8-3-2011

Unscrambling the Puzzling Matter of Online Consumer Ratings: An Exploratory Analysis

Pradeep Racherla Ph.D.
Daniel Connolly Ph.D.
Natasa Christodoulidou

Follow this and additional works at: http://scholarship.sha.cornell.edu/chrpubs

Part of the Hospitality Administration and Management Commons

Recommended Citation

This Article is brought to you for free and open access by the The Center for Hospitality Research (CHR) at The Scholarly Commons. It has been accepted for inclusion in Center for Hospitality Research Publications by an authorized administrator of The Scholarly Commons. For more information, please contact hlmdigital@cornell.edu.
Unscrambling the Puzzling Matter of Online Consumer Ratings: An Exploratory Analysis

Abstract
This study explores the patterns of online reviews of vacation homes from a community-based travel advisory website with a goal of understanding the biases inherent in online word of mouth (WOM) related to tourism and hospitality services. An analysis of nearly 3,200 reviews from “Reviewsite.com,” (a pseudonym) which posts reviews of vacation rental properties across the USA, finds an overwhelming preponderance of favorable reviews. More to the point, relatively few "moderate" reviews are posted, and the second-highest category is extremely negative comments. Using semantic processing techniques on the aggregate review text, the study identifies the nuanced opinions and concerns of the travelers who write reviews. Negative reviews tend to be lengthy and argumentative, often detailing disappointment over expectations not met. Positive reviews, on the other hand, tend to be relatively brief and confirm the overall rating. Consumers who wrote “high” reviews placed greater importance on value for money, cleanliness, and comfort than did those who wrote negative reviews. Those who wrote “low” reviews placed their emphasis on the service provided by the property staff and management. Negative reviews were more likely to involve a higher price accommodation. This analysis indicates that the overall numerical ratings typically used in review systems may not be the ideal indicator of perceived service quality. The results suggest that review sites should develop better methods to aggregate, synthesize, and publish the review contents, particularly the numerical ratings. This and other review sites show the average of all the point-scale ratings, but such simple means do not take into account the biases that are inherent in the rating systems. Instead, the sites should provide more information and heuristics to help the consumers navigate through the clutter and get the information they desire.

Keywords
word of mouth, travel reviews, consumer ratings

Disciplines
Business | Hospitality Administration and Management

Comments
Required Publisher Statement
© Cornell University. This report may not be reproduced or distributed without the express permission of the publisher

This article is available at The Scholarly Commons: http://scholarship.sha.cornell.edu/chrpubs/111
Unscrambling the Puzzling Matter of Online Consumer Ratings: An Exploratory Analysis

by Pradeep Racherla, Ph.D., Daniel Connolly, Ph.D. and Nastasa Christodoulidou, Ph.D.
Advisory Board

