



# **TRIPADVISOR'S INFLUENCE ON CUSTOMERS BOOKING INTENTIONS IN 5 STAR HOTELS**

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Bachelor Thesis Proposal for Obtaining the Degree  
Bachelor in Business Administration  
in Tourism, Hotel Management and Operations

Submitted to Eva-Aileen Jungwirth-Edelmann, MA

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## **Affidavit**

I hereby affirm that this Bachelor Thesis Proposal represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

Switzerland, 30.05.2022

## **Abstract**

**Topic:** TripAdvisor's influence on customers booking intentions in 5 Star hotels

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**Content:**

The main aim of this thesis is to critically analyze and evaluate TripAdvisor's influence on the customers booking intentions in 5 Star hotels and how bias in online reviews might manipulate or change the decision-making process. Furthermore, the influence of online reviews on the number of bookings a hotel receives will be investigated. This will be accomplished by an extensive literature review and a quantitative approach that includes a survey which collects information about the opinion of individuals regarding their usage of online reviews and how this influences their booking decision.

The conducted survey supported how relevant online reviews are regarding the customers booking decisions as 92% of the participants indicated reading reviews before making their booking decision. Moreover, responders read 5.3 online reviews before conducting a booking and expect 5 Star Hotels to have positive reviews. Most participants use booking.com, TripAdvisor and Airbnb to research and read about the experiences of other users. The importance of managing online reviews appropriately and the result of bias in reviews will be critically addressed as well as the future outlook for the importance of online reviews in this web-based world.

**Supervisor:** Eva Aileen Jungwirth-Edelmann, MA

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### List of Abbreviations

**[BR02]** - "By selecting "Yes" you confirm that you have read the information above and participate in this voluntary."

**[OR01]** - "Do you read online reviews before booking a hotel stay?"

**[NR01]** - "How likely are you to book a hotel with negative reviews?"

**[R101]** - "How many reviews do you read before booking a hotel?"

**[I101]** - "How important is it for 5 Star Hotels to have good reviews (your opinion)?"

**[C101]** - "From which company was the promotional video you have watched before?"

**[K101]** - "Have you stayed in a Four Seasons Hotel before?"

**[B101]** - "If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book?"

**[R201]** - "Did you previously write reviews after staying at a hotel?"

**[R301]** - "Do you write positive or negative reviews more often?"

**[R401]** - "When searching for a hotel, do you read the companies responses to online reviews?"

**[R501]** - "How do you agree with the following statements? Companies should respond to:"

**[R601]** - "How do online reviews influence your opinion of the hotel company?"

**[R701]** - "Which platforms did you use to read online reviews?"

**[R801]** - "How many times do you approximately stay in a hotel per year?"

**[HO01]** - "How old are you?"

**[R901]** - "What is your gender?"

**WOM** - Word of mouth

**N** - total number of participants



## **1 INTRODUCTION**

This thesis will discuss the relevance and importance of online reviews, to which extent these influence the customers booking decisions in 5 Star Hotels and how biases in online reviews and fake reviews might manipulate the booking decision.

The following chapters discuss this research interest in great detail based on the conducted research, the hypothesis, research aims and the questionnaire. Limitations of this thesis will be discussed and readers are presented with an overview of the thesis.

### **1.1 Motivation and cognitive interest**

Social influences of family, friends and the environment do affect the behaviour and beliefs of individuals (Saul Mcleod, 2011). When it comes to the decision of booking a hotel, there are a lot of choices and competitors (Andrea Guizzardia, Flavio Maria Emanuele Ponsa, Ercolino Ranierib, 2019). Whereas determinants like price, location or the category often influence the booking decision, online reviews also play a major role. As a result of the technological innovations, digitalization, and importance of online tools for businesses, online reviews have become more and more important. Online customer reviews reflect individual experiences with a certain product or service (Qing et al. 2018, Wang and Chaudhry 2018). These reviews build trust in a company, persuade a customer's booking decision, increase brand awareness and act as a source of feedback for individuals and the company (Schindler and Bickart, 2005, Goldsmith and Horowitz, 2006, Buhalis and Law, 2008, Park et al., 2007).

Furthermore, as the vacation is a very valuable time, individuals aim to have the best value for their price and have a personal interest in spending a wonderful time. As TripAdvisor is one of the most popular and largest companies in the hospitality sector for writing online reviews, most customers do review the experience of other guests on this platform. Online reviews do strongly affect the success of hotels and with that the revenue of the business (Eisend, 2008).

Nowadays, reviews are more and more important however, some hotels do not respond to online reviews at all whereas others are not sure how to respond. The appropriate handling of online reviews must be adapted and included in a hotel's everyday tasks. With rising competitors, a hotel must ensure that it meets its customers' needs and wants and most importantly, engage with its guests online (Pralhad and Ramaswamy, 2004, Ramaswamy and Gouillart, 2010).

Following this, this thesis aims at investigating the impact of online reviews on the customers booking decision and thus the number of bookings a hotel receives.

### **1.2 Outline of the thesis: Main aim, secondary aims, research questions and hypothesis**

The main aim of this thesis is to critically evaluate the influence of online reviews on the customer booking decision for 5-Star hotels. Furthermore, the impact of TripAdvisor on the customer booking decision and the challenge of fake reviews and biases in online reviews will be critically evaluated. This aim will be met by the investigation of the customer journey, the theory of choice and the effect of fake reviews.

Based on the research topic, the following secondary aims have been established:

- To provide detailed information and an in-depth understanding of the decision-making model, the consumer decision journey as well as the rational choice theory. Moreover, the word-of-mouth model will be analyzed in detail.
- To analyze the importance and seriousness of online review tools and organizations handling of such. To examine the impact of biases in online reviews when it comes to consumer booking decisions.
- To determine the influence of TripAdvisor and how this online travel platform revolutionized the online booking journey of consumers.

To summarize these secondary aims, provide a greater understanding of the relevance of the topic, the influence online reviews have on customers and the daily business and how fake reviews and bias in reviews mislead the consumer booking decision.

According to these secondary aims, the following research questions have been developed:

- What are the types of decision making and how does psychology help us to make decisions?
- What are the most used online review tools or platforms and how do online reviews influence the validity of customers?
- How do positive online reviews influence decision making, brand awareness and final purchasing decision? What data can be found regarding the relationship between positive online reviews and consumer booking decisions?
- How can online reviews and the customers booking journey be defined? How does the rating of hotels influence the consumers' booking intentions? To what extent do positive reviews influence consumers' booking intentions in 5 Star Hotels?
- To what extent does choice influence the booking behaviour and how does bias in online reviews and fake reviews on TripAdvisor influence the customers booking intention?

As stated by the research objectives above, this thesis aims to answer the following hypothesis:

*Online reviews on TripAdvisor revolutionized the booking experience of 5 Star Hotels by providing a comparison of hotel brands, prices and experiences of other customers and the number of reviews a hotel has influences the number of bookings.*

### 1.3 Thesis Limitations

Potential limitations of this research analysis include a small survey size which does not represent the perspective of the entire population or the main target market, it could therefore be difficult to generalize the findings of this study. Furthermore, cultural biases could exist when it comes to analyzing reviews and evaluating the importance of online reviews. When writing new online reviews, customers are biased by the previous reviews, the previous rating a hotel received and the experiences other users made (Enes Eryarsoy, Selwyn Piramuthu, 2014). Moreover, the limited time could also be a potential limitation such as the limitless resources of expert opinions. The lack of access to ecologically valid and relevant information, resources and primary data might also be a limitation of this study. Lastly, the research design could also be a limitation of this study. The data must be unbiased, a regression analysis and lots of participants will be included in the survey to achieve unbiased results and have higher ecological validity. Lastly, the time limitation of this study is another major limitation to the research interest as research was conducted for a limited period.

### 1.4 Overview of the Thesis

This thesis provides its readers with a detailed understanding of the research topic, based on the following segments.

1. **The introduction** provides readers with the motivation and importance of online reviews for 5 Star Hotels and what effect they have on the customer booking decision. Furthermore, it provides an insight into the main aim such as secondary aims, research questions and the hypothesis. Potential limitations to this research are analyzed.

2. **The literature review** will be made up of several main components. Human behaviour, defining the consumer decision journey and the decision-making model, discussing the impact of TripAdvisor, Rational choice theory and evaluating how choice affects the customer decision making. Using relevant studies supports the argumentation.

3. **The Methodology** part discussed the research methods and techniques which have been used for the analysis of this thesis. It provides insights into the survey which has been conducted and the data collection method. Furthermore, it will elaborate on the chosen research procedure.

4. The discussion of **the findings** allows readers to understand the outcome of the survey and the interpretation of the results. Visual demonstrations such as graphs and tables allow the comparison and analysis of the findings.

5. **The Conclusion** provides the results of the research that has been done. Furthermore, it demonstrates the relevance of the topic and the strong impact it has on customers' booking decisions. Reflecting on the outcome of the tested hypothesis will encourage readers to think about their personal booking behaviour.

## 2. LITERATURE REVIEW

The literature report provides an in-depth overview of the study analyzing the importance of online reviews, their influence on the customer journey and its purchasing behaviour. Firstly, the importance and relevance of online reviews are discussed. The concepts of online consumer behaviour, decision-making model and rational choice theory are evaluated and set into relevance to the research topic. The following part analyses the difference in the importance of online reviews for 2 Star and 5 Star Hotels. Moreover, the relevance of handling online reviews efficiently is evaluated. In the last part, the bias in online reviews is demonstrated and how this affects the customer booking decision.

### 2.1 Human behaviour: Influence, motivation and decision making

In psychology, behaviour is defined as “the activity of an organism interacting with its environment” (Doron and Parot, 1999). Depending on the environment human beings live in, the behaviour changes. It can therefore be said that human behaviour is a response to a situational factor which varies depending on the environment the human being is in (Gabriela Popescu, 2014). The study of human behavior includes observing and researching how individuals behave, react and work with each other

(Maslow, 1943). Furthermore, it is strongly influenced by personal motivation, cultural dimensions, the environment, and outstanding factors (Frederick Herzberg, 1959). According to Professor Charles Tatum of the Department of Psychology at National University, “we’re deeply influenced by both biology and environment, it’s the interaction of the two. Two people with similar characteristics will end up very differently depending on where they grow up. Look at temperament; that’s a biological factor. Someone with a low frustration point may find themselves doing poorly in school and end up turning to crime. That same temperament, in another environment, might have a different outcome. If channeled into sports, for instance, it can even be beneficial (Charles Tatum, XXXX).” Therefore, it can be said that human behaviour cannot be generalized across cultures as tradition, society and the environment have a strong impact on the individual.

Human behaviour can be categorized into three main parts actions, cognition, and emotions (Bryn Farnsworth, 2019).

#### Actions are behaviour

- observable behaviour
- visible / measurable
- emotion + cognition

#### Cognitions are behaviour

- skills and knowledge
- mind and thoughts
- emotions + action

#### Emotions are behaviour

- conscious behaviour
- invisible
- action + cognition

**Table 1: Three main parts of human behaviour**

Bryn Farnsworth, 2019

This table shows the main components of human behaviour, actions, cognition, and emotions. While each factor has very different and unique characteristics, they relate and are closely connected (Bryn Farnsworth, 2019). If one factor of human behaviour is influenced, it also influences the other two factors. Actions are a behaviour which is visible and observable, they can be measured and seen. On the other hand, cognitions are not visible. This behaviour relates to skills and knowledge of individuals, beliefs, and thoughts. Emotions, the third part of human behaviour is conscious and invisible. All these components relate and influence the outcome of human behaviour (Bryn Farnsworth, 2019).

### Social influence

Social influence is defined as a process during which personal beliefs and human behaviour is influenced by other individuals or their behaviour (Saul Mcleod, 2021). The four main components of social influence are conformity, compliance and obedience, and minority influence (Saul Mcleod, 2021).

