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## THE EFFECT OF REVIEWER ORIGIN ON BOOKING INTENTIONS IN TOURISM INDUSTRY: THE MODERATING ROLE OF REVIEW VALENCE

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### ABSTRACT

*This study investigates the effect of reviewers' origin on the consumers' intentions for booking a room in a hotel by taking into consideration the possible moderating effect of review valence. An experimental design is implemented and the manipulated experimental conditions are identified as the reviewers' origin ( $Home_{Rev}$ ,  $Host_{Rev}$ ,  $Uni_{Rev}$ ) and the review content (negative, positive and mixed). Findings of the study confirm the statistically significant relationship between review content and booking intentions. Positive and mixed content lead to higher booking intentions, when compared to negative content. However, exposure to pure positive reviews generates lower levels of booking intentions than mixed reviews containing both positive and negative reviews. The results also indicate that reviews of local customers ( $Home_{Rev}$ ) generate higher booking intentions compared to reviews generated by international ( $Host_{Rev}$ ) and unidentified customers ( $Uni_{Rev}$ ). The relative differential effect of local reviewers on booking intentions is moderated by different levels of review valence.*

**Keywords:** Reviewer Origin, Booking Intentions, Valence

**JEL Classification Code:** M310

## TURİZM SEKTÖRÜNDE YORUMCU MENŞEİNİN SATIN ALMA NİYETİ ÜZERİNDEKİ ETKİSİ: YORUM İÇERİĞİNİN DÜZENLEYİCİ ROLÜ

### ÖZ

*Bu çalışma, yorum içeriğinin olası düzenleyici etkisini de göz önünde bulundurarak, yorum yapan müşterilerin menşeinin tüketicilerin otelde rezervasyon yapma eğilimi üzerindeki etkisini incelemektedir. Deneysel bir desenin uygulandığı bu çalışmada yorum yapan müşteri menşei ( $Home_{Rev}$ ,  $Host_{Rev}$ ,  $Uni_{Rev}$ ) ve yorumun içeriği (negatif, pozitif ve karma) manipüle edilen deneysel durumlardır. Araştırmanın bulguları, yorumun içeriği ile rezervasyon eğilimi arasındaki istatistiksel olarak anlamlı bir ilişki olduğunu doğrulamaktadır. Pozitif ve karma yapıdaki içerikler, negatif içeriklere kıyasla daha yüksek seviyede rezervasyon yapma eğilimine yol açmaktadır. Bununla birlikte, salt pozitif yorumlara maruz kalmak, hem pozitif hem de negatif yorumlar içeren karma içeriklere kıyasla daha düşük seviyede rezervasyon yapma eğilimine sebep olmaktadır. Sonuçlar ayrıca, yerel müşterilerin ( $Home_{Rev}$ ) yorumlarının uluslararası ( $Host_{Rev}$ ) ve menşei tanımlanmamış ( $Uni_{Rev}$ ) müşteriler tarafından yapılan yorumlara kıyasla daha yüksek rezervasyon yapma eğilimi oluşturduğunu göstermektedir. Ancak, yerel yorumcuların rezervasyon yapma eğilimleri üzerindeki bu farklılaşan etkisi, yorum içeriğinin düzenleyici etkisi altında değişiklik göstermektedir.*

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**JEL Kodları:** M310

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## **1. INTRODUCTION**

The advances in communication technologies such as Web 2.0 and the accelerated penetration of internet into the daily lives of consumers, have led to the rise of digital media as a new communication channel. In a world with more than 3.5 billion people using internet and at least 30% actively involved in interactive conversations (Statista, 2017); internet has become an important communication channel as well as an information source for both businesses and consumers.

From the side of businesses, internet is used as a new communication medium to reach at consumers in a customized and interactive way which in turn is expected to support the effectiveness of their marketing programs. This motivating factor for the brands have resulted in an accelerated investment into the digital media globally and social media have become an important channel for interactively engaging with customers (Kumar et al. 2015:7).

From consumers' side, internet plays two critical roles. First, it is an important channel to connect with brands, collect information about their offerings and manage the relationship. Secondly, it is an effective mediator that help them to connect with peers for collecting information about their experiences with the brands, which in turn assists them in their decision making process (Park et al. 2007:125). Independent from the channel used to purchase goods or services, thanks to the internet, consumers have the opportunity to share their experiences with the brand on online platforms. Thus, following their consumption, they inform other consumers about their opinions and satisfaction levels about the brand, its products and services. These online reviews of customers have become an important factor affecting consumer decision making since they are easily accessed, dynamic, and up to date and moreover they are perceived as authentic and trustworthy when compared to brand generated content (Utz et al. 2012:51). When the purchase decision bears substantial risk, independent reviews are one of the most important risk mitigation tools for consumers (Mitchell & Vassos, 1997:71).

