

To Study Impact of Online Reviews on Consumer Attitude Towards Hotel Room Booking Intention

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Abstract:

Purpose: The purpose of this research was to study the impact of online reviews on consumer attitude towards hotel room booking intention.

Methodology: For this research, primary data were collected through online questionnaire from 103 students reside in Mumbai. Structural equation modelling used for data collection.

Findings: The finding of study show that usefulness, timeliness volume of review and e-WOM have positive significant effects on consumer attitude and consumer attitude has significant positive attitude towards hotel room booking intension. Moreover, this study confirms that, trust is the one factors who show total mediate effect between e-Word of mouth (e-WOM) and room booking intension.

Keywords: Online reviews, Consumer attitude, Hotel room booking.

Introduction:

Online reviews play a pivotal role in shaping consumers' attitudes and intentions when booking hotel rooms. These reviews provide valuable insights into the experiences of previous guests, influencing potential customers' perceptions of a hotel's quality, reliability, and overall value. Positive reviews can boost confidence, instilling a sense of trust and satisfaction, ultimately driving booking intentions. Conversely, negative feedback can deter potential guests, highlighting areas of concern or dissatisfaction. The wealth of online reviews empowers consumers to make informed decisions, making them a critical factor in the hotel booking process. In today's digital age, online reviews have become a powerful determinant in shaping consumer attitudes and choices.

Information technology is essential for continuous innovation (MacKay and Vogt, 2012). In the hospitality industry, the Internet has changed how businesses operate and market themselves since the late 1990s (Ip et al., 2012). With the growth of Web 2.0 and communication platforms, online conversations, like reviews and recommendations, have become both opportunities and challenges (Serra Cantallops and Salvi, 2014). For tourism and hospitality managers, Web 2.0 and social media are essential for understanding customers, building relationships, and addressing issues (Escobar-Rodríguez and Carvajal-Trujillo, 2013; Hsu, 2012). However, managers no longer have control over what's said on these platforms (Sparks and Browning, 2011). The hospitality sector is strongly affected by electronic Word of Mouth (eWOM) (Serra Cantallops and Salvi, 2014).

Today, consumers rely on online reviews from other users to decide on travel destinations and hotels (Sparks and Browning, 2011; Ye et al., 2011; Xie et al., 2011). Recognizing the importance of online reviews, they have become increasingly popular among travelers (Liu and Park, 2015)." Online reviews are a proxy of eWOM and are different from ratings that could be assimilated into an overall service evaluation (Duverger, 2013). Comments generated by online users have a significant influence on sales (O'Connor, 2008; Ye et al., 2011).

Literature review:

Ladhari, R. and Michaud, M. (2015), in their research paper titled "EWOM Effects on Hotel Booking Intentions, Attitudes, Trust, and Website Perceptions," examine the effect of comments (both positive and negative) generated on Facebook on the choice of a hotel. They placed more focus on the study of the influence of Facebook comments written by friends. They also focused on the moderating role of internet users' trust in these comments in relation to these effects.

Tsao, W.-C. et al. (2015), in their research paper titled 'Compliance with EWOM: The Influence of Hotel Reviews on Booking Intention from the Perspective of Consumer Conformity,' conducted two experiments in this study to determine the influence of review valence, review quantity, and the interaction effects between the two among consumers designated as conformists and non-conformists. They found that positive reviews have a more positive impact than negative reviews. After analysis, they concluded that reading positive reviews can have a stronger effect on booking intentions among individuals who are strongly inclined toward conformity.

Gavilan, D., Avello, M., and Martinez-Navarro, G. (2018), in their research paper titled 'The Influence of Online Ratings and Reviews on Hotel Booking Consideration,' analyzed the impact of good vs. bad ratings during the first stage of the decision-making process when booking a hotel. The study conducted a full factorial between-subjects design with two levels of ratings (good vs. bad) and two levels of reviews (high vs. low) in a decision-controlled setting. Researchers collected data from 130 participants through a convenience sampling method using Google Forms, where they utilized a 7-point Likert scale. The results of this study show that when the rating is good, trust in the rating depends on the number of reviews. Conversely, if the rating is bad, the number of reviews has no effect on how trustworthy the rating is.