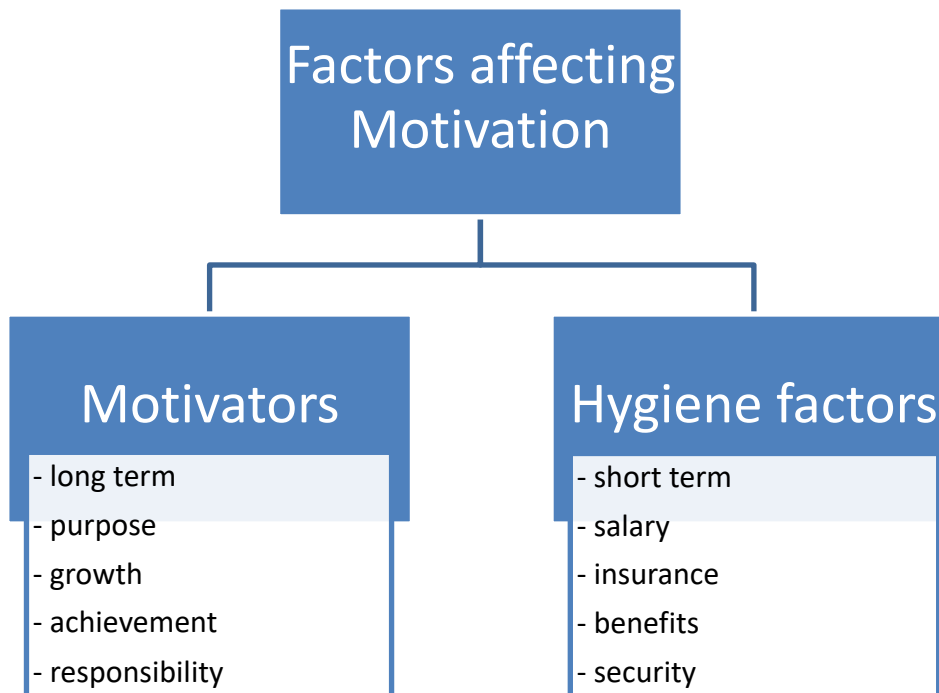
Term	Definition
Conformity	<ul style="list-style-type: none"> <li>• “yielding to group pressures” (Crutchfield, 1955)</li> <li>• Social influence resulting in a change of behaviour to fit in with a group (Dr. Saul McLeod, 2016)</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• “when an individual accepts influence because he hopes to achieve a favorable reaction from another person or group. He adopts the induced behaviour because he expects to gain specific rewards or approval and avoid specific punishment or disapproval by conformity” (Kelman, 1958, p. 53)</li> <li>• pressure to agree in public, however not agreeing with it personally (Dr. Saul McLeod, 2016)</li> </ul>
Obedience	<ul style="list-style-type: none"> <li>• social influence in which individuals behave according to a favor or request of an authority. Without the order, it is expected that the individual behaves differently (Dr. Saul McLeod, 2007)</li> <li>• social pressure</li> <li>• involves hierarchy (Dr. Saul McLeod, 2007)</li> </ul>

Minority influence	<ul style="list-style-type: none"> <li>• social influence "attributed to exposure to a consistent minority position in a group (Dr. Saul McLeod, 2018)"</li> <li>• minority might influence majority (Dr. Saul McLeod, 2018)</li> </ul>
Normative social influence	<ul style="list-style-type: none"> <li>• "need for social approval" (J.M. Burger, 2001)</li> </ul>
Informational social influence	<ul style="list-style-type: none"> <li>• "desire for accuracy" (J.M. Burger, 2001)</li> </ul>

**Table 2: Definition of social influence and its main components**

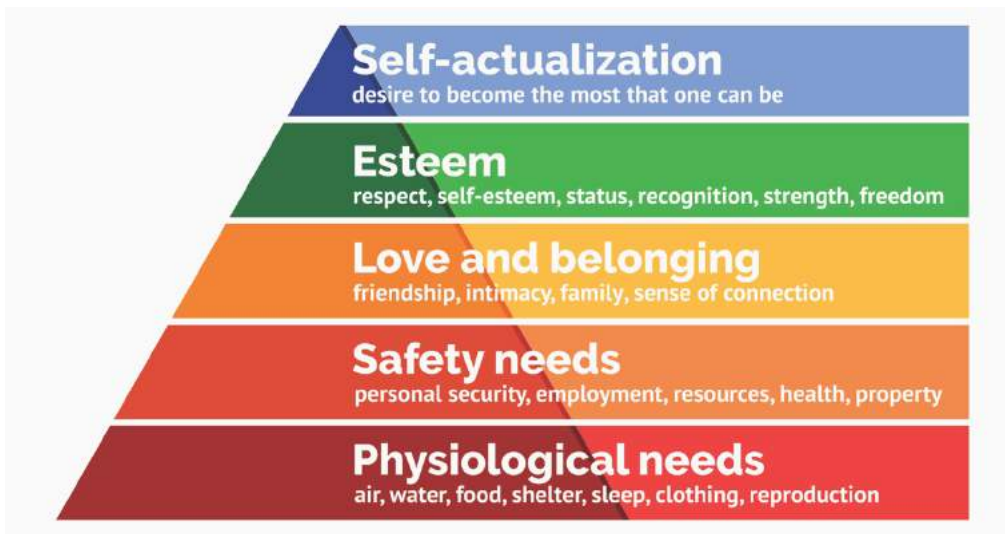
Motivation can be defined as the personal behaviour which allows individuals to reach their goals (Eleanor H. and Peter D. Balsam, 2016). Individuals behave in a certain way to fulfil their wishes, demands, needs, and goals. According to Frederick Hertzberg, a scientific researcher who developed the book "The Motivation to Work", motivation can be categorized into two main groups, hygiene factors and motivators. Whereas hygiene factors include short term determinants like salary, insurance or offers, motivators are more long term orientated and include purpose, growth, and achievement (Frederick Hertzberg, 1959).





**Figure 1: Factors affecting motivation**  
Frederick Herzberg, 1959

Maslow's hierarchy of needs is a psychological theory which helps to explain and understand the motivation of human beings (Saul McLeod, 2007). Every individual has different needs, wants, and desires. However, the hierarchy of needs categorizes the main needs which can be generalized to the public.

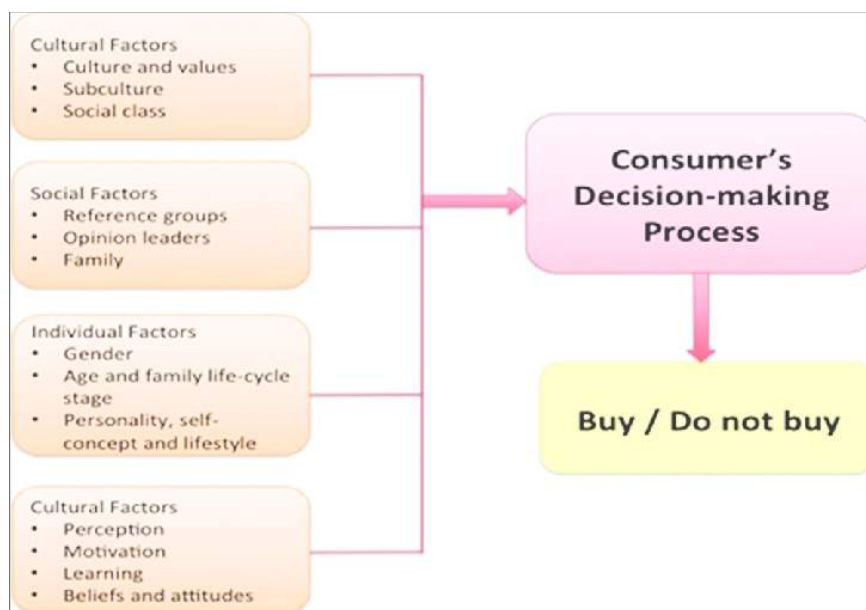


**Figure 2: Maslow's hierarchy of needs**  
Maslow, 1943

The researcher developed this concept like a pyramid. At the bottom there are physiological needs, human beings need these needs to survive. It includes having air to breathe, water to consume, a place to sleep and food. Without these physiological needs, we would not be able to survive, therefore, these are the most important ones. After this need, we have the safety need. This need is referring to security and safety. If humans feel unsafe, it is impossible to be motivated and satisfied. Adding on to that, the next need is love and belonging. For human beings, it is necessary to have a sense of belonging, family, and friends. This is important when it comes to the individual's motivation as the cycle of people the human engages with influences one's motivation and mindset. Furthermore, esteem is another, crucial need. This term refers to personal wellbeing, having the freedom to make own choices and feeling acknowledged and respected. The last need of the hierarchy is self-actualization. This need is important as it allows humans to live according to their desires, do what creates happiness and fulfillment, have goals and constantly learn and develop (Maslow, 1943).

According to the American Psychological Association, decision making is defined as a cognitive process during which individuals have the option to choose among different alternatives. Decision making occurs daily, conscious but also unconscious. It ranges

from deciding what to eat to what career to choose. Some decisions are quite complex and require more thoughts whereas others are simple and straightforward and can therefore be made unconsciously (American Psychological Association, 2022). The process can be divided into three main parts, the pre-purchase phase, the purchase, and the post-purchase (Murphy, 1998; Rayport and Jaworski, 2003). Furthermore, our decision making is influenced by personal, cultural, psychological, and social factors (Lamb et al., 2004).



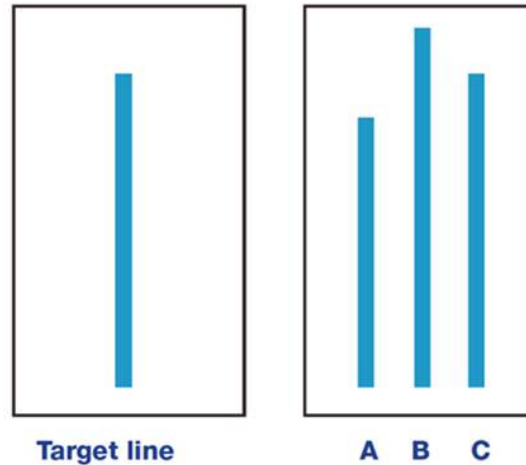
**Figure 3: Consumer's decision-making process**  
 Lamb et al. (2004)

This decision-making process developed by Lamb et al analyses what factors influence and affect the consumers decision-making process and their final booking decision. Firstly, the researcher found out that cultural factors play a tremendous role when it comes to the consumers decision-making process. Cultural beliefs, values and tradition does influence the way human beings behave and decide. Furthermore, social factors do also impact the decision-making process. Opinions of family members, friends and public# figures like influencers do affect and change the way individuals perceive a product and if they decide to make the purchase or not. Another factor that determines the purchasing decision is individual factors. Individuals'

factors are unique and include age, gender, and personality. Adding on to that, psychological factors are a great influence on the customers buying decisions. Personal beliefs, motivation, the interest to learn and develop, and perception do change the consumer decision-making process (Lamb et al., 2004)

#### The effect of social influence on the decision-making process

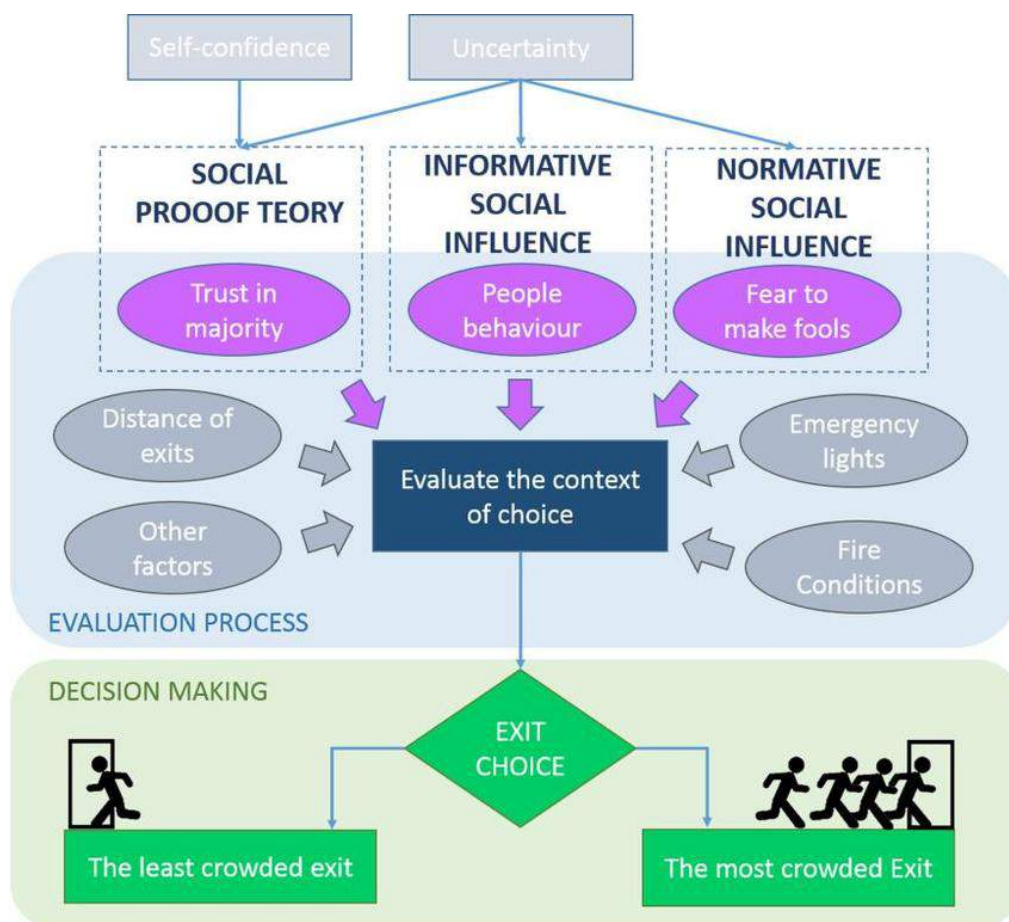
As explained above, human beings are influenced by their surroundings and behave in a different within a group than they would behave alone (Pan et al. 2007, Braun et al. 2003). A study conducted by Asch in 1951 analyzed how conformity and social pressure influence the behaviour of the participants (Asch, 1951). The study was conducted with 50 male university students in the US. The researcher manipulated the group setting to one “real” participant and seven control participants who were told what to answer.



**Figure 4: Line experiment**  
Asch, 1951

Furthermore, Asch provided the group with the line graphic (Graph 4) and asked them to judge which line (A, B or C) is most similar to the target line. The control participants answered the letter aloud before the real participant. Asch found out that from 18 trials conducted, 12 participants were manipulated to give the wrong answer. When

the researcher experimented with only real participants, only 1% of participants answered wrong. This study supports how group pressure influences the behaviour of humans. When a group agree on the same topic or answer, individuals are very likely to confirm as well even if their behaviour or attitude alone would be different (Asch, 1951). “Life in society requires consensus as an indispensable condition. But consensus to be productive, requires that each individual contribute independently out of his experience and insight” (Asch, 1951).



**Figure 5: Social Influences in exit choice.**

Lovreglio, Ruggiero & Fonzone, Achille & Dell’Olio, Luigi & Borri, Dino. (2016)

Moreover, the graphic below (Figure 5) demonstrates how the decision-making process is influenced due to social pressure. Individual factors such as confidence, self-awareness or uncertainty do influence how humans are affected by social influence

(Lamb et al., 2004). Depending on their personality, individuals conform to the social proof theory, the informative social influence, or the normative social influence. During the evaluation process, humans analyze and compare various options. When deciding the individuals must exit, due to an alarm or fire, for example, the person is more likely to follow others who are already going to the exit than choosing another way. This principle can be applied to other similar stations such as exiting a train station. Individuals like to follow others, are influenced by group behaviour or are afraid of being judged by choosing an alternative (figure 5).