Since its purchasing situations are regarded as risky due to the service based nature and since its mainly focused on the customer satisfaction, tourism sector is one of the industries where customer and company interactions are extensive. Perceived risk in this industry is a critical factor which influences consumer behavior in hotel booking transactions (Mitchell et al. 1999: 169). Thus, booking a room or package holiday is an important decision for the consumer, which requires careful investigation of the targeted hotel. Travel web sites such as Trip Advisor and Expedia are one of one of those influential platforms which provide

consumers the opportunity to reach at the evaluations of other consumers and the respective responses of hotels to those comments. Thus, customers spend their time in these portals to review customer comments and consequently facilitate their decision making (Zhu & Zang, 2010:133). The target of consumers in reviewing these comments is to mitigate the risk, which may arise during the purchase decision. Consequently, the content and quality of these reviews are important factors which influences consumer decision making in this context (Noon & McGuire, 2013:388; Lin et al. 2011:72).

In most countries, tourism is regarded as a global business, which welcomes customers from both local and international markets. As a natural consequence of the mixed customer portfolio, online customer reviews include opinions of both local and international customers. This study has two objectives: First, it is aimed to examine the effect of online customer reviews from different customer origins, namely local reviews, international reviews and reviews made by unidentified customers, on the purchase intention of consumers. Second, it is targeted to explore the moderating effect of review valence on this relationship. It is expected that country of origin effect, which is supported by the findings in the literature (Guilhoto, 2018:14; Ghalandari & Norouzi, 2012:1169), is also valid in shaping consumer behavior in terms of the effect of reviewers' origin. Moreover, it is also expected that different levels of perceived valence about the review contents will moderate the effect of reviewer origin and consequently lead to different levels of consumer purchase intentions.

There is a vast number of studies in the literature mainly focusing on the effect of customer reviews on forming an attitude towards the product (Lee et al. 2008:341; Bone, 1995:213), perceived risk (Fuchs & Reichel, 2006:83), satisfaction level (Gu & Ye, 2014:570; Racherla et al. 2013:135) and buying behavior (Sparks & Browning, 2011:1310; Chen & Jinhong, 2004:477). However, these results are mixed and inconclusive (Öğüt & Taş, 2012:199). This study makes two more important contributions to the existing literature: First, it measures the effect of customer reviews on purchase intentions of consumers in the hotel industry based on both message valence and origin of reviewers at the same time. Secondly, it fills a gap in the literature by exploring the moderator role of perceived valence on the effect of reviewer origin on booking intentions.

## **2. LITERATURE REVIEW**

### **2.1. The Effect of Online Customer Reviews and Valence on Purchase Intentions**

Advancing communication technologies as well as interactivity between consumers have led to an increase in the intensity of interactional processes. These interactional processes in turn play an important role in mediating the behavior of consumers (Reynolds & Darden, 1971:449). One of these interactional processes is Word of Mouth (WoM), which is defined as non-commercial communication on a brand or product between two or more consumers. WoM is found to have cognitive, affective and conative effects on consumer behavior (Bansal & Voyer, 2000:166; Bone, 1995:213; Settle & Alreck, 1989:34; Roselins, 1971:56). Although not identical, as derivatives of WoM, online customer reviews also play an important role in shaping consumer behavior (Milan, 2007:1). Online customer reviews are public, so anyone who has access to the internet may reach them. Moreover, as they are in the text form, as long as the online platform persists, they do not disappear and have no place or time restrictions. These reviews are generally in the form of text or ratings about the evaluated subject and may contain more intense and accumulated information compared to WoM.

The motives which push consumers in engaging into the interactive communication and their search for information in online platforms can be explained on the grounds of Uncertainty Reduction Theory (Berger & Calabrese, 1975:99). The theory predicts that communication is the result of the need to reduce the uncertainties. The uncertainty about the seller or the product performance or quality makes the purchase situation risky. Therefore, consumers try to minimize the risks and maximize the potential benefits by reducing the uncertainties. In the hotel booking situation, which is a case characterized with seller and product uncertainties due to the lack of information about the management of the company as well as the service performance (Ba & Pavlou, 2002:2), consumers try to find some sources of information which lead them to reduce uncertainties and mitigate the risks associated with the purchase situation.

