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Matching Reviewers to Customers: The Role of Demographics and Preferences in Hotel Online

Booking

Online Reviews Overflow

We are living in a world where everything gets reviewed. Travelers can easily refer to online reviews as a source of advice before booking a hotel; however, online reviews are not structured which make gathering useful information uneasy. Online reviews are also constantly posted so that customers reading reviews after reviews can become exhausted. To make the situation worse, customers may even be confused when the reviews are irrelevant or inconsistent¹. What if online review sites can prioritize and direct the reviews that are most relevant to the customers and save them a lot of time? It sounds good so how could this be done? The following suggestions are based on a study on the role of online reviews in hotel-booking decisions.

Reviews Are Not Equally Useful

When reading reviews, customers do not just read the projected message², they also consider the reviewer's characteristics. In this way, the value and usefulness of reviews are affected by the reviewers' background. The researchers investigated whether customers tend to value the reviews written by similar people more than those written by dissimilar people.

To test this suggestion, the researchers conducted two experiments on young customers in Germany and Macao. The first experiment tested the effect of demographic similarity. Each participant went through selected reviews about a hotel, and then stated their intention to stay at that hotel. The reviews were either generally positive or negative. They were written by people of similar versus dissimilar characteristics as the participants. Age, country of origin, and occupation were used to represent those characteristics.

"People Like Me" Are More Trustworthy

The first experiment showed that positive reviews increased consumers' intention to book a hotel whereas negative reviews decreased bookings. This result was not surprising. The researchers also found that consumers were more affected by the reviews written by similar people. "Consumers may find people similar to them more trustworthy," the researchers explained. So they were more likely to be persuaded by what these reviewers said.

Preferences as another Clue

Demographics about reviewers, however, may not be always available. In this case, customers will focus on other traits of the reviewer, such as preferences. If a potential customer prefers a hotel with clean bathroom, s/he may focus more on comments about bathroom. The second experiment added shared preference between consumers and reviewers as another basis of similarity. Like the first experiment, participants were given a few reviews about a hotel, and were then asked to state their intention to stay. The reviews were from reviewers of same or diverse demographics and preferences.

The results not only supported the researchers' claim that consumers rely on similarity as a short-cut for decisions. Remarkably, customers relied on reviewers' preferences a clue of similarity when demographic similarity was not presented, and vice versa. The researchers stated that, "Either demographic or preference similarity is enough. Customers can determine which reviews or reviewers they should trust." Sharing both demographic and preference similarities was not required.

Matching Users to Aid Decisions

Online reviews offer a good chance for managers to know their customers. Online review sites should use this information to form better strategies. The researchers showed that more relevant reviews can be displayed to customers by matching people's demographics <u>or</u> preferences. Currently, some online travel agencies (e.g., Agoda.com) allow customers to filter reviews by language, room type, and traveler type. Such filtering of reviews should consider

adding more dimensions, including age, country of origin, occupation, and preferences (e.g., hotels with good breakfast). Reviews could be displayed based on the level of reviewer-customer similarity on these dimensions. Even when people do not share similar demographics, preferences revealed from their reviews can be used as another source of matching³. Hotel managers may also make use of their databases of guest profiles, transaction records, and submitted reviews, to facilitate the matching process.

Online travel reviews influence consumer decisions and behaviors; however, customers are overloaded with too much information. Displaying reviews based on the similarity principle provides customers with the most relevant information. Rather than going through all sorts of comments, customers can focus on selecting their most favorite hotels and enjoy better experiences with using the websites.

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