The effect of motivation on the decision-making process

„Throughout life, no one’s ability is as beneficial as the ability to positively motivate,“ (Ivancevich, Matteson, 1987, p. 58). The author means that motivation is one of the most important characteristics as motivation allows humans to reach their goals and live a satisfied and successful life. Furthermore, according to StudioPress, motivation creates the basis for making decisions (StudioPress, 2022).

The diagram below (Figure XX) demonstrates the results of decision making (Andrea Pohankova, 2010). When an organization or an individual is motivated, they are eager to learn more, improve and grow (Andrea Pohankova, 2010). This attitude is the basis for the decision-making process, reflecting and deciding if procedures need to be changed. Without motivation, this decision would have been made.



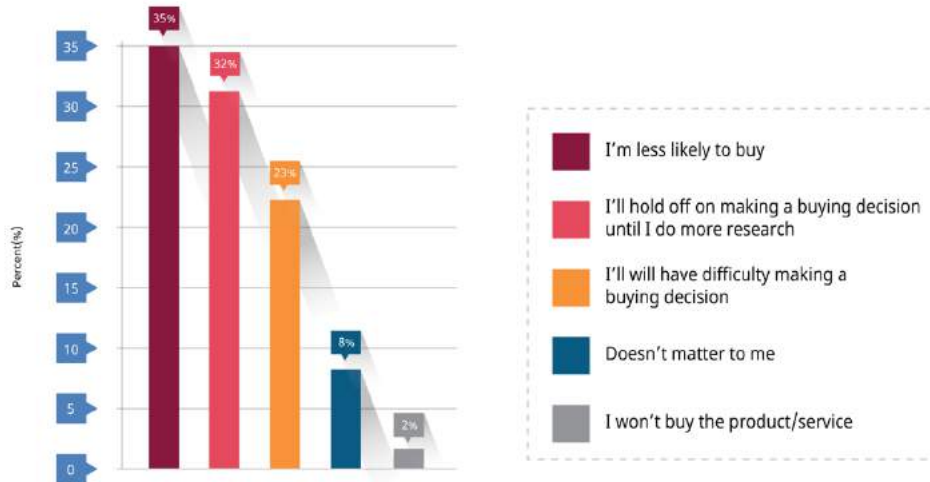
**Figure 6: Results of decision making**  
Andera Pohankova, 2010

## 2.2 Online reviews and their importance

Online reviews state a customer or consumer's opinion and experience for a certain product, service, or business (Valant, 2015). Online reviews can be found on several online platforms such as TripAdvisor, Booking.com or Expedia. Online reviews play a significant role when it comes to the customer decision process (Esmark Jones et al. 2018, Wang and Chaudhry 2018, Wang et al. 2016). These reviews help a product or service to be more trusted and online customers, who did not know about the product before, can make a confident booking decision through previous online reviews (Qing et al. 2018). According to (Edward et al., 2019) the conversion rate of a product is increasing up to 142% if it is reviewed by customers online. Moreover, 82% of people read online customer reviews before making their booking and deciding on a product or service (Valant et al. 2015). This high figure does demonstrate how important online reviews are nowadays. Reviews are therefore important for customers, but also for the business itself. One negative review can cost a business 22% of its customers (Zhovtyuk, 2019). Only after three negative reviews, 59% of potential customers will not buy or consume the product anymore and after four or more negative reviews, the business might lose up to 70% of potential consumers (Zhovtyuk, 2019). These high numbers of potential customer losses do reflect how important online customer reviews are and what power they have.

The following chart demonstrates the tremendous importance and influence online reviews have regarding the customer purchasing behaviour, beliefs and decision (Tejal S, 2020). For businesses, hotels and companies it is not only beneficial to have online customer reviews but more so it is necessary. As explained above, online reviews help and encourage customers to trust a brand, product, or service and make a confident purchasing decision (Qing et al. 2018).

**Customers on unavailability of online customer reviews**



**Figure 7: Customers on the unavailability of online customer reviews**  
Tejal S., 2010

The graph below supports how customers booking decision is influenced by the absence of online reviews. 35% of participants in the conducted study by Tejal S. said they are less likely to purchase a product if the company has no online consumer reviews. Furthermore, 32% of consumers claimed they would not make the purchase but rather wait and do more research to find out more about the brand or company. Moreover, 23% of participants said they will be influenced by the fact that the product or service is not reviewed and cannot make a clear and strong purchasing decision. Only 8% of the participants answered that the absence of online reviews does not influence their booking decision. Around 2% stated that they would not purchase the product at all. Therefore, this study supports how important online reviews are for customers and that the absence of online reviews creates a lack of trust for consumers.

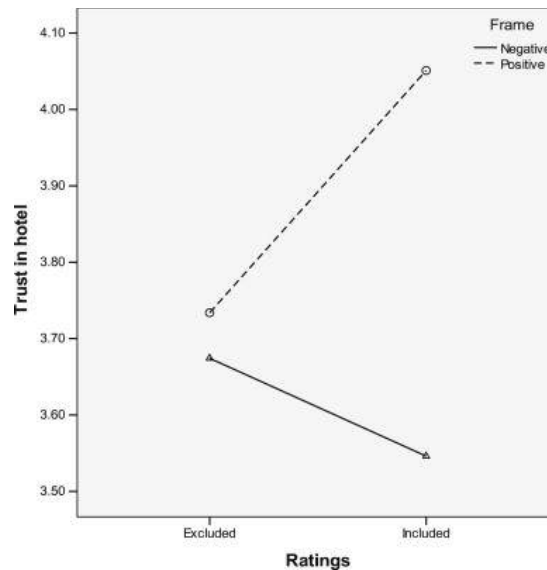


### **2.3 How do positive online reviews influence the brand awareness**

Furthermore, positive online customer reviews do strongly increase the brand awareness of a business and product. This is the fact since online reviews build trust for consumers, raise awareness of the brand, and increase the word of mouth marketing (WOM). According to (Arndt, 1967 & König, 1985) WOM is defined as “oral, person-to-person communication between a receiver and a communicator whom the receiver perceives as non-commercial, for a brand, product or service. Nowadays, businesses and products have a lot of competitors whereas the price, quality and designs might differ. This suggests that customers have a lot of choices regarding their booking decision. Additionally, reviews are a type of advertising for the business or product that brings no associated costs with it. As customers explain and share their experiences with others, it builds trust, raises awareness, and gives personal recommendations for the product. Thus, online reviews do strongly affect the customer decision process as they support or unsupported the booking decision.

Consequently, online reviews enable businesses to build better customer relationships, receive feedback from their target customers and improve their products or services (Qing et al. 2018). Creating a strong brand is the goal of several firms, especially for hotels, retaining customers and a valued brand is highly important. To do so, the business must engage with its customers and be open to any feedback and suggestions (Prahalad and Ramaswamy, 2004). Customer reviews reveal their opinion and feedback of the hotel’s customers and therefore, businesses must highly value this type of feedback, learn from it, and react to it. Using online reviews is a big opportunity for firms to build trust, engage with customers virtually, create a strong brand and increase customer loyalty (Wang and Chaudhry 2018, Wang et al. 2016).

The following figure demonstrates how online reviews and their rating influence the trust in a hotel company (Beverley A. Sparks and Victoria Browning, 2010).

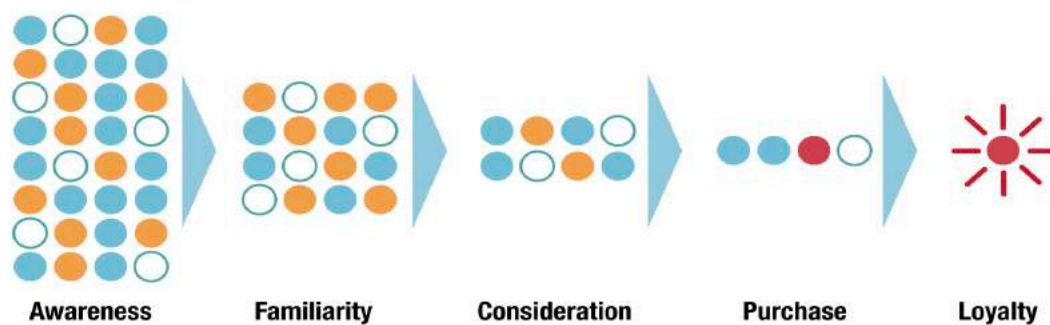


**Figure 8: Rating influence on customers trust in a hotel**  
(Beverley A. Sparks and Victoria Browning, 2010)

The researchers found out that negative reviews do affect customers and their booking decision more than positive reviews do. However positive reviews increase the chance of making a booking at the hotel. The researchers found out that while negative reviews have a greater influence on the primary customer decision, positive reviews do increase the level of trust consumers have for a hotel and result in a higher number of bookings (Beverley A. Sparks and Victoria Browning, 2010). This diagram (figure 8) supports that positive reviews result in a higher trust for the brand whereas negative reviews do strongly decrease the level of trust for a company and the number of bookings the hotel receives.

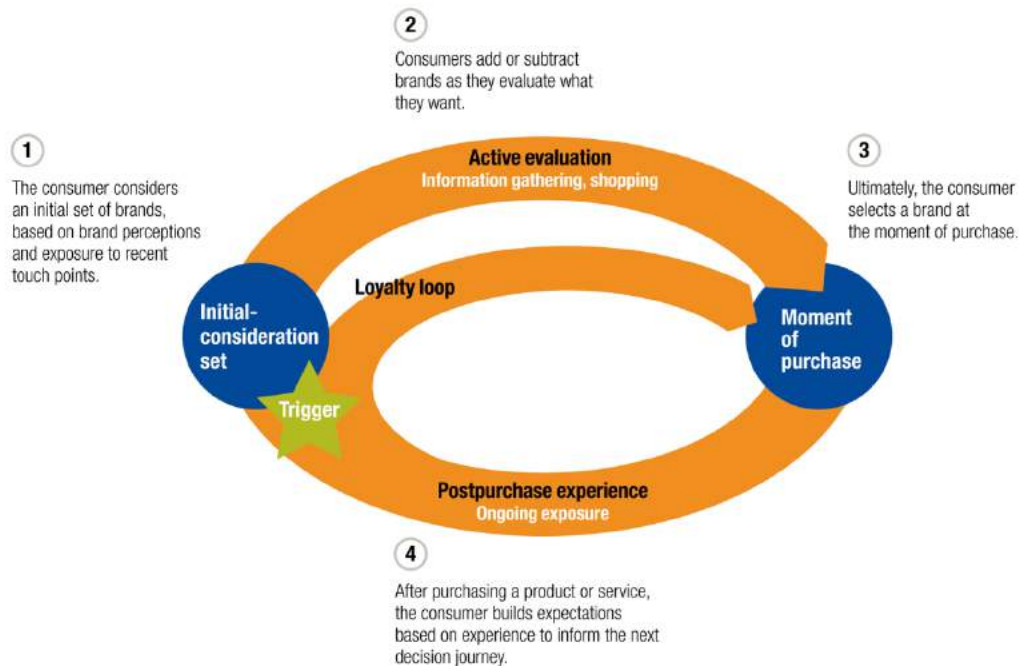
## 2.4 The relationship between positive online reviews on TripAdvisor and consumer the booking decision

According to McKinsey, the consumer decision journey begins with the variety of brands which affect and reduce the choice. It is necessary for brands to be popular and have a great awareness so that consumers recognize and know not only the brand but also the value of the brand. Having a personal connection to the brand through family members or known influencers creates a special bond between the potential customer and the consumer. This highly raises the consideration of the purchase. When it comes to the purchase of the product, the shopping experience and with that, the customer journey strongly influence the satisfaction of the customer and depends on the loyalty of the consumer.



**Figure 9: Consumer decision journey**  
McKinsey, 2009

The decision-making process is influenced by several factors. Nowadays we live in a world with a very competitive market environment. Consumers can easily compare prices online, look for products which offer the best value for their price and read reviews or exchange experiences of the product. As the perception of brands gets easily influenced by word-of-mouth marketing, advertisements, experiences of family and friends, the price and online reviews, the decision of making a purchase or booking is strongly influenced.



**Figure 10: Decision-making process**  
McKinsey, 2009

According to McKinsey, the decision-making process is a circular journey with four main phases.

- 1. Initial consideration** – during this phase the consumer might want to make a purchase and considers/ compare various brands. Based on previous experiences with the brand, perception and touchpoints, the consumer considers and makes a choice (McKinsey, 2009).
- 2. Active evaluation** – this point includes the decision-making process, the gathering of information about the brand and the products, the shopping experience, and the evaluation of the customer journey so far (McKinsey, 2009).
- 3. Moment of purchase** – occurs when consumers decided to purchase products of one brand (McKinsey, 2009).
- 4. Post-purchase experience** – after making the purchase for a certain product or after experiencing a service, the post-purchase experience occurs. At this stage, the consumers experienced the product or service, developed an opinion about the product and built expectations. This phase is an ongoing

exposure and strongly influences the loyalty of the customer and the possibility of doing a second purchase (McKinsey, 2010).

When it comes to the consideration of deciding which product or brand to purchase, consumers compare and weigh options, make their decisions and then purchase the product. The customer journey and the post-purchase phase influence the loyalty of consumers and determine if customers become repeated consumers (McKinsey, 2010). Every stage of this model is highly relevant and does strongly affect the satisfaction and the decision-making process of consumers. If consumers are considering making a booking or purchase, they already made the first decision and are more likely to pursue a booking or purchase when they are offered more choices (Simonson and Leilei Gao, November 09, 2016).