Many studies investigated the effect of online customer reviews on purchase intentions and sales, in different contexts. Chevalier and Mayzlin (2006:354) conducted their study in the book industry and reported the positive relationship between the customer ratings of the books and sales of the book. Similarly, Ha, Bae and Son (2015:384) measured the effects of customer reviews from different types of sources on online book sales and reported the positive effect of personal blogger reviews on book sales. Some other studies conducted in different contexts

including retail stores, consumer electronics, and movies reported also significant relationships between customer reviews/ratings and purchase intentions or sales (Kim et al. 2017:45; Zhang et al. 2013:133). Similarly, many studies which measure the effect of online customer reviews on hotel booking intention of consumers reported significant relationships. Chan et al. (2017:61) measured the effect of valence on online customer reviews and reported the significant effect on purchase intentions. Sparks & Browning (2011:1310) measured the effect of reviews on booking intentions based on four different variables including target, valence, framing and feedback composition and reported significant relationships. Similarly, Vermeulen and Seegers (2009:126) reported the positive effect of online reviews on hotel awareness and consideration of consumers. Despite the vast amount of studies reporting the significant effect, there are also several studies, which report no significant relationship between customer reviews and sales performance in different contexts (Duan, et al. 2008:105; Liu, 2006:74; Chen et al. 2004:722). Thus, the results regarding the effects of customer reviews/ratings on purchase intentions and sales are inconclusive and require further investigation.

In the light of the theoretical background and existing findings, it is believed that there is a significant relationship between customer reviews and purchase intentions of consumers. This leads us to propose the following hypothesis:

*H<sub>1</sub>: Online customer reviews have a significant effect on booking intentions of consumers.*

*H<sub>2</sub>: Exposure to pure positive reviews has positive effects on booking intentions of consumers.*

*H<sub>3</sub>: Exposure to pure negative reviews has negative effects on booking intentions of consumers.*

*H<sub>4</sub>: Different levels of valence lead to different levels of booking intentions.*

*H<sub>5</sub>: Exposure to pure positive reviews leads to higher booking intentions compared to mixed reviews.*

*H<sub>6</sub>: Exposure to pure positive reviews leads to higher booking intentions compared to negative reviews.*

*H<sub>7</sub>: Exposure to mixed reviews leads to higher booking intentions compared to negative reviews.*

## **2.2. The Effects of Reviewers' Origin and Review Valence on the Purchase Intention**

As it is suggested by the elaboration likelihood model (ELM) and the heuristic-systematic model (HSM), the ability and motivation of consumers are the determinants of the way, non-elaborative or elaborative, and they form their attitudes toward the subject of information (Chaiken et al. 1989:762; Petty & Cacioppo, 1986:191). In cases such as hotel booking,

consumers may not have adequate abilities to evaluate the alternatives on their own and may require following a non-elaborative way to collect the inputs required for their decision-making. Although the user generated content serves this purpose, authenticity of the content and honesty of the content owners may be an issue (Shan, 2016:634). Therefore, customers need to rely on the source of the message as well as the information provided. This makes the credibility of the message source an important attribute of customer reviews, which effect booking intentions in the tourism context (Schuckert et al. 2015:615).

Due to its facilitation of communication, consumers tend to develop their social relations with people that they consider having similar characteristics (Lau et al. 2008:192). Homophily theory defines this similarity as the “degree to which interacting parties are similar to each other in terms of different characteristics” (Rogers & Bhowmik, 1970:526). The similarity level in terms of beliefs, values, social status or origin, plays an important role in shaping consumer perceptions and consumer behavior. Previous studies reported the significant effects of it on the success in building trust (Swan et al. 1999:100), in developing and sustaining relationships (Crosby et al. 1990:76) and in generating sales (Churchill et al. 1975). Adapting this argument into hotel booking situations, it is believed that the origin of reviewer will play a role in the perception about the credibility of the online customer reviews, which in turn is expected to shape the purchase intentions of consumers. Thus, consumers will regard the information derived from similar sources as more credible (Gino et al. 2009:298).

