

The Effects of Negative Electronic Word-of-Mouth (E-WOM) On Customer Patronage: An Inclusive Review of the Restaurant Industry

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Abstract

Electronic word of mouth, or e-WOM, has grown to be a powerful force in the digital age that has a giant impact on consumer behaviour and decision-making. This study is set to explore the often-overlooked impact of corrupt e-WOM and its substantial consequences on consumer patronage, even though moral e-WOM can improve business reputation and customer patronage. The study gazes at the ways that negative e-WOM circulates, how it affects customer opinions, and what tactics companies may do to lessen its negative consequences. Businesses may protect their brand image and keep customers by taking proactive steps to understand the mechanics of negative electronic word-of-mouth (e-WOM). eWOM is a common way for users and social media influencers to share their thoughts and experiences. Positive or negative e-WOM might be present, depending on the situation. Customers are wedged by negative electronic word-of-mouth (e-WOM), and the degree of that damage varies depending on where the information came from. Social network friends are seen as very dependable people and frequently check how customers feel about the restaurant. Due to the perception that social media influencers have a monetary stake in the content they post, many people see them as fly-by-night sources. For other sources of unfavorable electronic word-of-mouth on social media to be considered genuine, they must be both numerous and seen as reliable. This study carefully investigates the often-ignored aspect of negative e-WOM and its significant effects on consumer behaviour. This thorough analysis aims to provide businesses navigating the challenges posed by negative online sentiment with a comprehensive perspective by focusing on understanding the causes, impacts, and mitigation strategies. The study discovers the psychological effects of negative e-WOM on customer perceptions through a comprehensive assessment of the literature, looking at the emotional and cognitive reactions brought on by uncomplimentary online criticism. Furthermore, the study explores the critical roles that credibility and trust play in influencing consumers' perceptions of a business, taking into account the detrimental effects that negative e-WOM may have on these dynamic components. This study provides useful information for companies looking to understand the complex dynamics of negative e-WOM and makes actionable suggestions for preserving clientele in the digital age. In the ever-changing online market, businesses looking to build lasting connections with customers and strengthen their brand reputation must recognise and respond to negative electronic word-of-mouth (e-WOM).

Keywords: negative e-WOM, customer, perception, restaurant, patronage

Introduction:

Since we are always looking for new methods to communicate with others, the internet has grown to be an essential part of modern society. According to the Datareportal January 2024 global overview, the majority of internet users—more than half of the world now uses social media (62.3%). Communication and motivation are essential factors for organizations of all sizes, as emphasized by the participants. This is likely due to the flat organizational hierarchy and the familial work environment that encourages open and casual communication. Nonetheless, it is crucial to recognize that formal avenues are also utilized to guarantee that significant information is conveyed efficiently and consistently (Shrama & Meet, 2024). According to Tuten (2021), social media's widespread use and ease of access to individuals make it a useful tool for marketing. The author goes on to say that consumers anywhere may generate and share content on social media and be exposed to social media since linked equipment like computers, digital cameras, audio recorders, cellphones, etc. are widely accessible. But Infrastructure readiness, trust building, and digital skills are essential elements affecting the actions of rural consumers. Their study improves comprehension of the rural-urban divide in e-commerce adoption and offers important insights for policymakers and digital retailers (Das & Meet, 2025).

Social media's ability to empower consumers has an influence on marketers' operations and presents new difficulties and methods that depart from more conventional marketing techniques (Constantinides, 2014). The research revealed a notable interaction between age and income, suggesting that income influences vary among different generational cohorts. Conversely, various interaction terms - like education and income, as well as social media and advertising exposure showed no statistical significance. Delivery time demonstrated a slight but significant correlation with the frequency of consumer shopping, while payment terms had no significant effect. The results indicate that conventional demographic factors are losing their predictive power, highlighting the significance of behavioural and intersectional segmentation in influencing digital commerce strategies (Yadav et al., 2025).

In another research by Yadav et al, (2025) it is indicated that age groups and education levels significantly influence the frequency of online shopping among consumers. Main factors consist of pricing, product quality, and diversity, whereas brand image and social media responses have minimal influence. A robust positive correlation exists between easy return policies and how often purchases are made, while delays in delivery and uncertainty regarding online reviews act as minor deterrents. Generally, the findings indicate that consumers tend to be practical, experience-driven, and more swayed by operational effectiveness rather than by brand image or the views of their peers. There are issues with social media marketing for companies, despite the fact that marketers and brands are sold on it. The brand must devote a lot of effort to creating and disseminating content that will pique the attention of and keep the audience actively engaged with the information in order for the marketing plan to be successful (Wenzl, 2021).

The spread of online communication channels in the modern digital age has completely changed how customers express their thoughts and experiences. Electronic Word of Mouth (e-WOM), which includes the electronic distribution of information provided by consumers, is essential in forming customer views of brands and swaying their decisions to buy. The potential of good electronic word-of-mouth (e-WOM) to improve company reputation has been well researched; however, negative e-WOM, which is the opposite of positive e-WOM, also warrants consideration.