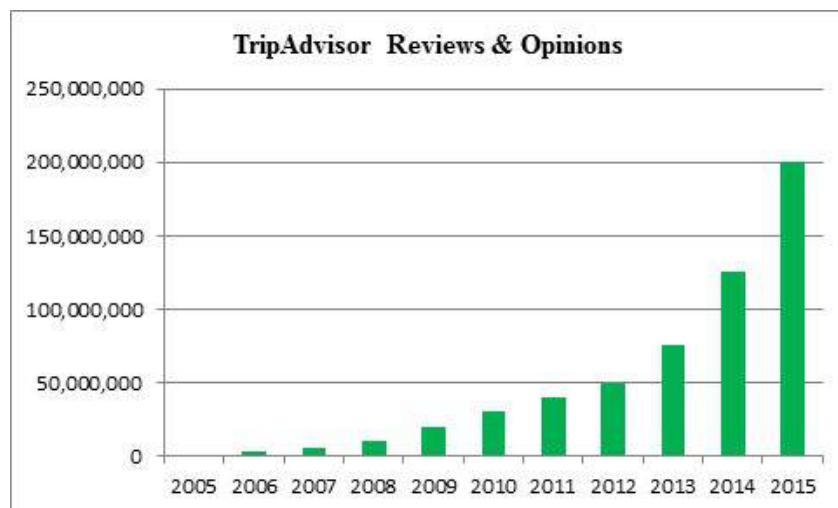
### **How choice affects the decision-making process**

According to Cassie Mogilner (Wharton School of the University of Pennsylvania), Baba Shiv (Stanford University), and Sheena Iyengar (Columbia University), choices create uncertainty. Consumers have alternatives but are uncertain what these will be. Therefore, consumers have the possibility that a better option could be available at a later point in time describes the author. When choosing a product to purchase, a brand to support or a hotel to book, the consumer is directly presented with a lot of choices and can therefore compare and find the best personal fit.

A study conducted by the researcher Simonson, Sebastian S. Kresge Professor of Marketing at Stanford GSB, and Leilei Gao a professor at the Chinese University of Hong Kong supported that individuals prefer to have more options. Having a broad variety of choices is, specifically when customers are deciding if they want to make a purchase, very beneficial as individuals have more options to choose from and to contrast.

TripAdvisor, an online travel platform founded in 2000 by Stephen Kaufer and Langley Steinert, is one of the most used and well-known platforms when it comes to comparing hotels, reading about the experience of other consumers through online reviews, or conducting bookings. The mission statement is to help people around the world plan and have the perfect trip (TripAdvisor). TripAdvisor provides personal experiences of hotels or services to other potential customers.

A study was conducted by D Sumarsono, B Sudardi, Wanto, and W Abdullah regarding the influence of TripAdvisor application usage on the occupancy rate of hotels. The study demonstrated how positive online reviews increase the conversion rate of various hotels. Furthermore, online reviews lead to a higher occupancy rate, regardless of the increased hotel prices. The researchers discovered that the online travel platform TripAdvisor revolutionized the travel experience and pre-booking process of customers. As a result of this Platform, customers can compare hotel facilities, prices, read online reviews and hotel owners can persuade consumers to conduct the booking at their hotel.



**Figure 11: The number of TripAdvisor Reviews and Opinions over time**  
Hospitality and catering news, 2015

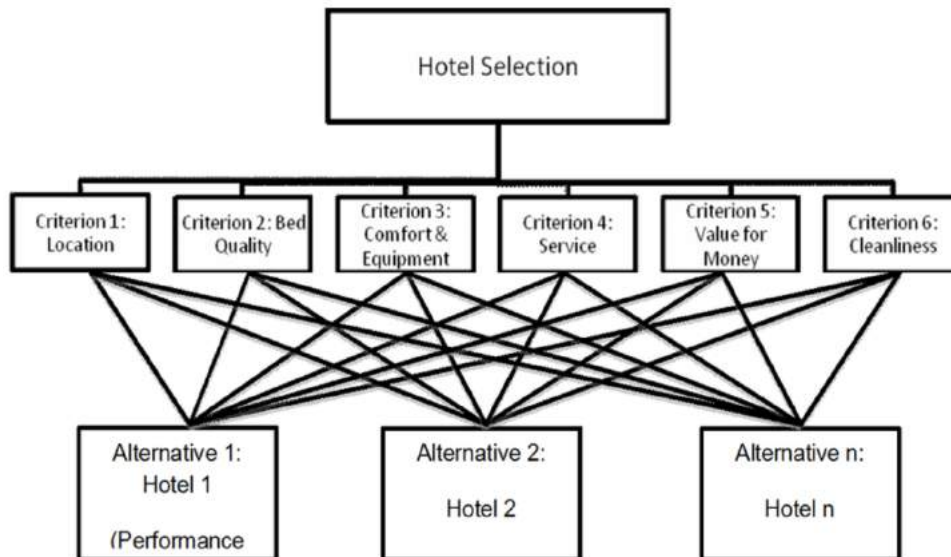
This diagram provides a great overview of the number of users TripAdvisor has. It becomes clear that during the first year from 2000 to 2005, this online travel platform did not have a lot of online reviews. However, starting from the year 2006 to 2008 the number of reviews shared on this media increased. Furthermore, starting from the year 2009 the number of reviews and opinions from customer strongly increased, reaching 200,000,000 during the year 2015. This supports that this platform has been growing over the years and that customers read online reviews before conducting a booking.

	Monthly Unique Visitors			
	2009	2010	2011	2012
<b>TRIP</b>	25.0	39.0	50.0	65.0
<b>YELP</b>	26.1	37.5	61.0	78.0
<b>Foursquare</b>	0.5	2.0	5.0	10.0

**Table 3: Number of monthly unique visitors**  
 Jeffrey Busshang, 2012

Furthermore, this diagram supports how the number of users of TripAdvisor increased yearly from 2009 to 2012 (Jeffrey Busshang, 2012). Even though the user data in the diagram is from 2012, it still provides an understanding of how tremendously the number of users increased, specifically tripled from 2009 to 2012. Whereas in 2009 only 25% of users visit TripAdvisor, this number grew to 65% in 2012.

The following decision-making model demonstrates how competition impacts the booking behaviour based on TripAdvisor Criteria.



**Figure 12: Decision-Making Process on Hotel Selection**  
Crouch, 2011, p. 32

Especially nowadays, hotels experience lots of competition among themselves and consumers have various choices which influence their booking decision. As can be seen in figure 12, the decision-making process is influenced by various criteria (Crouch, 2011). Location, Bed Quality, Comfort and Equipment, Service, Value for Money and Cleanliness are the main components which do influence the final selection between different hotels and choosing among different alternatives.





Bewertungsnote nach Quelle	Bewertungsnote (Feedback Anzahl) MTD	Antworten auf Bewertungen (Feedback Anzahl) MTD
Booking.com	4.73 (54)	38% (9)
TripAdvisor	4.65 (20)	40% (8)
Google	3.86 (7)	43% (3)

**Figure 13: Monthly review rating**  
Bürgenstock Resort, 2022

This graphic insight from a leading 5 Star Resort in Switzerland indicates how relevant online reviews, especially positive ones are for 5 Star Hotels. Every month, presentations and graphics are created which analyze the number of reviews of each property and the rating. Through the regular measurement of online reviews, the score and the guest satisfaction can be compared each month. According to the results of all guest reviews, most received online feedback comes from booking.com, TripAdvisor and Google. Even though the channel of the received reviews slightly varies each month, the hotel receives most reviews through booking.com. This could be the case as a lot of guests make their booking through this online travel platform and then rate it directly online after their stay. As the resort has a lot of international guests, they might also prefer to book through booking.com as it creates safety and a known comfort. Furthermore, the hotel responds to around 38% of online reviews on booking.com per month, 40% of reviews are answered on TripAdvisor and around 43% on Google. This signifies that the Bürgenstock Resort responds to around 40% of all reviews received. Whereas this number could be improved, it still supports and shows regular communication with guests. Additionally, the hotel might choose to respond to the most relevant feedback, questions, or criticism.

## 2.5 Defining the consumer decision journey and the decision-making model

Decisions are made daily, from less important decisions such as what to cook for lunch, to which restaurant to go to or which path to run to more important decisions such as which degree to pursue or which hotel to book for vacation. Consumers make decisions based on microeconomic analysis.

Rational choice is defined as the process of determining what options are available and then choosing the most preferred one according to some consistent criteria. The rational choice theory claims that individuals have preferences and choose according to those, based on a specific schema.

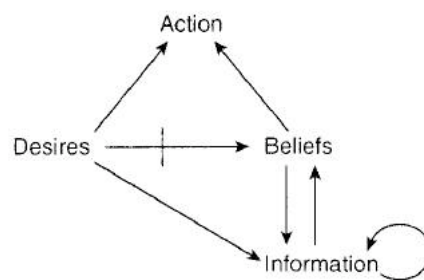


Figure 1.

**Figure 14: Rational choice theory**  
Jon Elster, 2009

Figure 14 represents the simplified way of rationality, it considers personal desires, actions, beliefs, and information when it comes to making decisions and explaining behaviour. The rational choice theory supports that consumers have their self-interest which they use to make choices that provide the greatest personal benefit. This concept helps to determine and understand how decisions are made.

### Assumptions of rational choice theory

To fit the criteria for rational choice theory, the following assumptions are made.

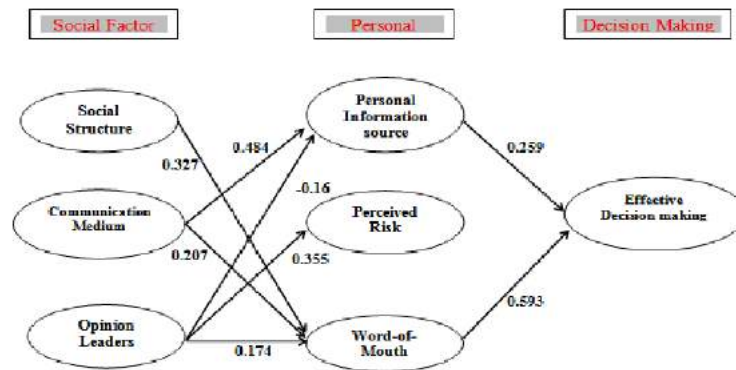
1. All actions are rational and are made considering costs and rewards.

2. The reward of a relationship or action must outweigh the cost for the action to be completed.
3. When the value of the reward diminishes below the value of the costs incurred, the person will stop the action or end the relationship.
4. Individuals will use the resources at their disposal to optimize their rewards.

Due to the made assumptions, this model has also various limitations. It does not consider outstanding environmental factors. These factors do strongly influence the behaviour and decision making of individuals. Another criticism of this model is that when making choices in the real world, unplanned or unforeseen situations might occur which this model does not take into consideration.

Word-of-mouth (WOM) has a very strong impact on the consumer decision-making process (William C. Martina and Jason E. Luegb). As supported by empirical studies, the individual who is sharing about her or his experience, and the listener who might have not experienced the product or service before, do influence and affect the purchasing behaviour of others.

Especially when one decides to purchase a product which has not been consumed or purchased before, the opinion, experience and prior knowledge increase the trustworthiness of a product and the chance of choosing this product. Furthermore, more and more consumers use social media platforms to share their personal experiences, opinions, and beliefs about products. (Gupta and Harris, 2010; Lee et al., 2011). For these reasons, WOM is considered one of the most important and relevant distributors of information for the consumer booking decision. (Litvin et al., 2008; Jalilvand and Samiei, 2012).



**Figure 15: Effective Decision-Making Model**

Khalid, Safia & Mirza, Ashfaq & Ahmed, Mirza & Ahmad, Z., 2013

This diagram, figure 15, represents the proposed model of effective decision making. It supports when making decisions, we take social factors and personal experiences into consideration before making a final decision. Social factors include the way the brand represents itself, how the communication between the brand and the customers takes place and the opinion of other, influential leaders. Moreover, the personal values and information which include WOM, personal information and experiences do strongly contribute to the decision-making process and reduce potential risks of consuming and purchasing the product or brand. All these factors are closely interrelated and connected and do therefore influence the outcome of the buying process.

## 2.6 The difference in the importance of reviews for 2- and 5- Star Hotels

Whereas online reviews are highly important for all firms and businesses, there is a significant difference between the value of reviews for 2- and 5-Star Hotels (Vermeulen and Seegers, 2009). The expectations for customers staying at both hotel categories do greatly differ. While the customer of a 2 Star Hotel stays there because of the cheap price and because it provides accommodation for the night. Guests of 5 Star Hotels stay there because of the high-quality service, the location, the interior design, and the comfort it provides. Hence, the guest expectations do greatly differ, also regarding the online communication and reviews (Hu et al. 2009).

For 2 Star Hotels, guests do usually not read online reviews before doing their booking, however, the overall rating of the property is of high importance. Guests also value cleanliness and a convenient design. In contrast to 5 Star Hotels, guests read 6 to 12 online reviews before conducting their booking at a certain property (TripAdvisor, 2014). Customers also highly value cleanliness but more so, the service quality plays an equally important role. 5 Star hotels have a certain reputation and standard which they promise to themselves and their guests. Guests of 5 Star Hotels request personal engagement and contact whereas the customer of 2 Star Hotels prefers contactless and fast check-in. Because of this, 5 Star Hotels must handle online reviews differently and communicate with their customers differently (Wang and Chaudhry, 2018). Even more than that, to have a good brand reputation, online reviews play a much more important role for 5 Star Hotels than for 2 Star Hotels.