In the light of the theoretical background and existing findings, it is believed that the type of reviewer’s origin as well as the level of valence in the customer reviews will be effective on booking intentions of consumers. This leads us to propose the following hypothesis:

**H<sub>8</sub>:** *Reviews generated by local customers (Home<sub>Rev</sub>) lead to a higher level of booking intentions compared to reviews generated by unidentified customers (Uni<sub>Rev</sub>).*

**H<sub>9</sub>:** *Reviews generated by international customers (Host<sub>Rev</sub>) lead to a higher level of booking intentions compared to reviews generated by unidentified customers (Uni<sub>Rev</sub>).*

**H<sub>10</sub>:** *Reviews generated by local customers (Home<sub>Rev</sub>) lead to a higher level of booking intentions compared to reviews generated by international customers (Host<sub>Rev</sub>).*

**H<sub>11</sub>:** *Review valence moderates the effect of reviewers’ origin on the booking intentions of consumers.*

### **3. RESEARCH METHODOLOGY**

#### **3.1. Experimental Design and Procedure**

The experimental design which was implemented in this study targets to measure the effects of reviewers' origin on booking intentions of consumers and the moderating role of review valence on this effect. The manipulated factors were the origin of reviewer and the valence of the reviews. Subjects of the study were chosen among the citizens who live in large cities of Turkey and that purchase a one-week holiday package each summer season. A total of 450 questionnaires were collected.

The study was composed of two inter-related sections. In the first section, the effect of review valence on booking intentions was measured. At the beginning section of the document, an introductory scenario was presented to 150 respondents. This introductory scenario directed subjects to consider booking a hotel for a one-week holiday in the Turkish riviera. The scenario included some information about the package features about this hypothetical hotel. Respondents are then asked to read the reviews of consumers in a hypothetical online review platform. There were twenty reviews for the target hotel that consist half positive and half negative reviews. All reviews in this balanced scenario were in the local language. After reading the reviews, respondents are directed to fill out the items measuring their perception about the review valence and their intention to book this hotel for their one-week holiday. Following this stage, another introductory scenario of booking a hotel for one-week holiday was introduced to the respondents. The scenario included a different hotel in the same region with an identical package features and the same review text. A group of 300 respondents were randomly assigned to two groups which include purely negative or purely positive reviews each composed of twenty reviews. Respondents answered the questionnaire items, which measure their perception about the valence of the review and their intention to book this hotel.

In the second section, there were two measurements. First, the effect of reviewers' origin on booking intentions was measured. This was followed by the measurement of the moderating effect of review valence on this relationship. Three types of reviewer groups were formed and these groups included the reviews of Local ( $Home_{Rev}$ ), International ( $Host_{Rev}$ ) and Unidentified ( $Uni_{Rev}$ ) consumers. The subjects were equally and randomly assigned to one of the review groups, each having 150 subjects which make a total of 450 respondents. Moreover, groups were further divided into the sub-groups by forming two types of review list, one with pure

positive and one with pure negative feedbacks. The experimental design of the study is summarized in Table 1.

**Table 1.** Experimental Design Groups

Group	Reviewer Group	Review Valence	Reviewer Group Composition		Reviewer Group Notes
			Local	International	
1	Uni <sub>Rev</sub>	Positive	?	?	Unidentified reviewer group consists of consumers with no origin data provided.
		Negative			
2	Home <sub>Rev</sub>	Positive	●	-	Home reviewer group consists of only local customers.
		Negative			
3	Host <sub>Rev</sub>	Positive	-	●	Host reviewer group consists of only international, customers.
		Negative			

As it is summarized in Table 1, subjects in each group were exposed to reviews with different types of origin identifiers. Uni<sub>Rev</sub> group was composed of scores ranging from one to five and generated by the consumers whose identities were not available, that is there were not any identifiers about their nationalities including name or native language. Consumers in this group were divided into two and each sub-group of Uni<sub>Rev</sub> was exposed to one of the two different ranges of scores provided by the reviewer customers. The group with pure negative reviews was heavily composed of lowest level scores such as one or two, whereas the group with pure positive reviews was heavily composed of highest level scores such as four and five. Home<sub>Rev</sub> group was composed of reviews generated by the consumers whose identities were specified as local, that is their names and native languages they use confirmed their local origins. Consumers in this group were divided into two and each sub-group of Home<sub>Rev</sub> was exposed to either positive or a negative review as it is applied in Uni<sub>Rev</sub> group. Host<sub>Rev</sub> group was composed of reviews generated by the consumers whose identities were specified as international, that is the name and native languages they use confirmed their international origin. Consumers in this group were divided into two and each sub-group of Host<sub>Rev</sub> was exposed to one of the two different levels of valence as it is applied in other two groups. The reviews were shown to the subjects using a hypothetical screenshot which belongs to a hotel review site. The content of reviews for the Home<sub>Rev</sub> and Host<sub>Rev</sub> groups were identical depending on their valence. On the other hand, subjects in the Uni<sub>Rev</sub> were exposed to ratings generated by the unidentified consumers. All six groups in the second section of the study were introduced the same hypothetical introductory scenario with identical packages. After reading



the introductory scenario and the respective reviews or ratings of consumers, all subjects were asked to fill out the items measuring the perceived valence and their intentions to book the hotel.