Tuten goes on to discuss the dangers of social media and how, while social media marketing may be an extremely effective tool for building a brand, it can also have the opposite effect and harm a company. Managers of businesses using social media marketing need to recognise that, in addition to the benefits of social media marketing, they are also subjecting the brand to unfavourable eWOM (Tuten, 2021). Also, the pandemic has diminished entry barriers for digital disruptions, leading companies to encounter heightened competition from innovative newcomers. To stay ahead in technology adoption, companies need to actively pursue digital transformation (Sharma & Meet, 2023).

In a research by Kumar et al, (2023) Customer patronage in the restaurant industry is increasingly influenced by negative electronic word-of-mouth (E-WOM), as online reviews significantly affect customer trust, satisfaction, and revisit intentions. Studies indicate that negative reviews regarding food quality, service, hygiene, and pricing can damage restaurant reputation and reduce customer loyalty. Therefore, effective communication, service recovery, and customer satisfaction strategies are essential for minimizing the adverse effects of negative E-WOM and maintaining long-term customer patronage

Sustainable strategic management and effective resource assessment are essential for maintaining competitive advantage in the restaurant industry, particularly in managing the effects of negative electronic word-of-mouth (E-WOM). Valuable organizational resources such as service quality, customer relationship management, brand reputation, and digital communication strategies significantly influence customer satisfaction and patronage. Effective utilization of these strategic resources helps restaurants minimize the adverse impact of negative online reviews, strengthen customer trust, and achieve sustainable growth in a highly competitive market environment (Pailwal et al., 2023)

Negative electronic word-of-mouth (e-WOM) is the negative electronic dissemination of customer complaints, negative experiences, or negative encounters with a product, service, or brand. It appears on a variety of internet platforms, including blogs, review websites, social media networks, and forums. Negative electronic word-of-mouth (e-WOM) can have a significant influence on consumer trust, company reputation, and ultimately, consumer spending.

It is essential for organisations trying to traverse the complexities of the digital realm to comprehend the mechanics of negative e-WOM. The growing dependence of consumers on online evaluations and suggestions can have substantial ramifications, since poor electronic word-of-mouth (e-WOM) can impact potential customers' decisions and mould the overall perception of a business.

Research Question

How does choosing a restaurant become impacted by negative e-WOM on social media?

Literature Review:

Author(s) & Year	Key Variables	Major Findings	Contribution
Hennig-Thurau et al. (2004)	eWOM motives	Identified drivers of eWOM such as social benefits and concern for others	Foundational definition and framework of eWOM
Chatterjee (2001)	Online reviews, purchase intention	Negative reviews have stronger influence than positive ones	Established negativity bias in online reviews
Chevalier &Mayzlin (2006)	Online reviews, sales	Negative reviews significantly reduce sales more than positive reviews increase them	Demonstrated economic impact of eWOM
Chen &Xie (2008)	Review valence, volume	Online reviews act as a key element of marketing communication	Integrated eWOM into marketing mix
Baumeister et al. (2001)	Negativity bias	Negative information has stronger psychological impact than positive	Theoretical base for negative eWOM
Michael Luca (2016)	Ratings, revenue	1-star increase leads to 5–9% increase in revenue	Strong evidence of review impact on restaurants
Kim, Kim & Jang (2009)	Negative reviews, behavioral intention	Negative reviews significantly reduce visit intention	Hospitality-specific validation
Lee & Jang (2010)	Review response, trust	Managerial responses reduce negative impact of reviews	Introduced response strategy importance
Ghose&Ipeirotis (2011)	Review helpfulness, sales	Negative reviews influence consumer decisions more strongly	Quantified review helpfulness
Liang et al. (2013)	eWOM, trust, intention	eWOM significantly affects purchase intention via trust	Established mediating role of trust
Balaji et al. (2016)	Negative WOM, switching	Negative WOM increases switching behavior	Highlighted behavioral consequences
Wang & Zhang (2018)	Emotions, review behavior	Emotional dissatisfaction drives negative eWOM	Added emotional dimension

Sparks & Browning (2011)	Review valence, booking intention	Negative reviews significantly reduce booking intentions	Tourism/hospitality evidence
Filieri et al. (2018)	Trust, review credibility	Trust mediates the effect of reviews on decisions	Strengthened trust-based framework
Vermeulen&Seegers (2009)	Online reviews, awareness	Negative reviews reduce brand perception	Early hospitality eWOM study
Mudambi&Schuff (2010)	Review extremity, helpfulness	Moderate reviews seen as more helpful than extreme	Insight into review credibility
Bae& Lee (2011)	eWOM credibility	Source credibility strongly affects acceptance of eWOM	Role of reviewer trust
Park & Lee (2009)	Review quality, involvement	High-quality negative reviews strongly	Importance of argument quality

Nature of Negative E-WOM in the Restaurant Context:

Negative eWOM refers to unfavorable customer opinions shared online regarding products or services. In the restaurant industry, such reviews typically relate to:

- Poor food quality
- Unsatisfactory service
- Unpleasant ambiance
- Perceived unfair pricing

Negative eWOM is characterized by its rapid dissemination, wide reach, and long-term accessibility. Unlike traditional word-of-mouth, it can influence a large number of potential customers simultaneously, making it a powerful determinant of restaurant reputation.