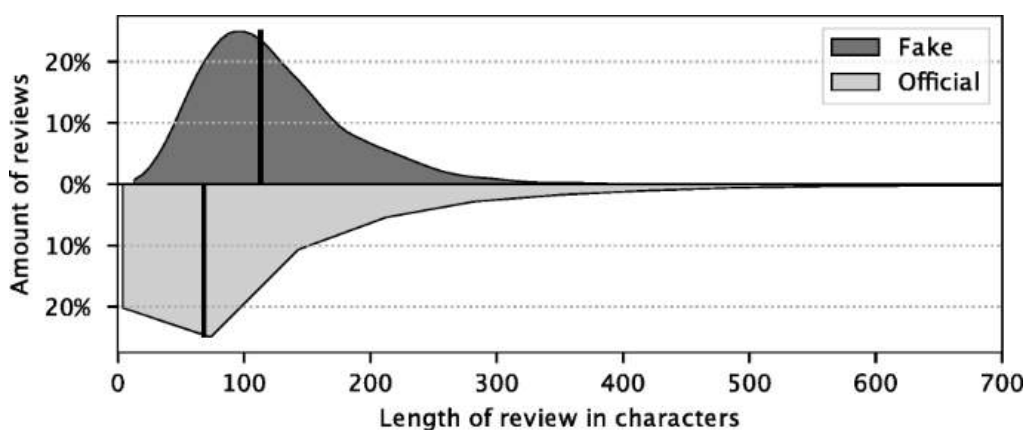
As previously stated, online reviews build the brand reputation and trust and are strongly influencing the customers booking decision (Esmark Jones et al. 2018, Qing et al. 2018, Wang and Chaudhry 2018, Wang et al. 2016). Therefore, handling online reviews appropriately is very important. Customers who share their experiences with others using online reviews tend to be very happy or very disappointed with their booking decision (Anderson, 1998, Litvin et al, 2008, Hu et al. 2009). As people are very busy nowadays, writing reviews is very time-consuming. Because of this, individuals either share very positive or very negative experiences. No matter if the review is positive or negative, hotels must engage with the customers and create interactions (Prahalad and Ramaswamy, 2004, Ramaswamy and Gouillart, 2010). However, hotels responding to negative reviews or complaints have a stronger outcome and more positive effect on the customer satisfaction level (Gu and Ye, 2014). Responding to negative reviews can be understood as a type of complaint management (Wang and Chaudhry, 2018) whereas responding to positive reviews creates a personal customer relationship, engagement and higher guest satisfaction (Tsai and Huang 2002).

According to (Xiaofei Li, Baolong Ma and Rubing Bai, 2020), the most common way to reply to an online review is the following:

1. Thank the customer for the valuable feedback and show gratitude or apologize
2. Support the brand, advertise an event, or come up with a solution related to the feedback

## 2.7 Bias in online reviews

As every person has different expectations about their stay, customer reviews might not reflect the overall performance of the hotel. Hence, it is necessary to review the reputation of the customer to increase the level of credibility (Henning-Thurau et al. 2004). This ensures that the customer did have encounters with the brand, writes a review, that is relevant and reduced the number of fake reviews. To what extent an online review influences readers depends on their cognitive personalization (Xie et al. 2011).



**Figure 16: Detection of fake reviews**

Figure 16 demonstrates how fake reviews and bias in online reviews are detected and based on what new online reviews are valid and trustworthy. Observable behaviours of the hotel company such as engagement, effort or reaction provide customers with a clear understanding of the companies values and objectives. (Shocker et al., 1991). Online reviews on TripAdvisor do reflect the previous experience at the specific hotel from a guest's perspective (Kim et al., 2011).

As pictures and videos are often edited and hotels might advertise themselves from the best perspective, online reviews do provide a real customer experience and offer prior knowledge to future guests (Lee et al., 2015).

According to recent studies (TripAdvisor, 2014), 80% of people read at least six to twelve online reviews before choosing their hotel and conducting the booking. Certainly, this high number reflects and underlines the importance of online reviews. Nowadays, most tourist destinations have a lot of choices when it comes to customer booking decisions. Even though the booking decision is determined by various factors such as location, price, offered facilities and services or the concept of the hotel, online reviews play a very relevant role. Customer reviews on TripAdvisor do strongly influence the number of bookings, which a hotel receives (Lightspeed Research, 2011, Gretzel, 2007, TripAdvisor, 2014). As a traveler might have not been at the specific destination yet, they rely on feedback from family, friends, and online reviews. These reflect the customer experience from a realistic point, share the best and worst situations and give a traveler a good and safe feeling (Esmark Jones et al. 2018, Qing et al. 2018). Moreover, hotels that handle negative reviews, manage consumer dissatisfaction and reply to reviews appropriately increase their number of bookings (Wang and Chaudhry, 2018). Around 87 % of people will conduct their booking if the hotel replies to reviews as replying to online reviews shows that the hotel values their customers, engages with them, and most importantly focuses on satisfying their needs (TripAdvisor, 2014). Hence, responding to reviews demonstrates that the hotel cares about every guest, the guest feels important and understood. As hotels accommodate a lot of guests, they will receive a high number of reviews. Because of this reason, it might not be possible to reply to all reviews. Replying to the most positive and the most negative reviews is essential as these have the highest importance and power (Prahalad and Ramaswamy, 2004, Ramaswamy and Gouillart, 2010). As every guest has different needs, it is important to be as precise, personalized and understanding as possible. Responding to reviews in a personalized way ensures that the guest feels listened to and understood. Furthermore, the listing of the online reviews on TripAdvisor does strongly influence the reputation of hotels (TripAdvisor, 2014). Depending on the listing of the reviews, more customers and potential guests could be reading them (Enes Eryarsoy, Selwyn Piramuthu, 2014).

### **3. METHODOLOGY**

The following chapters provide an understanding of the conducted research, the methodology and the chosen research design.

#### **3.1 Aim**

The main aim of this thesis is to critically evaluate the influence of online reviews on the customer booking decision for 5-Star hotels. Furthermore, the impact of TripAdvisor on the customer booking decision and the challenge of fake reviews and biases in online reviews will be critically evaluated. This aim will be met by the investigation of the customer journey, the theory of choice and the effect of fake reviews.

Based on the research topic, the following main aims have been established:

- To provide detailed information and an in-depth understanding of the decision-making model, the consumer decision journey as well as the rational choice theory. Moreover, the word-of-mouth model will be analyzed in detail.
- To examine the impact of biases in online reviews when it comes to consumer booking decisions. Online reviews are very beneficial for consumers; however, the number of existing fake reviews does influence the credibility of these reviews. By analyzing various reviews and responses of hotels and the comparison of the influence between the number of positive reviews and the number of bookings a hotel receives, the hypothesis will be supported.
- To determine the influence of TripAdvisor and how this online travel platform revolutionized the online booking journey of consumers.

To summarize these main aims, provide a greater understanding of the relevance of the topic, the influence online reviews have on customers and the daily business and how fake reviews and bias in reviews mislead the consumer booking decision.



### **3.2 Research Design**

To make ecologically valid and supported claims, a research design has to be chosen, which will be used in this Bachelor Thesis as a method of collecting primary data. Research is defined as “a scientific and systematic search for pertinent information on a specific topic” (Kothari, 2004). According to (Creswell, 2014) there are three methods, which can be used, quantitative, qualitative or mixed research design. Quantitative research is used to test hypotheses, helps to estimate the cause-and-effect relationship, and make predictions whereas qualitative research helps to understand and interpret social interactions (Johnson and Christensen, 2008). Furthermore, quantitative research methods rely on the use of surveys, questionnaires, or experiments while qualitative research methods focus on the use of observations, case studies or interviews. Mixed research methods are defined as studies that include at least one quantitative and one qualitative research method (Creswell and Plano Clark, 2011). Combining and analyzing qualitative and quantitative data ensures a better understanding of the research problem and avoid any type of biases. (Creswell, 2014).

This thesis will be using surveys as a method of quantitative data collection. This type of research method is chosen as it collects information about the opinions and behaviours of individuals about online consumer reviews and how this fact influences their booking decision. Furthermore, surveys determine how customers react to negative reviews and how this influences their overall satisfaction.

### **3.3 Unit of analysis**

The Unit of Analysis is a reflected analysis towards the end of the thesis which is very relevant and the centre of attention for this study (Matthew DeCarlo, 2021). The unit of observation describes the method used to measure, observe, and analyze to increase knowledge about the unit of analysis (Matthew DeCarlo, 2021). In this thesis, the unit of analysis is the interest in TripAdvisor’s influence on the customers booking intentions in 5 Star hotels. This research interest is investigated by conducting a survey which provides insight into the relevance of the topic and measurable data to learn about the unit of analysis.

### 3.4 Survey development

In addition, the survey, which will be conducted online, provides a better understanding of the impact online reviews have on the customers booking decisions. Being able to find out how often individuals read online reviews and if this changed their behaviour is very valuable data. After the data was collected through the online survey, the hypothesis can be accepted or declined.

Pursuing this further, the survey will start with specific questions about the importance of online reviews, the number of times a review is read before the booking, the opinion, and positive and negative online reviews and how this would influence their decision. To analyze this, five positive sample reviews with the reply of the hotel will be given to the respondents. After reading each, the respondent answers a few specific questions. These could look like the following: “On a scale from 1 to 10, how likely would you be to book this hotel?, How satisfied does the response of the hotel make you?, Would you book a hotel with such a review?”. A stimulus, figure 17, will be included to find out if participants read the online reviews, watched the proposed video and recall the companies name. Towards the end, the questions of the survey are more personal and will include the participants study status, gender, number of times he or she stayed in hotels and possibly age group. The survey will be created with the help of *soSci (oFb – der onlineFragebogen)* and all questions and reviews will be written in English.



**Figure 17: Informative video advertisement with experiences during our travel**  
(Four Seasons Hotels and Resorts, 2017)

This short promotional video from Four Seasons Hotels and Resorts is meant to demonstrate how important the experiences with people and the world are during our travels. “The power of connecting with people and the world around us during our travels”, Four Seasons Hotels and Resorts, 2017. This is what guests create the best memories for and leads to guests returning and choosing a specific hotel company to stay with. This video is around 1 minute long and is used as a stimulus to check if participants are interested in the survey. Additionally, it provides insight into active participation as another question later asks the responders to recall from which company the video was.

With this in mind, it is important to carefully select the participants of this survey, choose valid cases based on the participants responses and ensure to reach the right target group, individuals who do travel occasionally. Contributors who do not travel at all, do not choose a hotel and hence do not read online reviews. Moreover, to make an ecologically valid survey, responses from various age groups, different nationalities and different types of traveler are needed. This allows me to make a valid claim and generalize my findings to the general population. These selection criteria and the filtering of valid cases after the study was conducted guarantee that the responses taken to support the hypothesis are justifiable. To conduct an ecological valid survey, it is important to brief the participant about the research interest, confidentiality, the aim of this study and ask for the participants consent. This ensures that the participant is aware of the research topic, takes part in the survey voluntarily and understands that he or she can withdraw at any time.

*Dear prospective participant, welcome to my survey,*

*Thank you for your interest in this study on the influence of positive online reviews on the customer booking intension in 5 Star Hotels. The study is part of my bachelor thesis in Business Administration Tourism, Hotel Management and Operations, which I am writing at the Modul University Vienna. Completing the survey will approximately take 7 minutes. By participating in this online survey, you can take part in a raffle for one of 4x10€ vouchers from amazon. You can leave your email address at the end of the study.*

*All information you provide is anonymous and will be treated confidentially. Please answer the questions openly and honestly. There are no right or wrong answers to this survey. I am interested in your opinion. You can end your participation in the study at any time without*

*giving a reason by closing the browser window. By selecting “Yes” you confirm that you have read the information above and participate in this voluntary.*

Furthermore, the survey questions are divided into 4 main parts. Firstly, we must understand who our participants are. This allows us to determine if the participant is eligible for this survey. Then the participants are asked to answer specific questions regarding their opinion on online reviews. Moreover, control questions allow the researcher to understand and test the participants interest in this survey. Lastly, open-ended questions regarding the relationship between online reviews and the companies provide a great insight into the perspective and opinion of the participants concerning this topic. At the end of the survey, the participant is informed and thanked as followed.

*Thank you for completing this survey and your participation. As thanks you have the chance to win one 4x10€ voucher for amazon. Please click the tick below and enter your email address if you want to participate. After the data collection has ended, I will draw the winners of the desired vouchers and contact them by email. If not, the survey is ended here. Thank you for your participation!*

<b>Number</b>	<b>Statistical Question</b>
2	Do you read online reviews before booking a hotel stay?
9	Did you previously write reviews after staying at a hotel?
15	How many times do you approximately stay in a hotel per year?
16	How old are you?
17	What is your gender?

**Table 4: Statistical questions to understand the participant’s background**

The statistical questions as stated in Table XX provide background information about the participant. Understanding if the participant reads online reviews or not before conducting a booking (Question 2) is crucial as the research interest of this thesis is to determine how important online reviews are. Understanding if participants write online reviews or not and how many times per year the participant approximately stays in a hotel is valid information as this survey does not apply to individuals who

never travel or do not book hotels. Statistical questions regarding age and gender do provide insight into a possible difference in perception regarding online reviews and their importance.

Number	Question
3	How likely are you to book a hotel with negative reviews?
4	How many reviews do you read before booking a hotel?
5	How important is it for 5 Star Hotels to have good reviews (your opinion)?
10	Do you write positive or negative reviews more often?

**Table 5: Survey Questions regarding online reviews and their importance**

The survey questions about online reviews and their importance (Table 5) provide detailed information about the participants attitude regarding positive and negative online reviews and the relationship between a hotel booking and reviews. Question 3 asks participants to rate how likely they are to book a hotel with negative reviews. Understanding if participants are willing to book a hotel with negative reviews or not is one of the research interests of this study. Furthermore, the number of reviews read before making a booking and the importance of positive online reviews for 5 Star hotels provide an insight into the relevance of this topic. Survey question number 10 gives a clear answer to whether participants write positive or negative reviews more often.

Number	Question
1	Please watch this video first: <a href="http://www.youtube.com/watch?v=lzq78MlkT2s">www.youtube.com/watch?v=lzq78MlkT2s</a>
6	From which company was the promotional video you have watched before?
7	Have you stayed in a Four Seasons Hotel before?
8	If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book?