### **3.2. Measures**

The scales of perceived valence and booking intention were borrowed from the corresponding literature. Both scales were based on the study of Chan et al. (2017:57), in which the authors adopted the scales from the corresponding literature. Intention to book was measured with the following statement: “After reading the reviews about this hotel, it is very likely that I would book a room at this hotel” (Sparks & Browning, 2011:1314). The answers for this single item scale were recorded with 5 points starting with 1 (strongly disagree) and ending up with 5 (strongly agree). Perceived review valence was measured with the following statement: “Overall, I felt that the reviews were more positive than negative” (Sparks & Browning, 2011:1315). The answers for this single item scale were recorded with 5 points starting with 1 (strongly disagree) and ending up with 5 (strongly agree).

### **3.3. Analysis**

Statistical Package for Social Sciences (SPSS 25.0) package programme was used for the testing of the hypothesis. PROCESS SPSS macro was employed to test the moderating effect of perceived review valence on the relative conditional effect of reviewer origin. This macro supports the analyzer with the asymmetric bootstrap confidence interval (CI) estimates for the measurement of relative conditional effects such as moderation effects (Hayes & Preacher, 2013:462).

## **4. RESULTS**

### **4.1. The Effect of Online Customer Reviews and Valence on Purchase Intentions**

In order to test the effect of review valence on booking intentions, a series of simple linear regression analysis has been conducted. The results confirm a statistically significant predictor effect of online customer reviews ( $F(1,148) = 114.87, p < .000$ ) with a moderate explanatory power ( $R^2 = .437$ ) on shaping booking intentions of consumers. This result confirms that a more positive perception of valence, leads to higher booking intentions, that is one unit increase in the positive perception of valence, generates a .712 unit higher booking intentions. Similarly, in case of pure positive valence of reviews, online customer reviews have a statistically significant predictor effect ( $F(1,148) = 85.18, p < .000$ ) and a moderate explanatory

power ( $R^2 = .365$ ) on changes in booking intentions of consumers. Thus, when all the reviews are positive, it leads to higher level of booking intentions in a way that one unit increase in the positive perception of review generates a .669 unit higher booking intentions. The results also confirm the significant predictor effect ( $F(1,148) = 398.16, p < .000$ ) with a strong explanatory power ( $R^2 = .729$ ) of pure negative reviews on booking intentions. When consumers are exposed to only negative messages about the hotel, these lead to decreasing levels of booking intentions of consumers in a way that, a one unit increase in the negative perception about the valence results in -1.014 units lower booking intentions. Based on these findings,  $H_1$ ,  $H_2$  and  $H_3$  are accepted. The results of the regression analysis are summarized in the Table 2.

**Table 2.** Results of the Regression Analysis

Predictor	Coefficients*			t	p-Value
	Unstandardized Coefficients		Standardized Coefficient		
	B	Std. Error	Beta		
Mixed Valence (All Groups)	.712	.066	.661	10.718	<.001
Positive Valence	.669	.072	.604	9.229	<.001
Negative Valence	-1.014	.051	-.854	-19.954	<.001

\* Predictors: (Constant), Valence. Dependent Variable: Booking Intention

In order to test whether various levels of valence differ in terms of their effect on booking intentions, a one-way ANOVA analysis has been conducted. To measure this effect, responses from different scenarios in the first section of the study were combined into one, larger sample. The results of the analysis confirmed that the perception of consumers on the three levels of valence, namely all negative, mixed and all positive, significantly differ in terms of their effect on booking intentions ( $F(2,447) = 480.40, p = .000$ ). Since a statistically significant difference between different levels of review valence was found as a result of the analysis, a post hoc test was conducted to explore which groups were statistically different from each other. Results of the post-hoc test confirmed that booking intentions of consumers who are exposed to only positive reviews were significantly higher than those of consumers exposed to negative reviews ( $1.25 \pm 0.09, p = .000$ ). On the other hand, consumers who are exposed to mixed reviews showed higher booking intention compared to positive ( $1.39 \pm 0.09, p = .000$ ) as well as negative ( $2.64 \pm 0.08, p = .000$ ) reviews. Higher booking intention generated by the mixed reviews in comparison with the positive ones is an important finding of this study which needs to be elaborated further. In the light of the results of ANOVA and post-hoc analysis,  $H_4$ ,  $H_6$ ,  $H_7$  are accepted and  $H_5$  is rejected.

