



Article Title

Categorizing peer-to-peer review site features and examining their impacts on room sales

Citation

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Abstract

This study examines the impacts of online review features on hotel Online Room Sales for various types of hotel segments utilizing a dataset that includes 227,378 post-purchase customer review comments for 1,092 hotels. Findings suggest that overall recommendation scores and hotel attribute information are the two most critical features of online reviews used by consumers in their decision-making process to make their hotel booking decisions. Thus, changes in customer rating scores result in a profound impact on room sales. However, the impact sizes of these review features are not significantly different among different hotel segments, with one exception, the room rate. This study found that the impact size of the room rate is significantly larger for luxury hotels compared to other hotel segments. Managerial implications and contributions of the current study are discussed.

Methods

Data used in this study were collected from Ctrip, which is the largest online travel agency in China with a market share of 51.6% in 2015 (Ctrip.com Intl Ltd, 2015). Ctrip provides online booking services for airlines, hotels and tourism attractions. The dataset contains the online ratings, customer reviews and attributes information about 1092 hotels, including 128 luxury hotels, 313 upscale hotels, 200 midscale hotels, and 451 economy hotels, from March 2015 to February 2016. Data were analyzed by conducting three different analyses utilizing the log-log regression model.

Results

Findings indicated extreme high correlations among customer rating, facility rating, service rating, and cleanliness rating. This result reflects a critical design issue on Ctrip's website. The website allows post-purchased customers to choose their satisfaction level regarding each of these service elements.

Conclusion

The current study makes its contribution to the hospitality literature by systematically investigating the impact of different information categories and types on hotel online room sales among different hotel segments. Combining different information search theories, the study suggests that customer information search is a multi-step and complex process. This study clearly reveals that different information categories and types generate significantly different impacts on hotel sales.