**Table 6: Control questions to test the participants interest in this survey**

To ensure that the participant pays active attention, reads the questions before answering and is interested in the actual research study, I implemented four control questions into the questionnaire. These aim to test the individual's active participation. Firstly, participants were asked to watch a short promotional video from Four Seasons, a 5-star luxury hotel chain. Only five questions later, the participants were asked from which company the video was. Participants who answered incorrectly, might not have watched the video at all or might have not paid attention. Furthermore, asking if individuals stayed at a Four Seasons before provides an understanding of the type of traveler the participant is. Another control question is question number 8. This interview question has an obvious answer. If two hotels are equally furnished, but one has a high rating (Hotel A) and the other a lower one (Hotel B), responders were asked which hotel they would book. This question also determines, based on the selected answer, how serious the survey was taken.

Number	Question
11	When searching for a hotel, do you read the companies responses to online reviews?
12	How do you agree with the following statements? Companies should respond: positive reviews, negative reviews, reviews with questions, every review, no review
13	How do online reviews influence your opinion of the hotel company?
14	Which platforms did you use before to read online reviews?

**Table 7: Open-ended questions regarding the relationship between online reviews and the companies**

Correspondingly, open-ended questions asked the responders how important it is for them that companies manage online reviews and how reviews influence their opinion of the brand or firm. Understanding what review platforms are most used allows me to analyze and determine what tools are common and used regularly when it comes to reading online reviews for making a final booking decision.

### 3.5 Data Collection and Analysis

When it comes to data collection, it must be ensured that the data is unbiased. Therefore, descriptive statistics such as age and gender will be included. Moreover, the means and the other responses will also be compared. A regression analysis will be performed, and the data will also be categorized. Furthermore, content analysis will secure that the data is well structured, supportive, and unbiased.

The target audience of the survey is students aged between 18 to 25, based mainly in Vienna. This audience reflects the interest in research as the finding should be relevant to this generation. The link to the survey will be distributed mainly with the help of social media. The focused channels are Instagram, LinkedIn, and WhatsApp. The link will also be distributed to other age groups as this is an interesting comparison and increases the credibility. In total, around 115 responses are needed to ensure higher credibility.

As previously described, the survey starts with an informative summary that provides the participants with the aim of the survey. The time it takes to complete the survey will also be included. Moreover, an introduction to the topic of online reviews will be given. Furthermore, a basic introduction about myself supports the reason for conducting the survey. It is highly important to inform the participants about confidentiality, the importance of answering honestly and that their answers will only be used for academic purposes. More so, participants will be informed that the participation is voluntary, and the survey could be always left. As previously described in the survey development, it will start with specific questions regarding the importance of online reviews. These questions are specifically related to the participants previous experiences, behaviour, and preferences. Another question could be if the respondent reads online reviews before conducting a booking and if yes, how many. Various scales will be created to ensure that the data is unbiased and with the help of tables, graphs and diagrams, the results will be displayed visually.

## 4 SUMMARY AND INTERPRETATION OF SURVEY

The survey was conducted over 1 month and 113 valid cases have been obtained.

<b>Sample Characteristics</b>	<b>N = 113</b>
<b>Mean Age</b>	34.3
<b>Gender %</b>	
Female	54.9
Male	45.1
Divers	0
<b>Average Number of nights in a hotel per year</b>	18
<b>Have you stayed at a Four-Season Hotel before</b>	45% yes 55% no

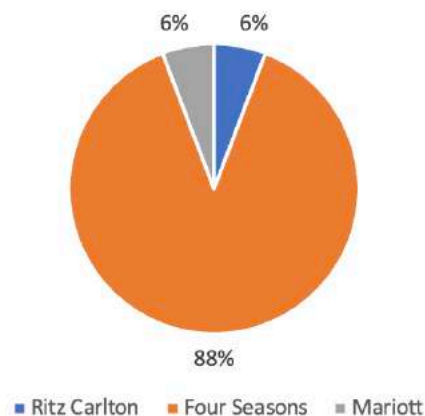
**Table 8: Sample characteristics**

Whereas 54.9% of participants were female, 45.1% of men took part in this survey. This result supports that more women are interested in online reviews and took part in this survey however the gender proportion is very well balanced and almost equal. The age groups are fairly distributed thus the mean age is 34.3. Around 60 % of the participants age lies between 18 to 29 while 20.3 % of the participants are between 30 to 49 years old. 15 % of responders age is between 50 to 64 and the final 5.3 % are 65 years and older. Consequently, this result demonstrates how relevant online reviews are for all age groups and not only young individuals. As more than half of the responders age lies between 18 to 29, it can be claimed that online reviews are more important for the younger generation however, this result signifies how valid online reviews are for the age groups from 30 years and older. The demonstrated video of the Four Seasons company as a stimulus worked well and indicated who recalled the



name of the company later on during the survey. The fact that 45% of participants of the survey have stayed at a Four Seasons Hotel before demonstrates that almost half of the responders have experience with luxury hotel brands and 5 Star Hotels.

From which company was the promotional video you have watched before?



**Figure 18: From which company was the promotional video**

This diagram shows the results of the included stimuli which asked participants to recall the companies name which was presented during a short YouTube video towards the beginning of the survey. As 88% of participants correctly identified the name of the company, Four Seasons, the results of the survey are significant and responders were interested in the research topic and paid active attention.

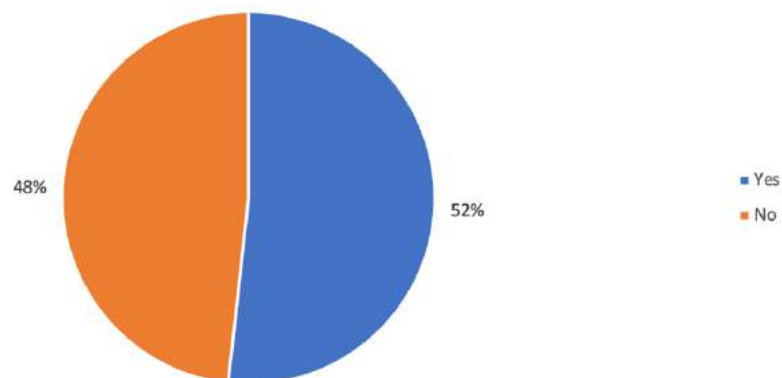
The following graphs provide an insight into the obtained results of the conducted survey and simplify how participants perceive the importance of online reviews on TripAdvisor.



**Figure 19:** Do you read online reviews before booking a hotel stay?

According to the results of the survey, 92% of participants responded that they read online reviews before booking a hotel hence only 8% claimed to not read reviews before conducting a booking of a hotel. This result strongly supports how important online reviews became for customers and companies. Correspondingly to the results of this survey question, a previously conducted study found that 82% of individuals read online customer reviews before making their booking and deciding on a product or service (Valant et al. 2015).

Did you previously write reviews after staying at a hotel?



**Figure 20:** How likely are you to book a hotel with negative reviews

Furthermore, interestingly the answers of the conducted survey demonstrated that 52% of participants did write online reviews after staying at a hotel and 52% of guests do write reviews after staying at a hotel. This high figure reflects how important the hotel experience is for customers and the company as this can be then shared publicly on booking.com, TripAdvisor or any other booking engine. Consequently, 48% of responders did not rate their previous experience. This supports that online reviews are only written when customers experienced something extremely positive or negative which is worth sharing whereas the standard experiences of staying at a hotel are not shared by half of the guests. Furthermore, even though 48% of responders did not write a review before, they do read online reviews before making a booking decision which was explained and demonstrated in figure 20 above.



**Figure 21: How likely are you to book a hotel with negative reviews**

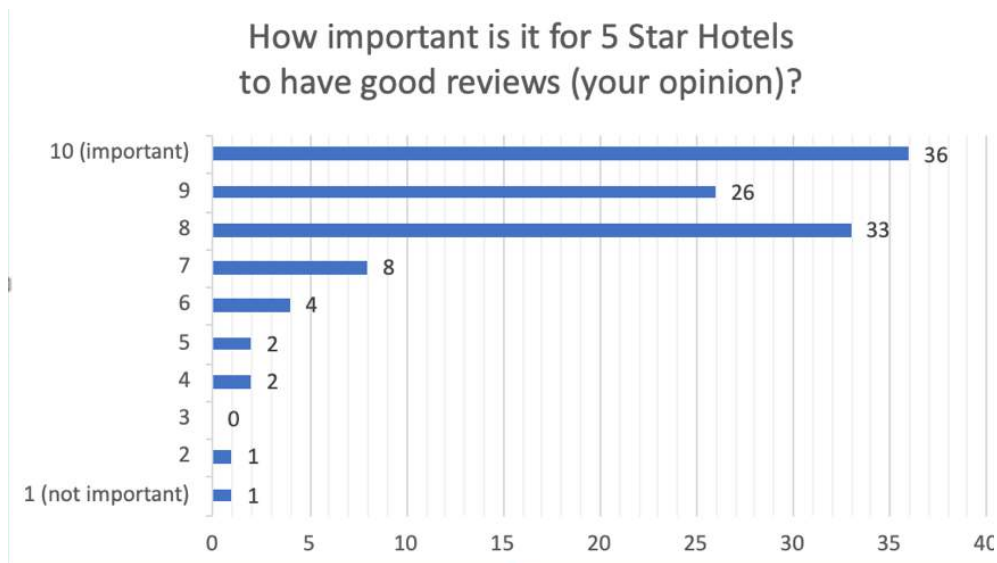
The graph above, figure 21, shows how tremendously negative online reviews influence the booking behaviours of individuals and with that the final booking decision. According to the conducted survey, 41% of the participants responded to be very unlikely to book a hotel with negative reviews and 45% of the responders said to be unlikely. This means 86% of all participants responded that they would rather not book a hotel with negative reviews. Only 13% of responders said they might be likely to make the booking while only 1% claimed to be very likely of making this booking. Often reviews are misleading, biased, or even fake. Therefore, the 13% of participants

who answered to be likely to make the booking might not trust online reviews, would prefer to make their own opinion instead or has different expectations. Thus, the fact that 86% of all responders would not book a hotel with negative reviews highly supports not only the importance of online reviews but also the number of responses, the content of the online review and the reaction of the hotel.



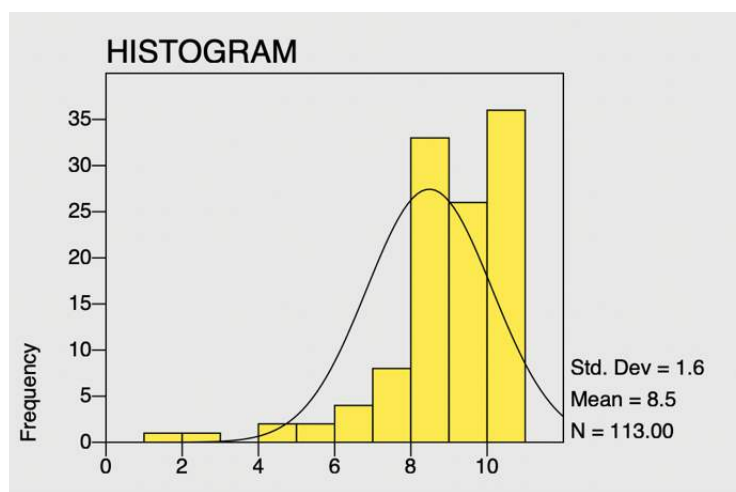
**Figure 22: How many reviews do you read before booking a hotel**

This Graph, figure 22, shows how many reviews consumers read before making a booking decision. The average individual reads around 5.3 online reviews before making a hotel booking. While 26% of participants read between 3 to 5 reviews, 30% of responders read between 5 to 7 online reviews and around 25% read more than 7 online reviews. Only 8% of participants claimed to read 0 online reviews before making a booking decision. This could be since the individual does not trust online reviews or prefers to determine their perspective. Despite these 8%, most participants responded to regularly read online reviews before conducting a hotel booking and 25% of all participants read more than 7 reviews get an insight into the company's performance. This corresponds to the research obtained in the literature review.



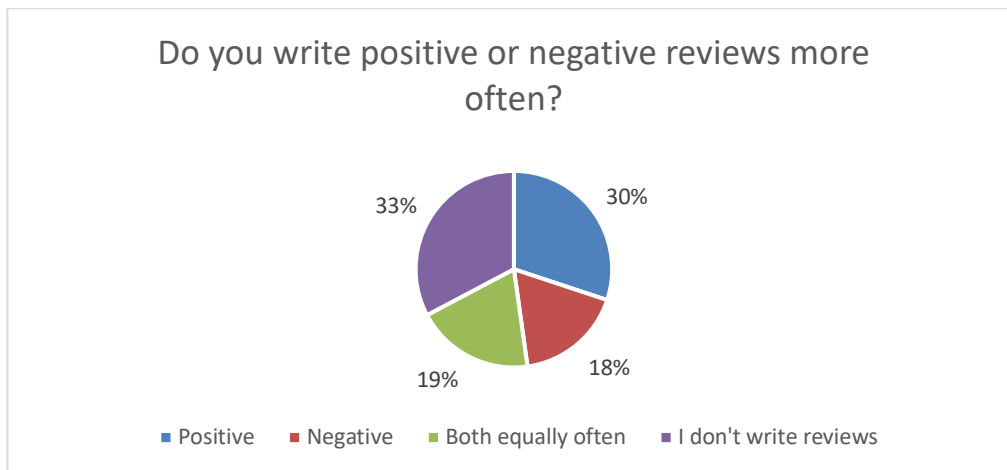
**Figure 23: How important is it for 5 Star Hotels to have good online reviews**

Likewise, to the high number of online reviews read before booking a hotel, the result of the survey proved how important it is for 5 Star Hotels to have good, positive online reviews. As it can be seen in figure 22 above, the mean answer of the participants lay at 8.5 from a minimum being 1 (not important) to a maximum being 10 (very important). This large number reflects how crucial positive online reviews are perceived by participants. Most 36 participants responded that it is very important (10/10), 26 participants answered 9/10 and 33 participants decided for 8/10.



