ABSTRACT

This article aims to examine how hotel responses to online reviews influence how potential consumers perceived the helpfulness of the online reviews. Response length and voice were employed to measure the hotel’s response quality. 637 reviews with responses were used for empirical analysis. The study identified three different types of response voices: disputed voice, professional voice, and empathetic voice. The results show that both response length and response voice have significant effects on the helpfulness perceived by potential consumers. Moreover, they also have some interaction effects with star ratings, review length, and review image. This study suggests that hotels should strategically respond to both positive and negative online reviews so as to both create a positive interaction atmosphere and resolve consumer complaints. The findings of this study can, to some extent, help manage word of mouth reputations.

KEYWORDS

Hotel’s Response, Interaction Effects, Online Review, Perceived Helpfulness, Response Quality, Review Quality, Source Credibility, Word of Mouth

INTRODUCTION

Research Background

Marketing studies have long shown that word of mouth (WOM) can influence consumers’ decision-making in purchasing (Kim & Kardes, 1992). With the development of information technology and easy access to the internet, consumers’ face-to-face or offline communication has been replaced by multiform electronic-word-of-mouth (eWOM).

According to Hu and Chen (2016), eWOM is defined as “all informal communications directed at consumers through Internet-based technology related to the usage or characteristics of particular goods and service, or their sellers.” In shaping consumer behavior and influencing their purchase decision, online reviews are the most influential eWOM (Hu & Chen, 2016). Online review is a type of product information generated by consumers based on their personal experience (Purnawirawan, Pelsmacker, & Dens, 2012). According to a survey named ‘Global Trust in Advertising’ released by AC Nielsen in
2015, about 83% respondents say they completely or somewhat trust the recommendations of friends and family while 66% say they trust consumer opinions posted online, which is the third-most-trusted format. Consumers regard the information provided by the merchant as the means to promote their products while believing that online review is deserved to be trusted as it is provided by customers who have consumed the product or service, and it is independent of merchant’s marketing action (Lu et al., 2013). This phenomenon is obvious especially in experimental product or service, such as the hospitality industry. It is hard for consumers to not know about the environment, establishment, service or other information indeed or in the round until they arrive at the hotel they booked. In this case, they tend to turn to the online reviews for help. There are amounts of important information contained in online reviews which may reduce the degree of perceived uncertainty between merchants and consumers (Shan, 2016).

The popularity of online reviews makes many researchers pay attention to this subject. Previous studies have focused mainly on two main perspectives, merchants, and consumers. From merchants’ perspective, studies center on product sales or revenues (e.g., Duverger, 2013; Cui, Lui, & Guo, 2012; Zhu & Zhang, 2010; Ogut & Tas, 2011; Ghose & Ipeirotis, 2011), product types (e.g., Lee & Shin, 2014; Chua & Banerjee, 2016), brand reputation (Marchiori & Cantoni, 2012) and marketing strategies (e.g., Lu et al., 2013; Nieto, Hemandezmaestro, & Munozgallego, 2014) while from the consumers’ perspective, studies focus on consumer’s behavior, including information adoption (e.g., Filieri & Mcleay, 2013; Lee & Yang, 2015), purchase intentions (e.g., Jimenez & Mendoza, 2013; Zhao, Wang, & Guo, 2015; Sparks, So, & Bradley, 2011) and decision-making (e.g., Zhang et al., 2014).

**Research Questions**

Though there are many studies focused on online reviews, few scholars take merchants’ response to reviews into account when they study on the online reviews even if the response is very important. Along with positive reviews, there exist some negative, even extremely unfair ones (Sparks, So, & Bradley, 2016). Negative reviews will have a bad and lasting impact on product sales and online bookings (Ye, Gu, & Chen, 2011), as well as their brand reputation (e.g., Lee & Blum, 2015; Proserpio & Zervas, 2017). Effective response approach can both strengthen the relationships with satisfied consumers and provide convincing explanations about service failure (Angelo, Vania, & Francesca, 2016).

Active listening (AL) theory points out that effective listening contains three dimensions of information processing: sensing, processing and responding. Among the three dimensions, only responding can be perceived by consumers. Without the response, consumers will not know about the occurrence of the other two dimensions (Min, Lim, & Magnini, 2015). Therefore, when seeking for the way to manage the e-WOM, it is important for merchants to realize that if, when and how to respond to online reviews, especially the negative ones. Because the response to negative reviews can be regarded as a way of service recovery conducted by merchants. According to Fitzsimmons & Fitzsimmons (2011), Service recovery converts a previously dissatisfied customer into a loyal customer. It is the action a service provider takes in response to service failure. In order to change the dissatisfaction of consumers, merchants should pay attention to online reviews and respond to them. In regard to the problems mentioned by reviews, vendors had better appreciate customers’ complaint and apologize to them, then explain why such things occur and guarantee the amendment (Chan & Guillet, 2011; Wei, Miao, &Huang, 2013; Leung, Van, & Buhalis, 2013).

Since there is an increasing number of consumers willing to share their experiences on the website, potential consumers face so many reviews that they may have little time and energy to read and evaluate each one. Websites like Qunar.com and Ctrip.com offer opportunities for site visitors to evaluate the reviews. When browsing the reviews online, if consumers find the content helpful, he/she could click the button ‘helpful’. The “helpfulness” vote represents the subject evaluation of visitors or consumers, and the information contained in the review is a utility to them (Huang et al., 2015). Moreover, it can help them establish the perceived trust of the source of the review (Shan, 2016).
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