Zhu, L. et al. (2020), in their research paper titled 'How Online Reviews Affect Purchase Intention: A New Model Based on the Stimulus-Organism-Response (S-O-R) Framework,' studied the intrinsic relationship between the stimulus (perceived information quality and social presence) generated from online reviews and the response (purchase intention). They collected data from 334 participants through a questionnaire, and 302 participants were selected for data analysis. They used SmartPLS version 3.2.8 software for data analysis. They found that online reviews positively affect trust. Moreover, the perceived information quality of positive online reviews is found to have a more significant impact on trust, satisfaction, and purchase intention.

Mauri, A.G. and Minazzi, R. (2013), in their research paper titled 'Web Reviews' Influence on Expectations and Purchasing Intentions of Hotel Potential Customers,' studied the impact of hotel guest reviews posted on consumer-generated websites on the consumer decision-making process. The results of the study show a positive correlation between hotel purchasing intentions and customer expectations and the valence of the reviews.

Zeng, G. et al. (2020), in their research paper titled 'When Online Reviews Meet Virtual Reality: Effects on Consumer Hotel Booking,' studied the direct and interaction effects of online reviews and virtual reality

on consumer hotel booking. They collected data using an experimental method and targeted students who had experience with online hotel booking. The results of the study showed a direct effect of both online reviews and the application of virtual reality on behavioral intention, and the influence of online reviews on behavioral intention was weakened when virtual reality was applied. Moreover, online reviews and virtual reality had a significant combined effect on behavioral intention, with greater strength than that of online reviews alone.

Park, C.W., Sutherland, I., and Lee, S.K. (2021), in their research paper titled 'Effects of Online Reviews, Trust, and Picture-Superiority on Intention to Purchase Restaurant Services,' explored the effect of online reviews and examined the relationship between online reviews and purchase intention while simultaneously investigating the effects of trust and food images. For this study, data were collected through online and offline modes from 251 respondents using a convenience sampling method, and 239 responses were considered valid for data analysis. The researchers found significant differences in purchase intentions depending on the level of ratings and price. Trust was influenced by pictures, where reviews containing pictures were found to be more effective. In particular, online reviews with high ratings and pictures culminated in the highest trust perceptions.

heong, J.W. et al. (2020), in their research paper titled 'The Study of Online Reviews and Its Relationship to Online Purchase Intention for Electronic Products Among Millennials in Malaysia,' examined the impact of various types of online reviews, such as review timeliness, review quantity, and review valence, on the online purchase intention for electronic products among Malaysian millennials. The data for this study were collected through questionnaires from 385 respondents using a simple random sampling method, and responses were recorded on a Likert scale. Their findings indicated that review timeliness is the most influential element of online reviews concerning online purchase intentions among Malaysian millennials for electronic products.

Objective: -

1. To check impact of online reviews on consumer attitude towards hotel room booking intension in term of usefulness, Timeliness and volume of reviews.
2. To evaluate relationship between online reviews and consumer attitude towards hotel room booking intension.
3. To identify mediation effect of trust between e-Word of Mouth and Hotel room booking intension.

Research Model: -

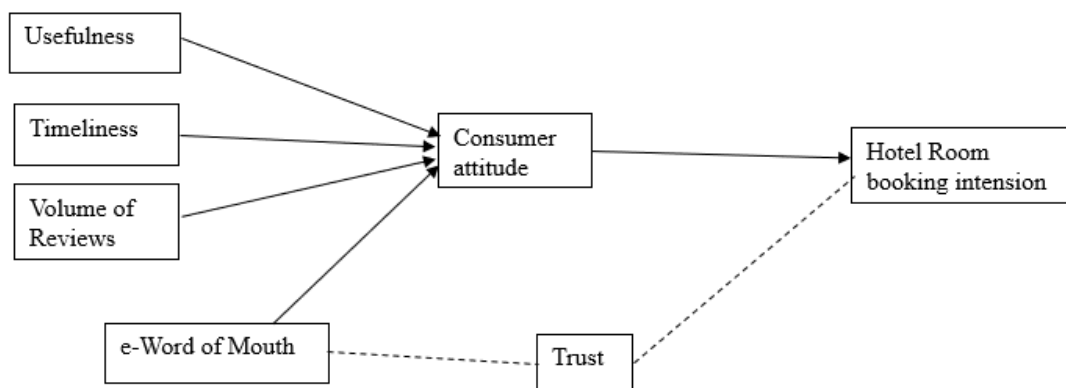


Figure no.-1 proposed research model

Research Methodology:

This study was originally designed to understand effect of online reviews on consumer attitude towards hotel room booking intension and check the mediation effect of trust between e-Word of Mouth and Hotel room booking intension.