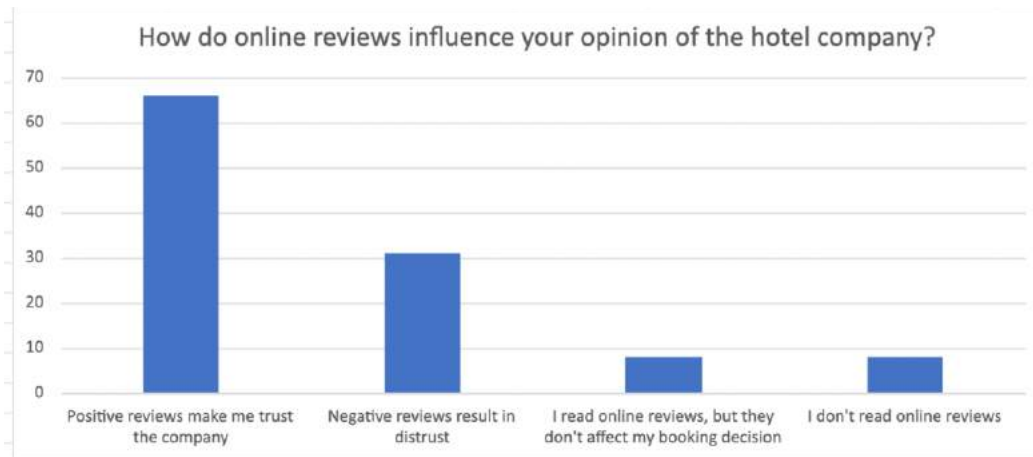
**Figure 24: Histogram of the importance of online reviews**

The histogram signifies how participants perceive the importance of positive online reviews for 5 Star Hotels. As explained above, the 113 participants rated this question at an average of 8.5/10. This indicates that most participants expect 5 Star hotels to have positive online reviews.



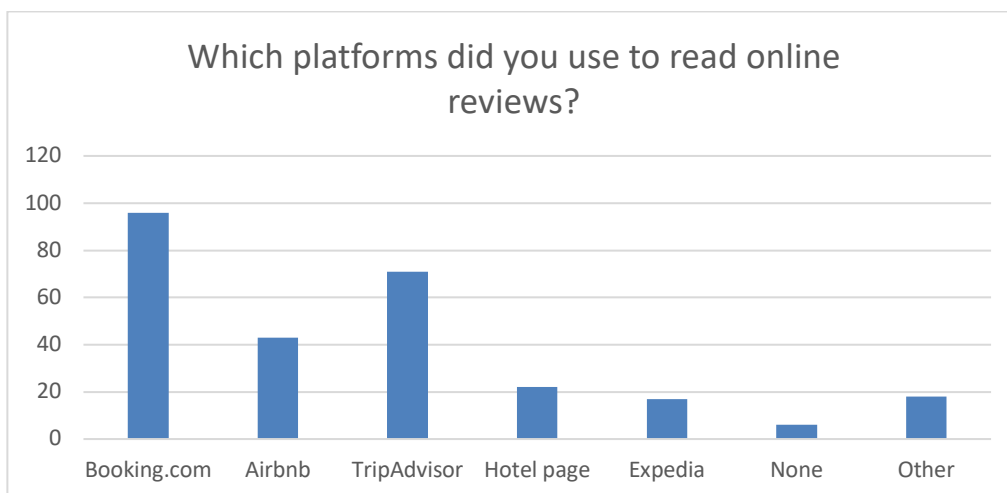
**Figure 25: Do you write positive or negative reviews more often**

Compared with the previous analysis of the survey questions, this question had mixed answers and no majority was observed. Whereas the participants agreed to the importance of online reviews, reading reviews and would not make a booking for a hotel with negative reviews, the answer to this question varies. While 33% of the participants responded to not writing online reviews, 30% of participants said to write positive reviews after staying at a hotel. Furthermore, 19% of responders said to write positive and negative reviews equally often and the other 19% claimed to write negative reviews after experiencing problems at a hotel.



**Figure 26: How do online reviews influence your opinion of the hotel company**

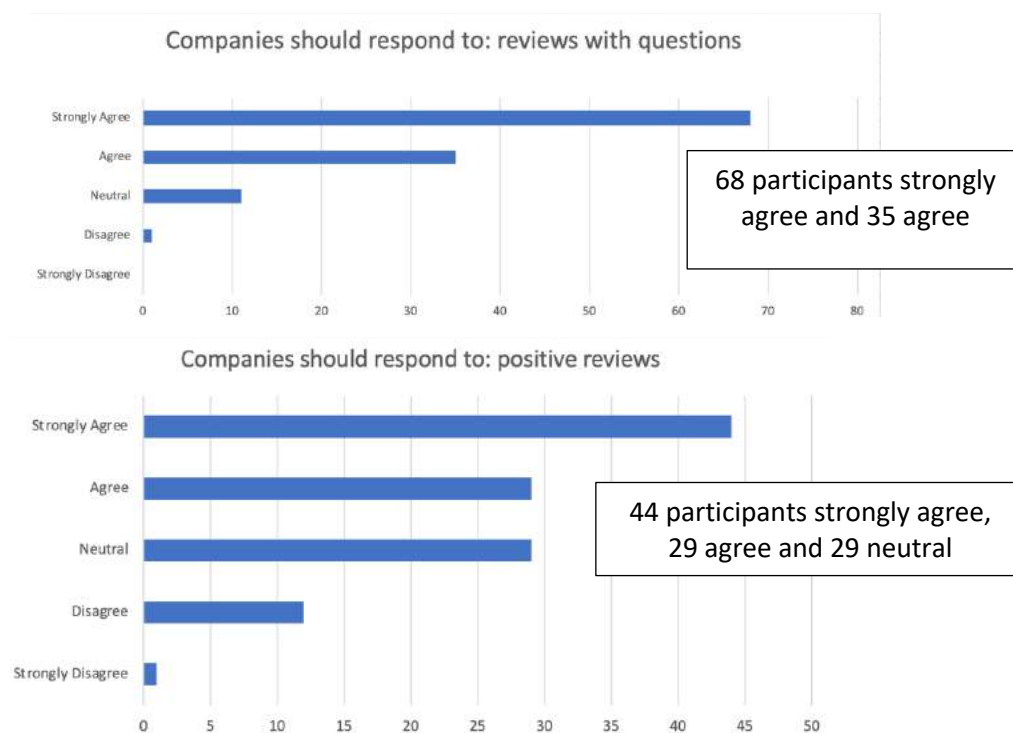
Finally, it can be said that online reviews do make consumers trust the company and negative reviews result in distrust. As this diagram signifies, 66 participants stated that positive online reviews result in inbuilt trust in the company. Moreover, 31 participants claimed that negative reviews result in distrust. Only 8 participants answered that online reviews do not influence their booking decision while the other 8 responders said that they do not read online reviews. As 58.4% of participants answered that positive reviews make them trust the company, the importance of positive online reviews regarding the customer journey and trust is highlighted.



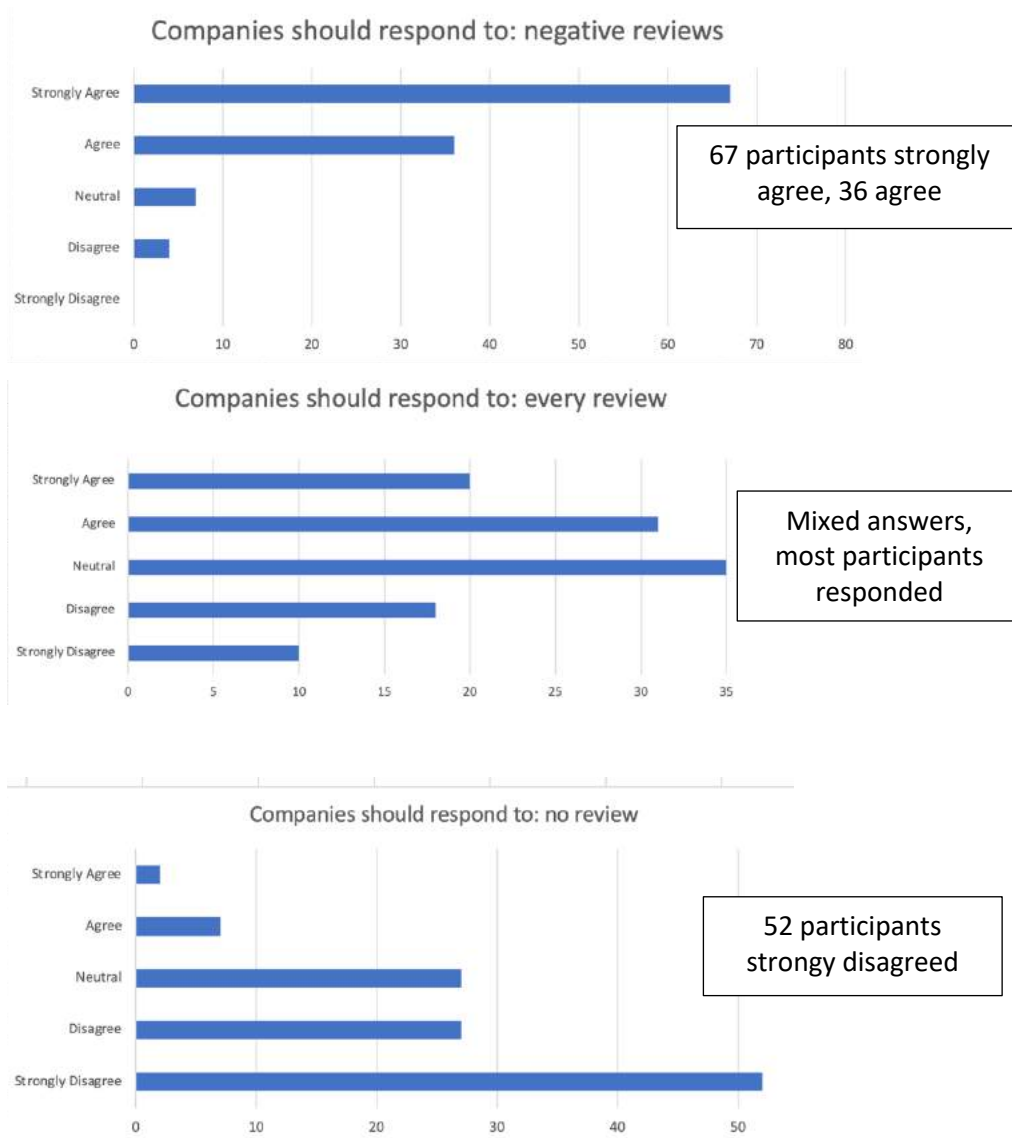
**Figure 27: Which platform do you use to read online reviews**

The most used platforms to read online reviews before making a booking decision are booking.com, TripAdvisor and Airbnb. This could be because these platforms are the most popular in the tourism industry, exist worldwide, are easy to use and provide trust for the customers. Interestingly, this result also corresponds to the analysis of the Bürgenstock Resort which has the most online reviews from booking.com, TripAdvisor and Airbnb.

The following diagrams visualize how important participants perceive the company's responses to reviews with questions, positive reviews, negative reviews, every online review and no review.





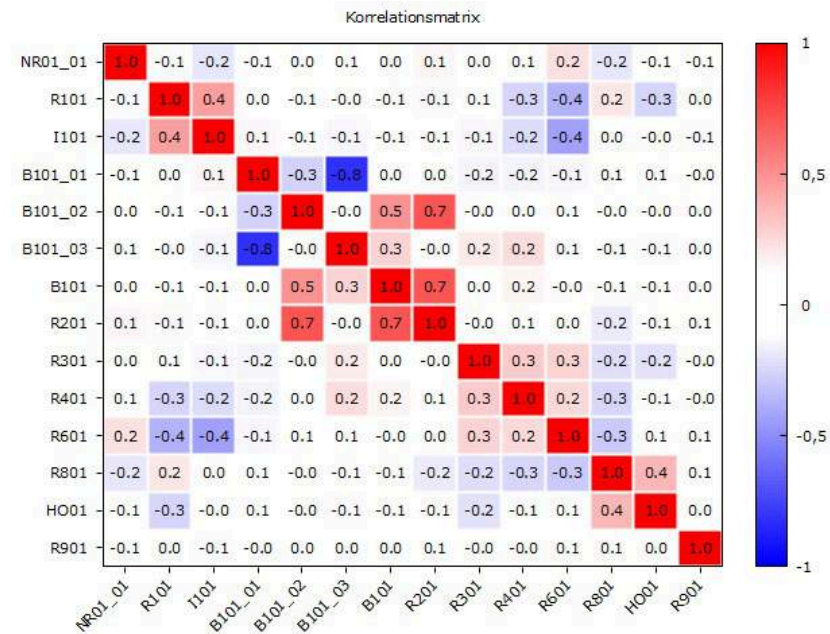


**Figure 28: To which type of online reviews should companies respond to**

According to the obtained results from the survey question “to which type of online reviews should companies respond to”, it stands out that companies should respond to online reviews, reviews with questions and negative reviews. These three questions had very strong and corresponding responses. When it comes to the question of whether companies should respond to every review, most participants responded with neutral. As 46% of participants strongly disagreed that companies should respond to no review, 60% of participants expect a response to negative reviews and reviews with questions, this survey question supported how important it is for hotels to respond to negative online reviews as well as reviews with questions. As elaborated

in the literature review, after only three negative reviews, 59% of potential customers will not buy or consume the product and after four negative reviews, the company might lose up to 70% of potential consumers (Zhovtyuk, 2019). This study strongly corresponds to the findings of my survey.

This correlation matrix shows all survey questions concerning the possible answers. It therefore shows the correlation between two variables. The higher the value of the variable is, the stronger the correlation between the variables. Correspondingly, the lower the variable is, the lower the correlation is.



**Table 9: correlation matrix**

This graph demonstrates a positive correlation between variable B101\_02 "If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book, Hotel B – 2.9 (terrible to average)" and R201 "Did you previously write reviews after staying at a hotel?".

