

Online Customer Reviews and their Influence on Service Improvement Strategies in Hotels in Eastern Samar, Philippines

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Abstract

The increasing reliance on digital platforms has significantly transformed the hospitality industry, particularly in how customer feedback is generated, disseminated, and utilized for service improvement. Online customer reviews, commonly referred to as electronic word-of-mouth (eWOM), serve as a critical source of information that influences both consumer behavior and managerial decision-making. This study examined the influence of online customer reviews on service improvement strategies among hotels in Eastern Samar, Philippines. Anchored on the Stimulus–Organism–Response (S–O–R) Theory and Expectation–Confirmation Theory (ECT), the study conceptualized online reviews as external stimuli that shape managerial cognition and operational responses. A quantitative descriptive-correlational research design with multiple regression analysis was employed. The study involved 150 respondents, consisting of hotel guests and hotel managers. Data were collected using a validated questionnaire with a reliability coefficient of Cronbach’s $\alpha = 0.87$. Statistical analyses included descriptive statistics, Shapiro–Wilk test for normality, Pearson correlation, and multiple linear regression. Results revealed that online customer reviews significantly predict service improvement strategies ($R^2 = 0.64$, $p < 0.001$), explaining 64% of the variance in service enhancement practices. Among the predictors, review credibility emerged as the strongest determinant, followed by review sentiment and review frequency. These findings highlight the importance of credible and meaningful customer feedback in guiding service-related decisions. The study concludes that online customer reviews function as a data-driven mechanism for continuous service improvement. The findings provide practical implications for hotel managers in emerging tourism destinations and contribute to the growing literature on digital feedback systems.

Keywords: online customer reviews, service improvement strategies, hospitality management, electronic word-of-mouth (eWOM), regression analysis

I. Introduction

The rapid advancement of digital technologies has significantly reshaped the hospitality industry, particularly in how customers evaluate service quality and make purchasing decisions. Online customer reviews, widely recognized as electronic word-of-mouth (eWOM), have become a primary source of information influencing consumer perceptions, trust, and behavioral intentions (Buhalis & Sinarta, 2020; Filieri et al., 2021). These reviews provide real-time, experience-based insights that help potential customers assess service quality and reduce uncertainty.

Beyond influencing customer decision-making, online reviews also serve as valuable feedback mechanisms that inform managerial actions. Hotels increasingly rely on customer-generated content to identify service gaps, improve operational efficiency, and enhance customer satisfaction (Mariani & Borghi, 2021). In this context, online reviews have evolved into strategic resources that support continuous service improvement.

Theoretical perspectives such as the Stimulus–Organism–Response (S–O–R) Theory explain how environmental stimuli influence internal cognitive processes, leading to behavioral responses. In this study, online reviews serve as stimuli, managerial interpretation represents the organism, and service improvement strategies constitute the response (Pandita & Mishra, 2021). Similarly, the Expectation–Confirmation Theory (ECT) posits that customer feedback reflects the alignment between expectations and actual experiences, guiding organizations in improving their services (Bhattacharjee, 2021).

Despite extensive research on online reviews, there is limited empirical evidence examining their direct influence on service improvement strategies in local and emerging tourism contexts. Hotels in Eastern Samar, Philippines operate within a developing tourism environment characterized by increasing competition and evolving customer expectations. Understanding how online reviews influence service improvement in this setting is essential for enhancing service quality and sustaining competitiveness.

This study aims to determine the level of online review characteristics, assess service improvement strategies, examine relationships among variables, and identify significant predictors of service improvement using regression analysis.

II. Methodology

This study employed a quantitative descriptive-correlational research design to examine the influence of online customer reviews on service improvement strategies among hotels in Eastern Samar, Philippines. The design enabled the systematic measurement of relationships among variables and the identification of predictive factors through multiple regression analysis.

The participants consisted of 150 respondents, including hotel guests selected through convenience sampling and hotel managers selected through purposive sampling. This approach ensured that both customer perspectives and managerial insights were represented, providing a comprehensive understanding of feedback generation and service improvement processes.

A structured questionnaire was developed and validated by experts in the field. The instrument underwent pilot testing and demonstrated high reliability, with a Cronbach's alpha coefficient of 0.87. It measured four key variables: review credibility, review sentiment, review frequency, and service improvement strategies, using a five-point Likert scale.

Ethical considerations were strictly observed throughout the study, including informed consent, confidentiality, and voluntary participation. Data collection was conducted among hotels in Eastern Samar, Philippines.