#### 4.2. The Effect of Reviewers' Origin on Booking Intentions and the Moderator Role of Review Valence

In order to test whether there is a statistically significant difference between the effects of different types of reviewer origins on the booking intentions, a one-way ANOVA analysis has been conducted. The results of the analysis confirmed that the types of reviewer origin, namely unidentified ( $Uni_{Rev}$ ), local ( $Home_{Rev}$ ) and international ( $Host_{Rev}$ ), significantly differ in terms of their effect on booking intentions ( $F(2,447) = 71.11, p=.000$ ). Since a statistically significant difference between different types of reviewer origin in terms of their effect on booking intentions was found as a result of the analysis, a post hoc test was conducted to explore which groups were statistically different from each other. Results of the post-hoc test confirmed that booking intentions of consumers who have exposed to reviews from local reviewers were significantly higher compared to both consumers who exposed to reviews from international ( $0.41 \pm 0.14, p = .01$ ) as well as reviews from unidentified consumers ( $1.42 \pm 0.11, p = .000$ ). On the other hand, the booking intentions of consumers who are exposed to reviews from international consumers are found to be higher than those of exposed to reviews from unidentified consumers ( $1.01 \pm 0.11, p = .000$ ). As a result of the ANOVA and post-hoc analysis  $H_8, H_9, H_{10}$  are accepted.

In order to test the moderation effect of review valence on the effect of reviewer origin on booking intentions, a moderation analysis was conducted. The moderator variable model summarized in Table 3 includes booking intentions as the dependent variable as well as interaction effects of reviewer origin and review valence on shaping the booking intentions.

**Table 3.** Results of the Moderation Analysis

R	R-sq	MSE	F	df1	df2	p
,6180	,3819	,9253	54.86	5	444	,0000

Predictor	Moderator Variable Model: DV = Booking Intention (Y)					
	Coefficient	SE	t	p	95% CI LL	95% CI UL
$Home_{Rev} (X_2)$	2.3993	.2958	10.5552	<.001	1.8180	2.9807
$Host_{Rev} (X_3)$	1.8333	.2939	8.1109	<.001	1.2558	2.4109
Content Valence (W)	-.2200	.0962	-2.2871	.0227	-.4090	-.0310
$Home_{Rev} (X_2) * Valence (W)$	-.4826	.1364	-3.5385	.0004	-.7507	-.2146
$Host_{Rev} (X_3) * Valence (W)$	-.4100	.1360	-3.0139	.0027	-.6774	-.1426

The results confirm the statistically significant moderator effect of perceived review valence on the effect of reviewers' origin on booking intentions ( $F(5,444) = 54.86, p<.000$ ). First, in line with the findings in the ANOVA analysis, in the absence of the valence effect, reviews of local consumers generate higher booking intentions compared to those generated by

unidentified consumers ( $y = 2.3993$ ,  $p < .001$ ). Similarly, when the perceived valence effect is absent, international consumers generate higher booking intentions compared to unidentified consumers ( $y = 1.8333$ ,  $p < .001$ ). On the other hand, reviews generated by unidentified customers have lower impact compared to reviews generated by both local as well as international customers ( $y = -.2200$ ,  $p < .023$ ). Second, the significant interaction results in the table confirm the relative conditional effect of reviews by customers with local or international origins compared to reviews generated by the unidentified reviewers. In cases where the origin of the reviewer is not identified, the perceived review valence moderates this relationship in a way that the relative effects of local reviews on booking intentions depreciate compared to the reviews made by unidentified consumers when they are exposed to more positive or negative reviews ( $y = -.4826$ ,  $p < .001$ ). That is, when the perceived valence increases or decreases by one unit, the booking intentions generated by local reviews are affected more negatively compared to reviews generated by unidentified consumers. The same moderation effect is also valid in case of relative conditional effect of international reviewers on booking intentions. That is, compared to reviews made by unidentified consumers, the relative effect of international reviews on purchase intentions depreciate when they are exposed to more positive or negative reviews ( $y = -.4100$ ,  $p = .003$ ).