4. Antecedents of Negative E-WOM

The generation of negative eWOM is primarily driven by customer dissatisfaction. According to Zeithaml et al. (1996), service quality gaps result in dissatisfaction, which often leads to complaint behavior, including negative online reviews.

In the restaurant context, dissatisfaction arises from:

- Service failures
- Poor customer experience
- Unmet expectations

Emotional responses such as anger, frustration, and disappointment further increase the likelihood of negative eWOM (Wang & Zhang, 2018). Consumers may also be motivated by a desire to warn others or seek revenge against perceived poor service providers.

5. Influence of Negative E-WOM on Consumer Perceptions

5.1 Trust

Negative eWOM significantly reduces consumer trust in restaurants. Since online reviews are often perceived as credible sources of information, negative reviews can create doubts about service quality and reliability.

5.2 Brand Image

Negative reviews adversely affect brand image by signaling poor quality or inconsistent service. According to signaling theory (Shapiro, 1983), such signals influence consumer perceptions and evaluations.

5.3 Perceived Risk

Negative eWOM increases perceived risk, making consumers more cautious in their decision-making. This is particularly important in the restaurant industry, where consumers cannot evaluate the service before consumption.

6. Impact on Restaurant Selection Decisions

The influence of negative eWOM extends to actual behavioral outcomes, particularly restaurant selection.

6.1 Reduction in Visit Intention

Consumers exposed to negative reviews are less likely to visit a restaurant. Negative eWOM acts as a deterrent by highlighting potential risks and dissatisfaction (Chatterjee, 2001).

6.2 Switching Behavior

Negative eWOM encourages consumers to switch to alternative options. Given the availability of multiple choices in the restaurant industry, switching costs are relatively low (Balaji et al., 2016).

6.3 Impact on Sales and Patronage

Empirical studies indicate that online reviews significantly influence restaurant performance. Luca (2016) found that even small changes in ratings can lead to measurable differences in revenue.

Conclusion

This review set out to examine how negative electronic word-of-mouth (eWOM) on social media influences consumers' restaurant selection decisions. Synthesizing evidence across marketing, hospitality, and information systems literature, the paper demonstrates that negative eWOM is not merely one of many informational inputs but a dominant and often decisive factor in shaping consumer choice within the restaurant industry.

A central insight emerging from the review is the asymmetrical power of negative information. Consistent with the principle of negativity bias, consumers assign greater weight to unfavorable reviews than to positive ones. In the context of restaurant selection—where the service is intangible and experiential—negative eWOM functions as a risk-reduction mechanism, guiding consumers away from perceived uncertainty. As a result, even a limited number of negative reviews can disproportionately influence perceptions and deter patronage, particularly when they are detailed, credible, and consistent.

The review further highlights that the impact of negative eWOM operates through keyperceptual pathways, namely trust, brand image, and perceived risk. Negative reviews undermine trust by signaling unreliability and inconsistency in service delivery. Simultaneously, they weaken brand image by associating the restaurant with poor quality or unsatisfactory experiences. These cognitive and affective responses collectively elevate perceived risk, leading consumers to either postpone decisions or switch to alternative options. Thus, restaurant selection emerges as a multi-stage evaluative process, where negative eWOM plays a critical filtering role.

Another important finding is that the influence of negative eWOM is context-dependent and moderated by several factors. Source credibility significantly shapes how consumers interpret reviews; opinions perceived as authentic and trustworthy exert stronger influence. Similarly, the volume and consistency of negative reviews reinforce perceived reliability, amplifying their impact. Brand strength also plays a buffering role, with well-established restaurants demonstrating greater resilience due to accumulated trust and loyalty. Consumer involvement further determines the depth of information processing, with highly involved individuals more likely to engage critically with negative reviews.

From a managerial perspective, the findings underscore that negative eWOM cannot be eliminated but must be strategically managed. Passive approaches or neglect of online feedback can exacerbate reputational damage, whereas proactive engagement—such as timely responses, service recovery efforts, and transparent communication—can mitigate adverse effects and even restore consumer trust. In this sense, negative eWOM

should not be viewed solely as a threat but also as a diagnostic tool that provides valuable insights into service gaps and customer expectations.

Despite the substantial body of research reviewed, the study identifies several important gaps. There is a notable lack of research focusing on emerging markets, where digital adoption patterns and consumer behavior may differ significantly from developed economies. Additionally, the increasing prevalence of fake or manipulated reviews raises concerns regarding the reliability of eWOM, warranting further investigation. The role of artificial intelligence and sentiment analysis in managing and interpreting eWOM also remains an evolving area requiring deeper exploration.

In conclusion, negative eWOM on social media exerts a profound influence on restaurant selection decisions by shaping consumer perceptions, increasing perceived risk, and altering behavioral intentions. Its impact is both immediate and long-lasting, affecting not only individual choices but also broader market dynamics. For researchers, this underscores the need for more context-specific and methodologically robust studies. For practitioners, it highlights the critical importance of active reputation management and service excellence in navigating the challenges of the digital marketplace.

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