Statistical analyses included descriptive statistics to determine the level of each variable, Shapiro–Wilk test to assess normality, Pearson correlation to examine relationships, and multiple linear regression to identify significant predictors. Diagnostic tests such as variance inflation factor (VIF) were conducted to ensure the absence of multicollinearity and to validate the regression model.

III. Results

This section presents the statistical findings of the study, including normality testing, descriptive statistics,

correlation analysis, and regression results. Each table is followed by detailed interpretation to provide a clear understanding of the data patterns.

Table 1. Test of Normality of Study Variables Using Shapiro–Wilk Test

Variable	W	p-value	Interpretation
Credibility	0.972	0.062	Normal
Sentiment	0.968	0.055	Normal
Frequency	0.975	0.071	Normal

All variables yielded p-values greater than 0.05, indicating that the data are normally distributed. This confirms that the assumption of normality has been satisfied and that parametric statistical techniques are appropriate for further analysis. The use of parametric methods enhances the statistical power of the study and allows for more accurate estimation of relationships among variables.

The W-values, which are close to 1.0, indicate that the distribution of responses is symmetrical and does not significantly deviate from normality. This suggests that the dataset is free from extreme skewness or kurtosis, which could otherwise affect the validity of statistical conclusions. The consistency in distribution across all variables further strengthens the reliability of the dataset.

The confirmation of normality ensures that the relationships identified through correlation and regression analyses are statistically valid. It provides confidence that the results are not influenced by irregular data patterns, thereby supporting the overall credibility and robustness of the findings.

Table 2. Descriptive Statistics of Online Customer Review Variables and Service Improvement Strategies

Variable	Mean	SD	Interpretation
Credibility	4.12	0.53	High
Sentiment	3.98	0.61	High
Frequency	4.05	0.57	High
Service Improvement	4.20	0.49	Very High

The results indicate that all variables were rated at high levels, with service improvement strategies receiving the highest mean score. This suggests that respondents perceive hotels as actively engaging in service enhancement practices. The high ratings for review credibility, sentiment, and frequency also indicate strong engagement with online review platforms.

The relatively low standard deviation values across all variables indicate consistency in responses among participants. This suggests that there is a shared perception regarding the importance of online reviews and their role in influencing service improvement strategies. Such consistency strengthens the reliability of the findings.

These results highlight the growing importance of online customer reviews as a key component of service management in the hospitality industry. The high levels of engagement suggest that both customers and managers recognize the value of digital feedback in improving service quality.

Table 3. Correlation Between Online Customer Reviews and Service Improvement Strategies

Variables	r	p-value	Interpretation
Credibility Service	0.71	<0.001	Strong
Sentiment – Service	0.68	<0.001	Strong
Frequency Service	0.60	<0.001	Moderate

The correlation analysis revealed significant positive relationships between all review variables and service improvement strategies. This indicates that higher levels of review credibility, sentiment, and frequency are associated with increased service enhancement efforts. The findings suggest that online reviews play a crucial role in shaping managerial decisions.

Review credibility exhibited the strongest relationship with service improvement strategies, highlighting the importance of trust in digital feedback. Managers are more likely to act on reviews that are perceived as reliable and informative. This underscores the need for businesses to prioritize credible feedback in their decision-making processes.

The moderate relationship between review frequency and service improvement suggests that while the number of reviews is important, the quality and emotional tone of feedback are more influential. This indicates that not all reviews have equal impact, and managers must evaluate feedback carefully.

Table 4. Regression Analysis Predicting Service Improvement Strategies from Online Customer Review Variables

R	R ²	Adjusted R ²
0.80	0.64	0.63

The regression model explains 64% of the variance in service improvement strategies, indicating strong predictive power. This suggests that online customer reviews are a major determinant of service enhancement decisions. The high explanatory power of the model demonstrates the significant role of digital feedback in shaping managerial actions.

The strong R value indicates a substantial relationship between the independent variables and the dependent variable. This confirms that review credibility, sentiment, and frequency collectively contribute to service improvement strategies. The findings highlight the importance of integrating online reviews into strategic planning processes.

The remaining variance suggests that other factors not included in the study may also influence service improvement strategies. These may include organizational resources, management practices, and external environmental factors, which could be explored in future research.

IV. Discussion

The findings of this study provide strong empirical evidence that online customer reviews significantly influence service improvement strategies. Anchored in the Stimulus–Organism–Response framework, online reviews serve as external stimuli that shape managerial cognition and lead to strategic responses (Pandita & Mishra, 2021). This confirms that digital feedback is not merely informational but plays a central role in organizational decision-making within the hospitality industry.

