality, the word of mouth affected on the intention of customers to refer to the airline company (the subject of the sixth hypothesis).

Table4. Fitting of the research's model

Index's name	The acceptable value	The index's value in the model	Conclusion
X^2 index to the freedom degree	Lower than 3	2.581	The model's fitting is good
RMSEA	Lower than 0.085	0.048	The model's fitting is good
P-Value	Lower than 0.05	0.00000	The model's fitting is good
CFI	Higher than 0.9	0.945	The model's fitting is good
NFI	Higher than 0.9	0.931	The model's fitting is good
AGFI	Higher than 0.9	0.910	The model's fitting is good
GFI	Higher than 0.9	0.916	The model's fitting is good
TLI	Higher than 0.9	0.912	The model's fitting is good

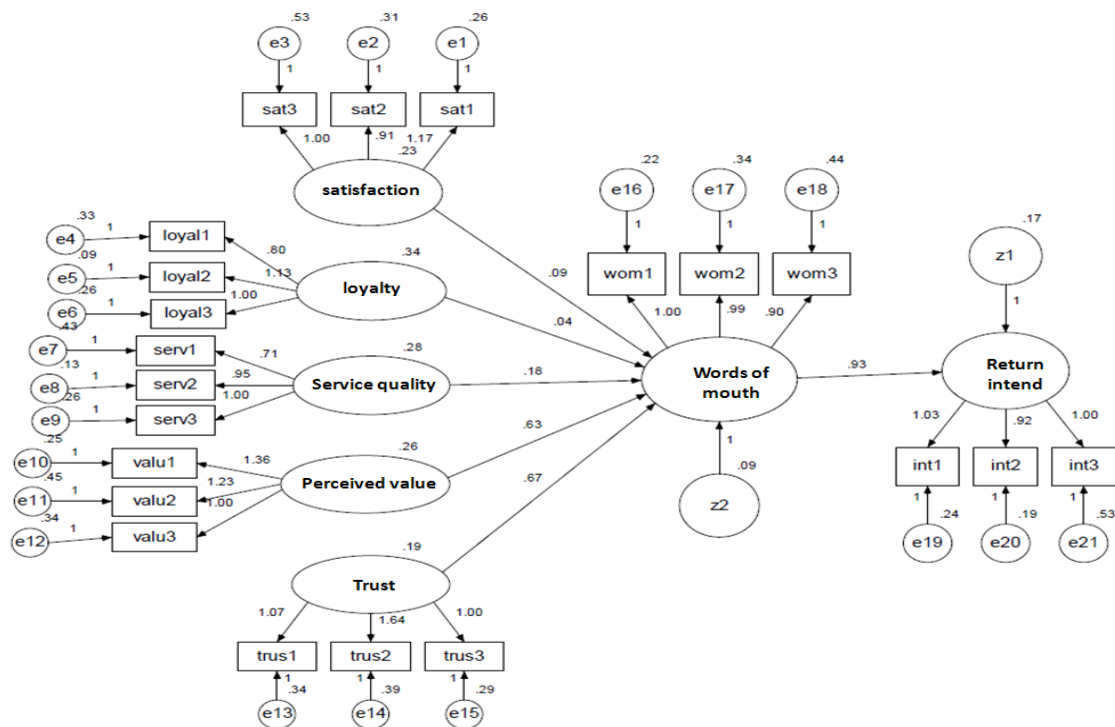


Figure3. Nonstandard regression coefficients of the proposed model of the research