Niklas Andréen, Group Vice President Global Hospitality & Partner Marketing, Travelport GDS
Ra’anan Ben-Zur, Chief Executive Officer, French Quarter Holdings, Inc.
Scott Berman, Principal, Real Estate Business Advisory Services, Industry Leader, Hospitality & Leisure, PricewaterhouseCoopers
Raymond Bickson, Managing Director and Chief Executive Officer, Taj Group of Hotels, Resorts, and Palaces
Stephen C. Brandman, Co-Owner, Thompson Hotels, Inc.
Raj Chandnani, Vice President, Director of Strategy, WATG
Benjamin J. “Patrick” Denihan, Chief Executive Officer, Denihan Hospitality Group
Brian Ferguson, Vice President, Supply Strategy and Analysis, Expedia North America
Chuck Floyd, Chief Operating Officer–North America, Hyatt
Gregg Gilman, Partner, Co-Chair, Employment Practices, Davis & Gilbert LLP
Tim Gordon, Senior Vice President, Hotels, priceline.com
Susan Helstab, EVP Corporate Marketing, Four Seasons Hotels and Resorts
Jeffrey A. Horwitz, Chair, Lodging + Gaming, and Co-Head, Mergers + Acquisitions, Proskauer
Kevin J. Jacobs, Senior Vice President, Corporate Strategy & Treasurer, Hilton Worldwide
Kenneth Kahn, President/Owner, LRP Publications
Kirk Kinsell, President of Europe, Middle East, and Africa, InterContinental Hotels Group
Radhika Kulkarni, Ph.D., VP of Advanced Analytics R&D, SAS Institute
Gerald Lawless, Executive Chairman, Jumeirah Group
Mark V. Lomanno, CEO, Smith Travel Research
Betsy MacDonald, Managing Director, HVS Global Hospitality Services
David Meltzer, Senior Vice President, Global Business Development, Sabre Hospitality Solutions
William F. Minnock III, Senior Vice President, Global Operations Deployment and Program Management, Marriott International, Inc.
Mike Montanari, VP, Strategic Accounts, Sales - Sales Management, Schneider Electric North America
Shane O’Flaherty, President and CEO, Forbes Travel Guide
Thomas Parham, Senior Vice President and General Manager, Philips Hospitality Americas
Chris Proulx, CEO, eCornell & Executive Education
Carolyn D. Richmond, Partner, Hospitality Practice, Fox Rothschild LLP
Susan Robertson, CAE, EVP of ASAE (501(c)(6)) & President of the ASAE Foundation (501(c)(3)), ASAE Foundation
Steve Russell, Chief People Officer, Senior VP, Human Resources, McDonald’s USA
Michele Sarkisian, Senior Vice President, Maritz
Janice L. Schnabel, Managing Director and Gaming Practice Leader, Marsh’s Hospitality and Gaming Practice
Trip Schneck, Managing Partner, District Hospitality Partners
K. Vijayaraghavan, Chief Executive, Sathguru Management Consultants (P) Ltd.
Adam Weissenberg, Vice Chairman, and U.S. Tourism, Hospitality & Leisure Leader, Deloitte & Touche USA LLP

The Robert A. and Jan M. Beck Center at Cornell University
Back cover photo by permission of The Cornellian and Jeff Wang.
Thank you to our generous Corporate Members

Senior Partners
ASAE Foundation
Carlson Hotels
Hilton Worldwide
McDonald’s USA
Philips Hospitality
SAS
STR
Taj Hotels Resorts and Palaces

Partners
Davis & Gilbert LLP
Deloitte & Touche USA LLP
Denihan Hospitality Group
eCornell & Executive Education
Expedia, Inc.
Forbes Travel Guide
Four Seasons Hotels and Resorts
Fox Rothschild LLP
French Quarter Holdings, Inc.
HVS
Hyatt
InterContinental Hotels Group
Jumeirah Group
LRP Publications
Marriott International, Inc.
Marsh’s Hospitality Practice
Maritz
priceline.com
PricewaterhouseCoopers
Proskauer
Sabe Hospitality Solutions
Sathguru Management Consultants (P) Ltd.
Schneider Electric
Thayer Lodging Group
Thompson Hotels
Travelport
WATG

Friends
Berkshire Healthcare • Center for Advanced Retail Technology • Cruise Industry News • DK Shifflet & Associates • ehoteler.com • EyeforTravel • 4hoteliers.com • Gerencia de Hoteles & Restaurantes • Global Hospitality Resources • Hospitality Financial and Technological Professionals • hospitalityinside.com • hospitalitynet.org • Hospitality Technology Magazine • HotelExecutive.com • International CHRIE • International Hotel Conference • International Society of Hospitality Consultants • Perceptions • JDA Software Group, Inc. • J.D. Power and Associates • The Lodging Conference • Lodging Hospitality • Lodging Magazine • LRA Worldwide, Inc. • Milestone Internet Marketing • MindFolio • Mindshare Technologies • PhoCusWright Inc. • PKF Hospitality Research • Resort and Recreation Magazine • The Resort Trades • RestaurantEdge.com • Shibata Publishing Co. • Synovate • The TravelCom Network • Travel + Hospitality Group • Unifocus • USA Today • WageWatch, Inc. • The Wall Street Journal • WIMH.COM • Wyndham Worldwide
Unscrambling the Puzzling Matter of Online Consumer Ratings: An Exploratory Analysis

