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## Development of Word-of-Mouth Elasticity Measures for Tourism Product Categories

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### ABSTRACT

This study examines the influence of word of mouth (WOM) on eight tourism products by applying economic elasticity theory to understand the relationship between behavioral outcomes and target elements to these behavioral outcomes (customer consumption). The elasticity model of economics was developed to conceptualize WOM elasticity ( $E_{WOMx}$ ) and measure WOM effects on various products. The results of WOM elasticity values show a significant difference between physical and service product categories. In addition, all effective respondents in this research are highly sensitive to WOM relating to specific products. This shows that WOM is not only a key variable of tourism products but also validates that WOM communications are meaningful for tourism customers. The authors contributes to tourism service and WOM marketing effects compared by validating empirical research in eight different product categories and providing empirical support with prior services marketing literature. Theoretical and practical implications and future research issues are discussed.

### KEYWORDS

Tourism Product Categories; Word-of-Mouth; Elasticity Logic; Purchase Drivers

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