Additionally, B101 "If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book?" and R201 "Did you previously write reviews after staying at a hotel?" correlate positively. Furthermore, a negative

correlation can be seen between B101\_01 "If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book - Hotel A – 4.5" and B101\_03 "I don't know". A positive correlation describes a similar trend between two variables meaning if one variable increases, the other increases as well. Similarly, negative correlation describes that one variable decreases, just like the other one.

```

Function evaluations: 52
Evaluations of gradient: 25

Model 1: Ordered Logit, using observations 1-113
Dependent variable: I101
Standard errors based on Hessian

```

	coefficient	std. error	z	p-value	
R401	-0.427159	0.177429	-2.407	0.0161	**
R601	-0.762503	0.231306	-3.297	0.0010	***
R801	-0.318453	0.218308	-1.459	0.1446	
H001	0.119518	0.211143	0.5661	0.5714	
R901	-0.417346	0.350465	-1.191	0.2337	
cut1	-8.73381	1.54396	-5.657	1.54e-08	***
cut2	-7.99980	1.36511	-5.860	4.62e-09	***
cut3	-7.24467	1.26467	-5.729	1.01e-08	***
cut4	-6.75974	1.21800	-5.550	2.86e-08	***
cut5	-6.08118	1.14480	-5.312	1.08e-07	***
cut6	-5.27637	1.07875	-4.891	1.00e-06	***
cut7	-3.64319	1.01846	-3.577	0.0003	***
cut8	-2.60604	1.00151	-2.602	0.0093	***
Mean dependent var	8.486726	S.D. dependent var	1.642706		
Log-likelihood	-170.0342	Akaike criterion	366.0685		
Schwarz criterion	401.5245	Hannan-Quinn	380.4562		

Number of cases 'correctly predicted' = 42 (37.2%)  
Likelihood ratio test: Chi-square(5) = 45.7461 [0.0000]

**Table 10: Logit ordered regression**

The logit ordered regression explains how important it is for 5 Star Hotels to have positive online reviews. Two variables prove as being significant. Survey question number R401: "When searching for a hotel, do you read the companies responses to online reviews?" The logit ordered regression demonstrated a negative coefficient for this question. This means, that the smaller the value for R401, the larger the value for I101. From this result it can be concluded that the more often an individual reads the online response of companies to online reviews, the higher the probability that this customer cares about online reviews and the more important it is for this participant that 5 Star hotels have positive online reviews.

Additionally, R601 "How do online reviews influence your opinion of the hotel company" also implies a negative coefficient and the value is the most significant. As it can be seen in table 10 these variables relate in an opposite direction. It can be

stated that the more the participant cares about online reviews and makes the booking decision based on online reviews, the more important it is for this responder that 5 Star hotels have positive online reviews.

Interestingly, R801 "How many times do you approximately stay in a hotel per year?", H001 "How old are you?" and R901 "What is your Gender?" demonstrate no significant correlation to the correlating variable. From this, it can be concluded that the number of stays at a hotel per year, age and gender do not have an important influence on the survey question "how do online reviews influence your opinion of the hotel company". Thereby online reviews are very important for participants of all age groups and gender and the number of stays in a hotel does not influence their perception of online reviews for 5 Star Hotels.

Test Statistics			
	I101	R101	R301
Chi-Square	137.96	35.45	7.67
df	8	4	3
Asymp. Sig.	.000	.000	.053

**Table 11: Chi-square test on I101, R101 and R301**

This table shows the Chi-Square Test for I101 "How important is it for 5 Star Hotels to have good reviews (your opinion)?", R101 "How many reviews do you read before booking a hotel?" and R301 "Do you write positive or negative reviews more often?" As the p value is less than 0.05 for I101 and R101 the null hypothesis is rejected, and it can be claimed that these two variables correlate and thus the test outcome is significant. This means that I101 and R101 are related while R301 is not related. As the p value is higher than 0.05, the result is not significant, and no correlation has been established.

Levene's Test for Equality of Variances				t-test for Equality of Means			
F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	
1.57	.218	2.06	35.00	.047	2.03	.98	
		NaN	NaN	NaN	2.03	NaN	
2.01	.165	3.22	35.00	.003	2.53	.78	
		NaN	NaN	NaN	2.53	NaN	
1.41	.243	-.90	35.00	.377	-.89	.99	
		NaN	NaN	NaN	-.89	NaN	
18.21	.000	1.22	35.00	.231	.61	.50	
		NaN	NaN	NaN	.61	NaN	
3.45	.072	-.82	35.00	.420	-.75	.92	
		NaN	NaN	NaN	-.75	NaN	

**Table 12: Levene's F Test for equality of variances**

As stated above, when the p value is smaller than 0.05 ( $p < 0.05$ ), the null hypothesis is rejected, and the obtained result is significant. Likewise, when p is greater than 0.05 ( $p > 0.05$ ), the test result is not significant. Levene's F Test for equality of variances is a test that determines if variables are related. This also proves the significance of the result.

## 5 CONCLUSION

The main research interest of this thesis was to analyze TripAdvisor's influence on the customers booking intentions in 5 Star hotels and how bias in online reviews might manipulate or change the decision-making process. Furthermore, this thesis aimed to find out if online reviews influence the number of bookings a hotel receives. As the results of the conducted survey indicated that 92% of participants read online reviews before making their booking decision, the influence that online reviews have on customers and the companies is tremendous. Most participants use booking.com, TripAdvisor and Airbnb to read online reviews of hotels and compare these. As these travel platforms exist worldwide, consumers trust this tool and use it for travels to various countries (Arndt, 1967). Even though online reviews might be subjective due to different cultural values and situational factors, the survey supported that the average individual reads around 5.2 reviews before making a booking decision. Furthermore, 86 % of participants stated that they would not make a booking if the hotel has negative reviews and expected 5 Star Hotels to have positive reviews. Factors like age, gender, and the number of stays in a hotel per year do not change the importance and relevance of online reviews meaning individuals read and trust online reviews nevertheless of age, gender, or the number of travels. Correspondingly to the results of my survey, the researcher Valant found out that 82% of individuals read online customer reviews before making their booking and deciding on a product or service (Valant et al. 2015).

The thesis hypothesizes that online reviews on TripAdvisor revolutionized the booking experience of 5 Star Hotels by providing a comparison of hotel brands, prices and experiences of other customers and the number of reviews a hotel has influenced the number of bookings. The findings of the conducted research do support that online reviews on platforms such as TripAdvisor do strongly influence the booking decision and are read before making a booking. It is therefore necessary to handle reviews appropriately and use them as an opportunity to gain valuable insights into the customers perspective and experience decision (Qing et al. 2018). This allows companies to adjust internal processes, improve their services, engage with their customers on a very personal level and with that improve the overall customer

satisfaction. Understanding guests needs through direct communication, regular feedback and online reviews allow hotels to not only satisfy guests but moreover to create positive experiences which lead to online positive reviews. Even though 5 Star hotels lie a different focus and importance on reviews than 2 Star Hotels, customers expect every company to engage with its clients and not only to read but also to respond to online reviews (Pralhad and Ramaswamy, 2004). Online reviews build trust and as most guests book a hotel at a new destination, reviews provide a great insight into the facilities the hotel offers, the service that is provided and the overall satisfaction of other customers.

As e-commerce keeps increasing, customers share their experiences online and negative reviews go viral more than ever, online reviews are expected to increase and be used by even more customers in future. As competition is rising, 5 Star hotels must manage online reviews, interact with customers and provide an outstanding experience during the guests stay (Qing et al. 2018). Customers write online reviews when experiencing something extremely positive or negative. XXX Therefore, an expectational stay with result in more positive reviews for companies. Online travel platforms such as TripAdvisor, booking.com and Airbnb must find a way to reduce the number of fake reviews on their website. This will increase the credibility and trust of companies and does change the behaviour and booking decision of individuals. With the existence of online reviews, hotels, whether no matter if 2 or 5 Star, should see the potential that comes with this feedback. Negative online reviews provide hotels the possibility to not only improve their service but more so to turn a complaining customer into happy customers that keep returning to the hotel. Especially nowadays in this web-based society, companies should regularly ask for guest feedback and provide a convenient and easy way for guests to rate services and write online reviews. This direct source of feedback allows companies to adjust their daily communication with guests, exceed guest expectations, increase overall guest satisfaction, and reach a higher rate of happy, returning customers.

*"Your brand isn't what you say it is – it's what Google says it is", Chris Anderson,  
businessman and current head of TED.*

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## Appendix 1: Promotional video by Four Seasons / Link to the video:

(2022). Retrieved 28 May 2022, from  
<https://www.youtube.com/watch?v=lzq78MIkT2s>

## Appendix 2: Survey questions



0% completed

Dear prospective participant, welcome to my survey,

Thank you for your interest in this study on the influence of positive online reviews on the customer booking intention in 5 Star Hotels. The study is part of my bachelor thesis in Business Administration Tourism, Hotel Management and Operations, which I am writing at the Modul University Vienna. Completing the survey will approximately take 7 minutes.

By participating in this online survey, you can take part in a raffle for one of 4x10€ vouchers from amazon. You can leave your email address at the end of the study.

All information you provide is anonymous and will be treated confidentially. Please answer the questions openly and honestly. There are no right or wrong answers to this survey. I am interested in your opinion. You can end your participation in the study at any time without giving a reason by closing the browser window.

Next

B.A. Alina Wehner – 2022



5% completed

1. By selecting "Yes" you confirm that you have read the information above and participate in this voluntary.

- Yes  
 No

Next

B.A. Alina Wehner – 2022



10% completed

Please watch this video first: [www.youtube.com/watch?v=lzq78MIkT2s](https://www.youtube.com/watch?v=lzq78MIkT2s)

Next

B.A. Alina Wehner – 2022



15% completed

2. Do you read online reviews before booking a hotel stay?

- Yes, I read online reviews before booking a hotel
- No, I do not read online reviews when I book a hotel

Next

B.A. Alina Wehner – 2022



20% completed

3. How likely are you to book a hotel with negative reviews?

From very unlikely (1) to very likely (5)

1 2 3 4 5



Next

B.A. Alina Wehner – 2022



25% completed

4. How many reviews do you read before booking a hotel?

- 0
- 1-3
- 3-5
- 5-7
- 7+

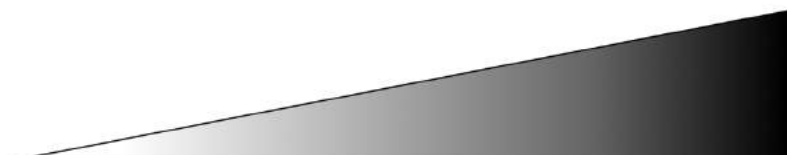
Next

B.A. Alina Wehner – 2022



30% completed

5. How important is it for 5 Star Hotels to have good reviews (your opinion)?



1 - not important    2    3    4    5    6    7    8    9    10 - very important

Next

B.A. Alina Wehner – 2022





35% completed

6. From which company was the promotional video you have watched before?

- Ritz Carlton
- Four Seasons
- Marriott

Next

[B.A. Alina Wehner – 2022](#)



40% completed

7. Have you stayed in a Four Seasons Hotel before?

- yes
- no

Next

[B.A. Alina Wehner – 2022](#)



45% completed

8. If two hotels are equally furnished, but one has a high rating and the other a lower one, which would you book?

- Hotel A – 4.5 (excellent)
- Hotel B – 2.9 (terrible to average)
- I don't know

Next

[B.A. Alina Wehner – 2022](#)



50% completed

9. Did you previously write reviews after staying at a hotel?

- Yes
- No

Next

[B.A. Alina Wehner – 2022](#)



55% completed

10. Do you write positive or negative reviews more often?

- Positive
- Negative
- Both equally often
- I don't write reviews

Next

B.A. Alina Wehner – 2022



60% completed

11. When searching for a hotel, do you read the companies responses to online reviews?

- Yes always
- Yes regularly
- Yes occasionally
- No never

Next

B.A. Alina Wehner – 2022



65% completed

12. How do you agree with the following statements? Companies should respond to:

	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
Positive reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Negative reviews	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reviews with questions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Every review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
No review	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Next

B.A. Alina Wehner – 2022



70% completed

13. How do online reviews influence your opinion of the hotel company?

- Positive reviews make me trust the company
- Negative reviews result in distrust
- I read online reviews, but they don't affect my booking decision
- I don't read online reviews

Next

B.A. Alina Wehner – 2022



75% completed

14. Which platforms did you use to read online reviews?

- Booking.com
- Airbnb
- TripAdvisor
- Direct hotel page
- Expedia
- None
- Other

Next

B.A. Alina Wehner – 2022



80% completed

15. How many times do you approximately stay in a hotel per year?

- 0 nights
- 5 – 10 nights
- 10 – 25 nights
- 25 – 35
- 35 and more

Next

B.A. Alina Wehner – 2022



85% completed

16. How old are you?

- 18-29
- 30-49
- 50-64
- 65 and older

Next

B.A. Alina Wehner – 2022



30% completed

17. Gender?

- Female
- Male
- Diverse

Next

B.A. Alina Wehner – 2022



95% completed

18. Thank you!

Thank you for completing this survey and your participation. As a thanks you have the chance to win one of 4x10€ voucher for amazon. Please click the tick below and enter your email address if you want to participate. After the data collection has ended, I will draw the winners of the desired vouchers and contact them by email. If not, the survey is ended here.

Thank you for your participation!

- I would like to participate in the **lottery**. I agree that my email address will be saved until the winner is drawn. My interview will continue to be anonymous and my email address will not be passed on to third parties.
- I am interested in the **results of this study**. Please send me an abstract by e-mail.

Next

B.A. Alina Wehner – 2022



**Thank you for completing this questionnaire!**

We would like to thank you very much for helping us.

Your answers were transmitted, you may close the browser window or tab now.

B.A. Alina Wehner – 2022