by Pradeep Racherla, Daniel Connolly, and Natasa Christodoulidou

ABOUT THE AUTHORS

Pradeep Racherla, Ph.D., is an assistant professor of marketing at the College of Business, West Texas A&M University (pracherla@wtamu.edu). He earned a Ph.D. in business administration from the Fox School of Business, Temple University. His research interests include consumer generated media, healthcare marketing, social networks, knowledge management, and collaborative systems. He has written several research papers and technical reports that have been published or forthcoming in prestigious journals such as Journal of Consumer Behavior, Journal of Marketing & Management, Journal of Management Information Systems, Annals of Tourism Research, and Cornell Hospitality Quarterly. He has presented at numerous conferences, both nationally and internationally.

Daniel J. Connolly, Ph.D., is an associate professor of information technology at the Daniels College of Business at the University of Denver, with a dual appointment in the School of Hotel, Restaurant, and Tourism Management and in the Department of Information Technology and Electronic Commerce. He also serves as director of undergraduate programs. His teaching, research, and consulting interests focus on the strategic application of information technology and electronic commerce. He has written or co-authored numerous publications, including articles that have appeared in the Cornell Hotel and Restaurant Administration Quarterly, the FIU Hospitality Review, Information Technology in Hospitality, and Journal of Hospitality and Leisure Marketing. His book Technology Strategies for the Hospitality Industry (Pearson Prentice Hall, 2005) is the industry's first book on technology strategy.

Natasa Christodoulidou, Ph.D., is a faculty member in the management and marketing department at California State University, where she teaches internet marketing and other related marketing courses at the undergraduate and MBA level. Her research interests are in the areas of hospitality technology, travel and tourism electronic commerce, hospitality electronic distribution, and electronic marketing. She is a member of the Decision Sciences Institute and the Western Decision Sciences Institute. She has published more than 20 articles in the past five years in academic and professional journals. She presents regularly at academic and professional conferences around the world such as Eye for Travel FS/TEC, DSI, and WDSI. Among her speaking engagements this year are Las Vegas, Hawaii, France, and Singapore.
EXECUTIVE SUMMARY

This study explores the patterns of online reviews of vacation homes from a community-based travel advisory website with a goal of understanding the biases inherent in online word of mouth (WOM) related to tourism and hospitality services. An analysis of nearly 3,200 reviews from “Reviewsite.com,” (a pseudonym) which posts reviews of vacation rental properties across the USA, finds an overwhelming preponderance of favorable reviews. More to the point, relatively few “moderate” reviews are posted, and the second-highest category is extremely negative comments. Using semantic processing techniques on the aggregate review text, the study identifies the nuanced opinions and concerns of the travelers who write reviews. Negative reviews tend to be lengthy and argumentative, often detailing disappointment over expectations not met. Positive reviews, on the other hand, tend to be relatively brief and confirm the overall rating. Consumers who wrote “high” reviews placed greater importance on value for money, cleanliness, and comfort than did those who wrote negative reviews. Those who wrote “low” reviews placed their emphasis on the service provided by the property staff and management. Negative reviews were more likely to involve a higher price accommodation. This analysis indicates that the overall numerical ratings typically used in review systems may not be the ideal indicator of perceived service quality. The results suggest that review sites should develop better methods to aggregate, synthesize, and publish the review contents, particularly the numerical ratings. This and other review sites show the average of all the point-scale ratings, but such simple means do not take into account the biases that are inherent in the rating systems. Instead, the sites should provide more information and heuristics to help the consumers navigate through the clutter and get the information they desire.
Unscrambling the Puzzling Matter of Online Consumer Ratings:

An Exploratory Analysis

by Pradeep Racherla, Daniel Connolly, and Natasa Christodoulidou

Given that consumers are increasingly relying on search engines to acquire information about hotels, restaurants, and travel purveyors (among many other services), consumer-generated online reviews will inevitably change the structure and accessibility of information, along with consumers’ perceptions of various services. The popularity of online reviews has led to a proliferation of online review sites, including popular sites such as Hotels.com, Tripadvisor.com, and Yelp.com. A recent study by Forrester Inc. found that more than 80 percent of web shoppers read and consider other consumers’ reviews.1 Similarly, Compete Inc. found that nearly 50 percent of purchasers visited a message board, forum, or online community for information connected with their online travel purchasing, and one in three of these buyers said that consumer reviews helped with their purchase decision.2 Almost half of these consumers said that consumers’ opinions actually caused them to change their mind about what they purchased. Moreover, among those buyers, 25 percent said they also posted a review on a consumer review site after making their purchase.