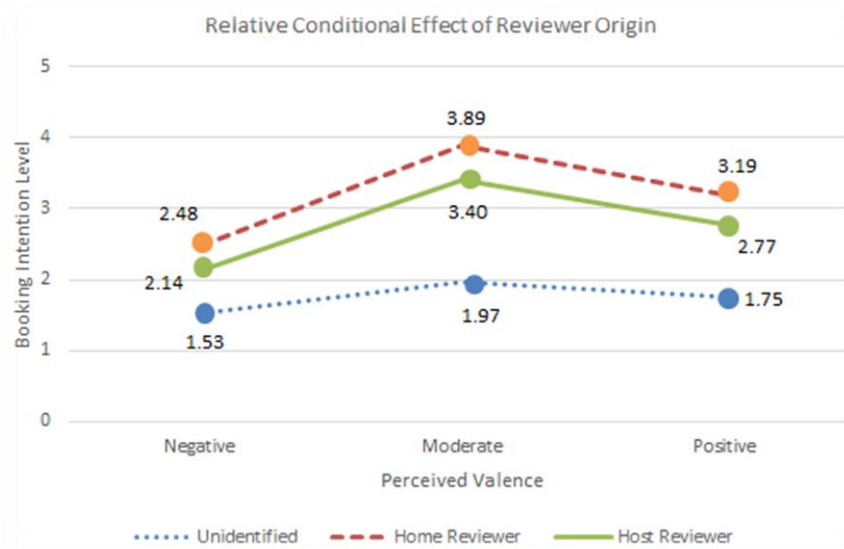
The moderating effect generated by the different levels of review valence on the relationship between reviewer origin and booking intentions is summarized in Table 4.

**Table 4.** Relative Conditional Effects of Reviewer Origin on Booking Intentions

Review Type * Valence	Relative Conditional Effects of Reviewer Origin on Booking Intentions			
	Coefficient	SE	95% CI LL	95% CI UL
HomeRev (X2) * Negative Valence	.9514	.1748	.6078	1.2950
HomeRev (X2) * Moderate Valence	1.9167	.1770	1.5689	2.2645
HomeRev (X2) * Positive Valence	1.4341	.1111	1.2157	1.6524
Host Rev (X3) * Negative Valence	.6033	.1756	.2582	.9485
Host Rev (X3) * Moderate Valence	1.4233	.1756	1.0782	1.7685
Host Rev (X3) * Positive Valence	1.0133	.1111	.7950	1.2316

Although the effect of reviews generated by local consumers lead to higher booking intentions compared to reviews generated by unidentified consumers, parallel to the previous findings in the model, this positive differential effect depreciates with the moderating role of review valence. That is, the positive differential effect of local reviews weakens when the valence of the review proceeds from moderate (1.91, 95% CI = 1.5689 to 2.2645) towards positive (1.43, 95% CI = 1.2157 to 1.6524). Similarly, international reviews generate higher effects of booking intentions compared to reviews generated by unidentified consumers.

However, this positive differential effect of international reviews also weakens when the valence of the review proceeds from moderate (1.42, 95% CI = 1.0782 to 1.7685) towards positive (1.01, 95% CI = .7950 to 1.2316). Figure 1 includes the graphical representation of these results. Compared to reviews generated by unidentified reviewers, both local as well as international reviews generate higher levels of booking intentions in each valence level. However, these positive differential effects of both local reviews as well as international reviews against reviews generated by the unidentified reviewers weaken in case the review valence proceeds from moderate to positive level. Therefore, we can conclude that review valence moderates the effect of reviewers' origin on booking intentions. In the light of these findings, H<sub>11</sub> is accepted.



**Figure 1.** Relative Conditional Effect of Reviewer Origin

## 5. DISCUSSION

There are several findings of this study, which need to be discussed. First, one of the objectives of this study was to explore the effect of review valence on the booking intentions of consumers. The results of the study confirm that the review valence is a powerful factor which affects booking intentions. Thus, parallel to the findings in the current literature, this study reports a statistically significant effect of review valence on the booking intentions of consumers (Sparks & Browning, 2011: 1310; Chan et al. 2017: 61). Therefore, it can be concluded that positive reviews lead to increasing levels of booking intentions compared to negative ones. Moreover, the influence of different levels of valence, namely negative, mixed and positive, has differing effects on the booking intentions of consumers. In line with the findings in the current literature, the results confirm that positive reviews generate higher

booking intentions than the negative ones (Vermeulen & Seegers, 2009:126). Another finding of the study is that mixed reviews generate higher intentions of booking compared to pure positive reviews. This is probably due to negative perception of consumers about the reliability of the group of reviews which do not include any single negative review. Thus, consumers find the situation hard to believe, too good to be true and consider that reviews are generated on purpose. This finding does not find any support in the current literature since there are no studies reported such an effect. However, there are studies reporting the significant relationship between the proportion of valence type and its effects on consumer attitudes (Lee et al. 2008: 341). In this perspective, it can be regarded as one of the contributions of this study to the current literature. Overall, it can be concluded that consumer reviews generate conative effects on consumer behavior and the direction of the effect differs depending on their valence level.