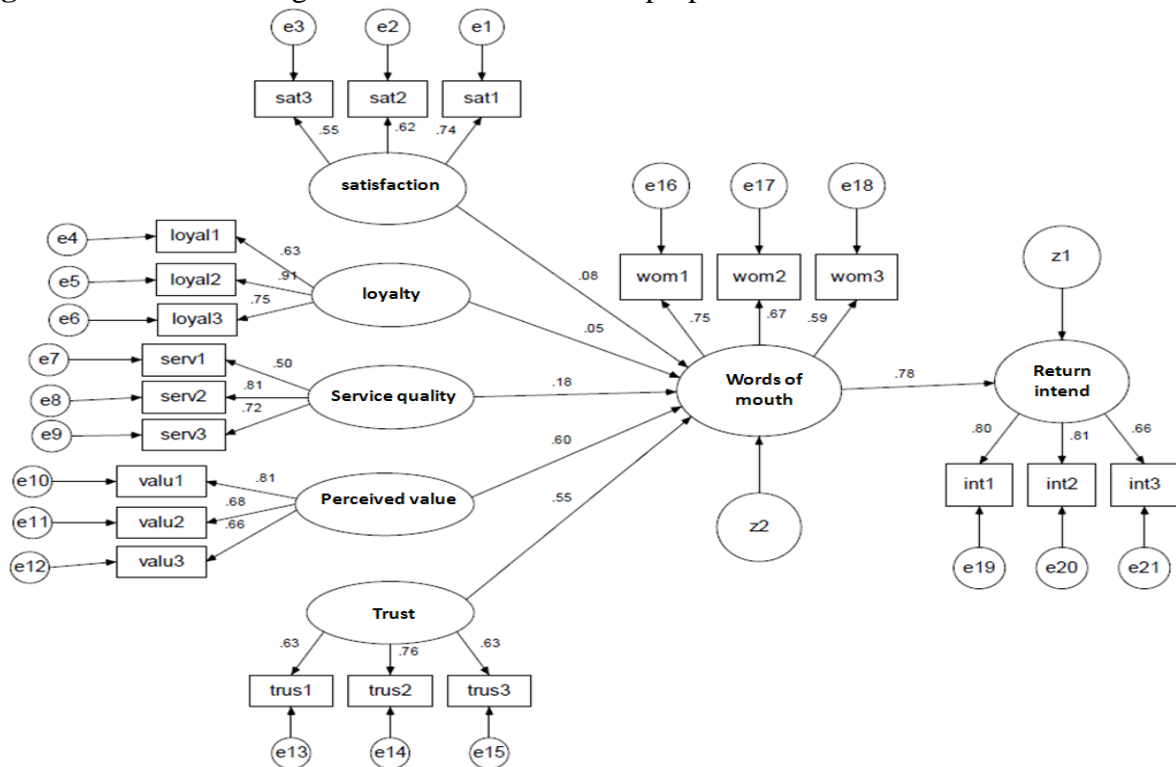


Figure4. Standard regression coefficients of the proposed model of the research

Table5. The summary of the results of data analysis of the research using the maximum likelihood method

hypothesis	Independent variable	Dependant variable	route factors	Standard Factors	Standard error	Critical ratio	P	Result
First (H1)	Satisfaction	Word of	0.87	0.078	0.080	1.082	*0.008	Confirmed

		mouth						
Second (H2)	Loyalty	Word of mouth	0.046	0.043	0.059	1.728	*0.009	Confirmed
Third (H3)	Service quality	Word of mouth	0.179	0.176	0.072	2.499	**	Confirmed
Fourth (H4)	Perceived value	Word of mouth	0.635	0.559	0.098	6.508	**	Confirmed
Fifth (H5)	Trust	Word of mouth	0.669	0.549	0.115	5.842	**	Confirmed
Sixth (H6)	Word of mouth	Reference intention	0.930	0.776	0.126	7.373	**	Confirmed
Note: ** significant at $P < 0.001$, * significant at $P < 0.01$								

Conclusion

The main purpose of this research was to examine the factors effective in the formation of word of mouth about service companies. In addition, the effect of word of mouth on passengers' decisions to use the services of service companies was also examined. The results of this research show that the quality of the services provided by airline companies, customers' satisfaction of airline companies, customers' trust in the company, the value perceived by customers and their loyalty to airline companies are effective in the formation of word of mouth about these companies. In addition, the results from the structural equations showed that word of mouth is one of the important predictors of customers' intention to refer to the company. The results of this study were consistent with those of previous studies about the effect of satisfaction (Brown et al. 2005; Heitmann et al. 2007; and Wangheim and Bayno, 2007), trust (Sirdeshmukh et al. 2002; Dick and Basu, 1994; Wangheim, 2005), perceived value (Zeithaml, 1996; Bloemer et al. 1999), service quality (Hartline and Jones, 1996; Gruen et al. 2006; Keiningham et al. 2007) and loyalty (Ranaweera and Prabhu, 2003; Hennig-Thurau et al. 2002) on word of mouth. Moreover, the effectiveness of word of mouth in consumer's decision is also consistent with the findings of researchers like Litvin et al. (2004) and Oneil et al. (2002). 76.8% of the passengers claimed that they used the words of mouth such as the recommendations of the relatives, colleagues, friends and classmates as their information resources for choosing the airline company. The findings of this research can be useful for managers of airline companies. According to the effect of word of mouth on passengers' decision to choose airline companies, passengers must be encouraged to talk about the services of the company with their friends, relatives and colleagues. This requires a focus on the improvement of the quality of the services and providing them for good and competitive prices for the customers to increase their satisfaction of the services received and their perceived values and as a result, customers publish positive words of mouth about the services of the company. It must be noted that satisfied customers will be often loyal to the company and publishing positive words of mouth, they help to the formation of a desirable mental image from the company. This will have considerable advantages for the airline companies in long term. It must be noted that customers' dissatisfaction of the services of a company can have harmful effects for the company in short term and produces negative words of mouth about the company. In addition, giving rewards and presents for the passengers for sending other potential passengers to the company, in addition to forming a pleasant experience, can encourage the potential customers by creating positive words of mouth about the airline company.

Limitations of the research and suggestions for future researches

This research also faced with limitations. First, the findings of the research are limited to temporal and spatial dimensions. It must be noted that this research was conducted in Tehran. According to their needed services, tourists use different information resources and their searching method is different. Second, some agencies of Iran Air Company did not let the researcher talk to the passengers and did not let the passengers fill the questionnaires. Similar researches must be conducted in other cities of the country and also in other service industries such as hotel and restaurant industry to increase the extendibility of the results.

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