However, the existing understanding of online tourism-related reviews is relatively weak, even though we know that word of mouth (WOM) is more important and influential within a services context than in product marketing scenarios. Recently, some studies have explored tourism- and hospitality-related online WOM. Yet, research has so far overlooked certain interesting aspects of online reviews, as follows:

Online reviews typically use “overall star ratings” as primary indicators of perceived service quality—ratings that are not related in any way to the formal star designations awarded by Forbes or Michelin. Consumers’ mean star ratings are typically aggregated from the ratings given by individual consumers in each review. What we don’t know is how consumers determine the stars they assign to a service when they post a review on a website. That is, do star ratings accurately reflect consumers’ sentiments regarding various attributes of service providers? This is a vital issue given the experiential and intangible nature of travel services, and the fact that consumers use the overall rating as an important heuristic while narrowing down choices.

Further, studies have overlooked the relationship between the reviews and various attributes of services and service providers. Since online reviews are a form of WOM, variables such as consumer involvement, pricing, and length of stay may have an impact on the final rating and posting of the review provided by consumers. It is important to uncover these relationships to better understand the dynamics of online reviews.

Few studies have analyzed the qualitative aspect of online reviews. Online reviews are essentially open-ended, text-based, consumer-to-consumer (c2c) communications. The text content may contain nuanced views of the services and service providers (from the review writers’ point of view) that cannot be expressed using crude numerical ratings. Hence there is a need to analyze the text portion of the reviews and identify the issues that consumers are mostly concerned with when writing and posting online related reviews.

We address the above points in this study. The following questions guided us:

1. Do overall ratings reflect the perceived quality of the service providers (as derived from the consumers’ expressed sentiment in the reviews). What are the underlying patterns of the overall ratings in online reviews?
2. What are the linkages among the various attributes of the service providers and customer reviews?, and
3. What are the issues that consumers mostly talk about in the text portion of online reviews? Do these issues differ from the ratings that the consumers have provided via the standard variables provided by the review sites?

Research Setting and Data Collection
This study is based on reviews collected from “Reviewsite.com,” as we have called the community-driven travel site that we analyzed. The site provides reviews of verified rental properties and organizes the reputation of vacation properties. The property listing within the site is based not on the revenue sharing model that is generally practiced by other review sites but on the reputation, trust, and feedback from customers who have stayed at the vacation rental properties. Reviewsite.com is a free service that operates on service provider fees and advertising revenues. Unlike some travel review sites, the firm’s review solicitation strategy is to send personalized invitations only to those customers whose stay has been verified by the property management. The site’s management believes that this strategy, to a large extent, eliminates fake reviews.

The firm provided us with 3,300 reviews for analysis. After initial data clean up, about 100 reviews with incomplete or unusable information were eliminated and 3,197 reviews were used for the analysis. The reviews contained the following attributes:

- The overall rating assigned to the service provider based on the aggregation of the ratings assigned by individual reviewers;
- Consumers’ ratings on the following six attributes: value, cleanliness, comfort, service, location, and check-in;
- The review text (Semantic processing techniques were applied on the aggregate review text to identify the nuanced opinions and concerns of the travelers who wrote reviews.);

---


8

The Center for Hospitality Research • Cornell University

Age range of the reviewer on an 1-4 ordinal scale (25-34, 35-44, 45-54, and 55 and above);

Average price per day; and

Word count (used in the quantitative analysis).

Preliminary Hypotheses and Results

The age groups of the review writers are shown in Exhibit 1. A large percentage of the customers who reviewed the properties fall under 44 years of age. This is consistent with previous studies in this realm which show that generation X and Generation Y are more active in the WOM forums.