Hypothesis:

- H1- Usefulness has positive influence on consumer attitude.
- H2- Timeliness has positive influence on consumer attitude.
- H3- Volume of Reviews has positive influence on consumer attitude.
- H4- e-WOM has positive influence on consumer attitude.
- H5- Consumer attitude has positive influence on hotel room booking intension.
- H6- Trust mediate a relationship between e-Word of Mouth and Booking intension.

Questionnaire Development: -

Five-point Likert scale anchored type used to design the questionnaire, responses recorded on scale from 1 (Strongly disagree) to 5 (strongly agree).

Sampling Size and Sampling Method: -

Data collected from a sample of people across Mumbai city, with sample size 103. Non-probability method of convenience sampling used for data collection.

Data Analysis tool: -

For analysis of data, SmartPLS version 4 was used.

Data Analysis and Results: -**Measurement Model Analysis: -**

In the analysis of the measurement model, we evaluate the quality of the construct in our study. This assessment involves several steps, beginning with an examination of factor loadings and then moving on to establish construct reliability and construct validity.

Factor Loadings: -

Factor Loadings are crucial in this assessment. They indicate the degree to which each item in the correlation matrix is related to the principal component or factor being measured. Factor loadings can vary between -1.0 and +1.0, with higher absolute values indicating a stronger correlation between the item and the underlying factor (Pett et al., 2003, p.299). It's important to note that none of the items in our study had factor loadings below the recommended threshold of 0.50, as suggested by Hair et al. (2016). Therefore, there was no need to remove any items from our analysis. You can find the specific factor loadings in Table 1.

	CA	RBI	TM	TR	US	VR	eWOM
CA1	0.909						
CA2	0.915						
CA3	0.921						
RBI1		0.932					

RBI2		0.906					
TM1			0.925				
TM2			0.898				
TM3			0.893				
TR!				0.834			
TR2				0.881			
TR3				0.928			
US1					0.963		
US2					0.928		
US3					0.881		
VR1						0.906	
VR2						0.923	
VR3						0.913	
eWOM1							0.929
eWOM2							0.879
eWOM3							0.929

Table No.1

Multicollinearity Analysis (VIF): -

In our analysis, we examined the presence of multicollinearity among the indicators using the Variance Inflation Factors (VIF) statistic, a method introduced by Fornell and Bookstein in 1982. According to the guidelines provided by Hair et al. in 2016, multicollinearity is generally not considered a significant problem when the VIF value for an indicator is below 5.

Table No. 2, presented in our study, displays the VIF values for each of the indicators under investigation. Our findings reveal that the VIF for each indicator falls below the recommended threshold of 5. This suggests that multicollinearity is not a substantial concern among the indicators used in our study, further affirming the reliability of our analysis.

	VIF
CA1	2.699
CA2	2.885
CA3	3.050
RBI1	1.918
RBI2	1.918
TM1	3.542
TM2	3.025
TM3	2.161
TR!	2.021
TR2	2.129
TR3	2.753
US1	3.057
US2	3.725

US3	2.694
VR1	2.654
VR2	3.193
VR3	2.792
eWOM1	3.520
eWOM2	2.244
eWOM3	3.446

Table no. 2

US- Usefulness, CA- Consumer Attitude, TM- Timeliness, VR- Volume of Review, EWOM- e-word of mouth, RBI- Room booking intension

Construct Reliability and Convergent Validity Analysis: -

According to Mark (1996), “Reliability is defined as the extent to which a measuring instrument is stable and consistent. The essence of reliability is repeatability. If an instrument is administrated over and over again, will it yield the same result”

Two widely recognized methods for assessing reliability are Cronbach's Alpha and Composite Reliability (CR). In our study, we've provided the results for both Cronbach Alpha and Composite Reliability in the table below. The range for Cronbach's Alpha was .728 to .899, and the range for Composite Reliability and the reliability statistic was .816 to .923. Importantly, all these reliability statistics exceeded the recommended threshold of 0.70, as suggested by Hair et al. (2011). Consequently, we can confidently conclude that our measurement constructs demonstrate strong reliability, ensuring the consistency of our measuring instrument.