The strong predictive power of the regression model indicates that a substantial portion of service improvement practices can be explained by review-related variables. This reflects the growing reliance on customer-generated content as a form of real-time performance evaluation. Managers increasingly depend on such feedback to identify service gaps, improve operations, and enhance customer satisfaction (Mariani & Borghi, 2021).

Review credibility emerged as the most influential predictor, emphasizing the importance of trust in digital environments. Managers are more likely to act on feedback that is perceived as reliable and detailed. This finding aligns with previous research indicating that credible information has a greater impact on decision-making processes (Fileri et al., 2021; Kim et al., 2021). The emphasis on credibility highlights the need for businesses to develop systems that filter and prioritize trustworthy reviews.

The influence of review sentiment further underscores the role of emotional tone in shaping service improvement strategies. Negative feedback often prompts corrective actions, while positive feedback reinforces existing strengths. This demonstrates that managers must not only collect feedback but also interpret its emotional context to make informed decisions (Zhang et al., 2022; Sparks et al., 2021).

The findings also support the Expectation–Confirmation Theory, which explains how customer feedback reflects the alignment between expectations and actual experiences (Bhattacharjee, 2021). Online reviews provide insights into customer satisfaction and dissatisfaction, enabling managers to adjust their services accordingly. This highlights the importance of feedback as a mechanism for continuous improvement.

Local empirical evidence further supports these findings. Studies conducted in educational and institutional contexts demonstrate that individuals and organizations adapt their strategies based on contextual feedback and environmental conditions (Lapada, 2022). This suggests that feedback-driven adaptation is a common mechanism across different sectors.

Another study emphasizes how individuals respond to challenges by developing adaptive strategies, highlighting the importance of contextual responsiveness (Lapada, 2024). This parallels the hospitality industry, where managers must continuously adjust their practices based on customer feedback.

Furthermore, research indicates that experiential inputs play a significant role in improving performance and decision-making processes (Lapada, 2026a). In the context of hospitality, customer reviews represent experiential data that guide service improvements.

Additionally, professional perspectives are shaped by experience-based insights, which influence how decisions are made in practice (Lapada, 2026b). This aligns with the current findings, where hotel managers rely on customer experiences expressed in reviews to enhance service delivery.

Overall, the study demonstrates that online customer reviews function as a critical mechanism for continuous service improvement. Hotels that effectively utilize digital feedback are better positioned to enhance service quality, improve customer satisfaction, and maintain competitiveness in emerging tourism destinations.

V. Conclusion

The findings of this study clearly establish that online customer reviews play a significant role in shaping service improvement strategies among hotels in Eastern Samar, Philippines. The results demonstrated that review credibility, sentiment, and frequency are all important factors influencing managerial decision-making, with credibility emerging as the strongest predictor. This indicates that hotel managers place greater emphasis on feedback that is perceived as trustworthy and reliable when identifying areas for

improvement. The strong explanatory power of the regression model further confirms that online reviews serve as a major source of information guiding service enhancement efforts.

Anchored in the Stimulus–Organism–Response framework, the study confirms that online reviews act as external stimuli that influence managerial cognition and result in strategic responses aimed at improving service quality. Similarly, the findings support the Expectation–Confirmation Theory, as customer feedback reflects the alignment between expectations and actual service experiences, prompting adjustments in service delivery. Overall, the study highlights that online customer reviews are not merely evaluative tools but are essential components of data-driven management practices. Hotels that actively engage with and utilize digital feedback are better positioned to enhance customer satisfaction and maintain competitiveness in the hospitality industry.

VI. Recommendations

Based on the findings of the study, it is recommended that hotel managers adopt a more systematic and proactive approach to managing online customer reviews. Hotels should establish structured mechanisms for monitoring and analyzing feedback across various digital platforms to ensure that relevant and credible information is effectively utilized in decision-making processes. Emphasis should be placed on identifying patterns in customer feedback, particularly in areas related to service deficiencies and recurring issues, to facilitate timely and targeted improvements.

Furthermore, hotel management should invest in training staff to interpret and respond to customer reviews appropriately, ensuring that both positive and negative feedback are addressed constructively. Developing clear protocols for responding to online reviews can enhance customer trust and demonstrate organizational commitment to service excellence. It is also recommended that hotels encourage guests to provide detailed and honest reviews, as high-quality feedback contributes to more accurate service evaluations.

For future research, scholars may explore additional variables that influence service improvement strategies, such as organizational culture, leadership practices, and technological capabilities. Expanding the scope of the study to include other regions or employing mixed-method approaches could provide deeper insights into the role of online reviews in the hospitality industry. Overall, integrating online customer feedback into strategic planning processes is essential for achieving sustainable service improvement and long-term competitiveness.

VII. References

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