Review Rating Distribution

Websites that host online reviews give consumers the option to assign a rating to the service providers, typically on a scale of 1 to 5 or 1 to 7. Many sites aggregate these numerical or star ratings to determine an overall (mean) star rating. We see this overall rating as an important element in online WOM since consumers often use this rating to narrow down their consideration set. Studies that have used the rating as the primary predictor of the service providers’ perceived quality or customer satisfaction to determine the impact of online reviews on product sales have arrived at mixed findings.5 However, these studies are based on the fundamental assumption that the numerical ratings assigned to service providers are an accurate estimate of the quality perceived by the customer. This practice follows the basic assumption of behavioral theorists that any data set with a large number of consumer responses tends to follow a normal (Gaussian) distribution. Recent studies have questioned this assumption. For instance, Dellarocas and Narayan’s study on movie reviews in Yahoo.com found that only the extremely satisfied and extremely dissatisfied customers are likely to publicly express their opinions as compared to customers with moderate opinions.6 Similarly, studies using data from TripAdvisor.com and Amazon.com found that the star ratings exhibit a truncated distribution in which the majority of reviews are positive.7

To test this assumption, we ran a simple frequency chart, as shown in Exhibit 2. In keeping with other studies, the distribution is heavily skewed towards the positive ratings: 1-point reviews: 32 (1%); 2-point reviews: 95(3%); 3-point reviews: 458 (14%); 4-point reviews: 688 (22%); and 5-point reviews: 1,912 (60%). To test for the robustness of this distribution, we applied the Kolmogorov-Smirnov test of normality. The results confirm the non-normal distribution of the star ratings and the heavy skew towards positive reviews.

Three explanations are possible for such a distribution:


1. A majority of the properties that are listed on the website have outstanding perceived quality and provide satisfactory services to customers. While this is theoretically possible, it seems unlikely when applied to all the properties listed on the website.\(^8\)

2. The reviews do not constitute a truly representative sample of consumer opinion. Based on other studies, this explanation seems plausible. Consumers with moderate views may see little incentive to report their views in an online forum, and as a consequence, only those consumers who have polarized views are likely to post their comments.

3. The distribution could also be an artifact of the firm’s review soliciting strategy. Recent studies support this idea by suggesting that customers engage in socially desirable behavior even in impersonal interactions with the service providers.\(^9\) In this case, it may be that they will provide a reasonably positive review even if the experience has not been up to the mark.

---

**Star Ratings and Perceived Service Quality**

Let’s return to the first question we asked at the outset: Are star ratings a true representation of service providers’ perceived quality as reflected by the consumers’ stated sentiments? This becomes an important question for two reasons: (a) ratings are the primary evidence that consumers consider while shopping online for information, and (b) the truncated nature of rating distributions means that the reviews available may not truly represent consumer opinion or the service providers’ perceived quality. If only those with extreme views post reviews, then consumers should always look for service providers that have a 5-star rating. On the contrary, if the reviews accurately reflect all consumers’ views, then consumers are better off searching for reviews with a 3 rating since these tend to be more balanced and enable better product analysis. Recently, Hu et al. used data from Amazon.com show that numerical scores do not reflect books’ true perceived quality.\(^10\) As they suggest, “…rather, the score reflects the balance of diverse opinions. In other words, when a book’s overall score is around 3, it does not suggest that consumers generally agree that this is an average book. It rather suggests that roughly equal number of consumers think that the book is either an outstanding book or an abysmal book.”

To test this assertion, we applied a regression equation with six property attributes (i.e., value for money, check-in, location, cleanliness, comfort, and service) as independent variables and star rating as the dependent variable. This analysis is based on the assumption that for a given property, if star ratings truly represent the perceived quality of the properties (as well as the consumers’ sentiment), then the star ratings and ratings of the six other property attributes

---


will show a high correlation. For the analysis, we took into consideration the fact most reviews are positive (i.e., 4- and 5-point ratings). Therefore, we divided the reviews into two categories, high reviews (star rating above 3; \( n = 2,597 \)) and low reviews (ratings below or equal to 3; \( n = 600 \)), and ran separate regression analyses on these two groups, as shown in Exhibit 3.