When it comes to convergent validity, we've not only found that the standardized factor loadings of indicators for each construct were statistically significant and greater than 0.7, but we've also observed that the values of Composite Reliability (CR) exceeded 0.7. Additionally, the values of the Average Variance Extracted (AVE) for all constructs surpassed the recommended minimum of 0.5. This indicates a satisfactory level of convergent validity (Fornell and Larcker, 1981; Gefen et al., 2000), affirming that our measurement tool effectively captures the intended constructs in our study.

	Cronbach's alpha	Composite reliability	R-Square	AVE
TM	0.891	0.900		0.82
US	0.915	0.945		0.855
eWOM	0.900	0.902		0.833
VR	0.901	0.902		0.835
CA	0.903	0.903	0.744	0.837
TR	0.858	0.886	0.615	0.778
RBI	0.818	0.832	0.65	0.845

Table no.3

Discriminant validity: -

1. Fornell & Larcker Criterion: -

To check the discriminant validity, based on Fornell and Larcker (1981)'s study, we compared the square root of AVE for each construct with the inter-construct correlation estimates. Table 4 shows the square

roots of AVE (the diagonal elements in bold) for constructs and construct correlation estimates. Each square root of AVE was found to be greater than its corresponding row and column elements, indicating adequate discriminant validity.

	CA	RBI	TM	TR	US	VR	EWOM
CA	0.915						
RBI	0.787	0.919					
TM	0.616	0.578	0.905				
TR	0.721	0.689	0.627	0.882			
US	0.556	0.477	0.77	0.635	0.924		
VR	0.729	0.700	0.755	0.615	0.672	0.914	
EWOM	0.818	0.692	0.706	0.784	0.662	0.663	0.913

Table.4

Hypothesis Testing: -

	B	SD	T	P values	Result
CA -> RBI	0.605	0.24	2.518	0.012	Supported
TM -> CA	-0.114	0.16	0.711	0.477	Rejected
US -> CA	0.092	0.149	0.612	0.004	Supported
VR -> CA	0.431	0.157	2.739	0.006	Supported
eWOM -> CA	0.673	0.269	2.506	0.012	Supported

Table No.5

Note- Note. B - Beta coefficient, SD-Standard Deviation, T- t-statistics, P-Probability P value, US- Usefulness, CA- Consumer Attitude, TM- Timeliness, VR- Volume of Review, EWOM- e-word of mouth, RBI- Room booking intension.

H1, H3, H4 & H5 results revealed usefulness, volume of review and e-word of mouth are positively influencing consumer attitude And Consumer attitude positively influences room booking intension is ($p < 0.005$) hence H1, H3 & H4 was supported. The result exhibited in Table no.5 But here H2, result show that timeliness isn't positively influence consumer attitude (B-, -0.114, t- 0.711, p-0.477 here p value is > 0.05) hence H2 was not supported.

Mediation Analysis: -

Mediation analysis was performed to assess the mediating role of H5 trust in the relationship between e-WOM and room booking intension. The result revealed that there is no indirect

Indirect Effect					Total Effect				
	B	SD	T	P		B	SD	T	P
EWOM -> TR -> RBI	0.159	0.142	1.12	0.263	EWOM -> RBI	0.607	0.248	2.32	0.022

Table no. 6

Note. B- Beta coefficient, SD-Standard Deviation, T- t-statistics, P-Probability P value, effect of e-WOM on room booking intension through trust (H5: B- 0.133, t- 0.964, p-0.335) illustrate in table 6. But here total effect of e-WOM on room booking intension was significant (H5: B- 0.577, t- 2.208, p- 0.027).

Conclusion and suggestion:

As per study, it is found that online reviews in term of usefulness, timeliness, volume of reviews and e-Word of mouth have positive and significant effect on consumer attitude. And consumer attitude of consumer has positive and significant effect on hotel room booking intension. This study suggested that online reviews are helpful and play important role on consumer for buy products and services. Trust is the factor who mediate relationship between e-word of mouth and room booking intension.

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