A second objective of this study was to explore the effect of reviewers' origin on the booking intentions of consumers in the hotel industry. The results of the analysis confirm that reviews generated by different origins, namely unidentified, local and international consumers, have differing levels of effect on the booking intentions. Thus, the reviews generated by local consumers have more positive effects on booking intentions compared to reviews generated by international and unidentified consumers. Moreover, those reviews generated by international consumers yield to higher booking intentions compared to reviews generated by unidentified customers. This is a contribution of the study to the current literature since to the best of our knowledge there are no any other studies measured the effects of reviewers' origin on booking intentions in the tourism industry. However, studies which measure the role of similarities of consumers on the attitude formations well as purchase intentions report similar significant results (Duffy, 2015:136).

A third objective of this study was to measure the moderating effect of review valence on the relationship between reviewer origin and booking intentions. The results confirm that review valence moderates the effect of reviewers' origin on booking intentions. The depreciation rate of booking intentions is much higher in cases of exposure to reviews generated by local and international consumers compared to those generated by unidentified consumers when the review valence becomes more positive or negative. In line with the previous findings in the literature, the significant moderating role of review valence on consumer behavior is an expected one (Qiu et al. 2012:636). On the other hand, this significant effect of reviewer origin on booking intentions in tourism industry can be regarded as one of the contributions of this study.

## **6. MANAGERIAL IMPLICATIONS, LIMITATIONS AND FUTURE RESEARCH**

### **6.1. Managerial Implications**

The results of this study confirm the importance of user generated content on shaping consumer behavior, one more time. Especially in case of service intensive industries such as tourism, the effect of consumer reviews on consumer behavior may become much stronger due to the difficulties of making evaluations based on some objective criteria like the ones employed in the evaluation process of physical goods. The findings of this study lead into several managerial implications which need to be discussed and elaborated.

First, it is highly evident that hotel brands need to encourage their customers to provide their feedback about the experience they had with the hotel in the most accessed online platforms. Lack of such feedback in these most visited platforms may result in competitive disadvantage for the hotels. In order to motivate consumers, managers should provide some incentives and try to complete the process before consumers turn back to their homes. This is critical since when consumers turn back to their home; they dive into the daily issues and may not find enough time to allocate for generating such feedbacks. Therefore, it is important to develop some interactive application supported with incentives to get the reviews in the check-out day. One way of ensuring the contribution of customers, is to get their commitment upfront in their check-in, in exchange for an incentive. In this way, customers will provide their review before leaving the hotel. The incentives employed may be offering services, which are not part of the purchased holiday package, free of charge or with a discount. Managers need to find other creative ways to encourage consumers to provide their reviews.

Second, as the results suggest, the valence of review is effective in shaping consumer behavior. Due to the obvious effect of negatively perceived reviews on booking intentions, managers need to manage the complaints real-time. That is, there should be no single customer complaint left unsolved during the visit of the customer. As the riskiest customers are those which keep silence about their problems, it is imperative to encourage customers to compliant and take proper actions to solve their problems. This will help to manage the intensity of negative reviews in online platforms.

Third, as the interesting results of this study suggest, purely positive perceived reviews cause the user generated content lose its believability, endanger the trust of consumers to the hotel management and back-fire by resulting depreciated booking intentions. To prevent such cases, hotel management may ask those consumers, who articulated their problem during their

holiday stay and consequently resolved their problems, to provide their review in online platforms stating the problem they faced and how it is solved by the hotel management. This will convince consumers that the reviews are authentic and not manipulated.

Finally, managers should also track the composition of the reviewers' origin in the online platforms since different types of origins lead to different levels of booking intentions. It is especially crucial to encourage customers to identify themselves in terms of origin since those reviews generated by local as well as international customers generate higher booking intentions compared to reviews generated by unidentified customers.

## **6.2. Limitations and Suggestions for Future Research**

There are two limitations of this study which need to be mentioned. First, the study measures the effect of reviewers' origin and the moderating role of perceived valence on booking intentions in a tourism context. The study can be extended to different industries and contexts for supporting the generalizability. Second, the hotel names used in the scenarios are hypothetical and do not exist in the market. Further studies may try to include real hotel brands to make it more authentic.



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