An interesting finding is the weak relationship between the attribute ratings and overall star rating for each property. The R-square of the regression equation with all six variables and the overall star ratings is less than 40 percent. That is, even if the consumers provided higher ratings on individual attributes, their overall rating was usually low, and the reverse was also true. This trend is observed in both the high and low review groups. The analysis suggests that in high reviews, consumers placed greater importance on value for money, cleanliness, and comfort. The higher the ratings of a consumer on these attributes, the higher is the likelihood that the consumer will provide a higher star rating. Check-in, location, and service did not prominently figure in their overall evaluations of the properties even though these attributes were rated high.

The low reviews show similar results in the sense that the lower a consumer rates value, cleanliness, and comfort, the lower the likelihood of a positive rating. In addition, in the case of low reviews, consumers placed emphasis on the service provided by the property staff and management.

The above result is illustrated in one of the “high” reviews shown in Exhibit 4. The reviewer gave low to moderate ratings on all the attributes but was still willing to provide a high overall star rating to the property. This example suggests that consumers place significant emphasis on the overall experiential value provided by the properties. This expectation of value is many times intangible and does not necessarily depend on the functioning or rating of the individual features of the property.

### Relationship between Ratings and Review Attributes

To understand consumers’ word-of-mouth behavior, it is important to consider various factors, such as perceived expectations of costs and benefits, importance of the purchase (involvement), personal characteristics, and situational influences. We consider two factors that are known to affect the intensity and valence (positive or negative) of word of mouth: price and word count.

**Price.** Price is an important factor that contributes to pre-purchase expectations. The intensity of expectations (and their fulfillment), partly driven by price, is directly proportional to consumers’ satisfaction levels and WOM propensity. This may be the reason that the tendency to complain is directly related to the cost of the service.\(^{11}\) The more expensive an item, the greater will be the perceived losses and the greater likelihood that dissatisfaction will result in a complaint. Similarly, the likelihood of word-of-mouth being triggered by the level of expectation–disconfirmation increases

---

with the cost of the product. Given the greater perceived risk in services, customers would seek more trustworthy service providers with a good reputation of satisfying customer needs. This in turn increases the expectations and leads to more extreme reactions from the consumers. Hence, one can speculate that the higher the prices, higher will be the average negative or positive ratings for a service.

**Word count.** The number of words in a review may serve as a proxy for the amount of information in the reviews. However, the evidence on this aspect of WOM of all types is equivocal. For instance, consumers generally engage in positive WOM to avoid feelings of guilt and association with bad news and to reduce cognitive dissonance. On the other hand, a customer who is highly disappointed will provide a persuasive argument to make sure that other customers are dissuaded from renting the same property. Research on conventional word of mouth has offered ample evidence to suggest that dissatisfied customers engage in two to three times as much WOM as satisfied customers. We believe that this logic extends to online reviews, despite the fact that existing studies are equivocal at best. Therefore, it can be assumed that reviews with either extremely positive or extremely negative ratings will have greater word count as opposed to more moderate reviews.

To test these assumptions, we applied ANOVA with price and word count as dependent variables and the review rating as factors. As illustrated in Exhibits 5 and 6, the results show that price and word count show a significant negative correlation with star rating. That is, reviews with lower ratings are typically associated with greater word count and represent properties that charge high rates.

The result on the word count suggests that consumers who are unhappy with a rental property tend to write more to express their dissatisfaction. As shown in this exhibit, lower ratings are associated with higher number of words in the reviews and vice versa. Similarly, property price seems to be strongly associated with negative word of mouth, supporting the principle that higher cost increases the consumers’ involvement in the purchase.

---


the reviewers. These can be classified as: (a) attributes or features of the property that figure prominently and contribute to the positive or negative ratings (e.g., rooms, bed, dishes, furniture, or service), and (b) the positive or negative words that represent the sentiment of the reviewer (e.g., great, amazing, dirty, and wonderful). The results of the qualitative analysis are as follows.

**Syntactic features.** The overall tone of the low reviews is rather argumentative. The reviewers tend to be forceful in presenting their point of view. They lay out a great amount of reasoning and provide specific examples to drive home their argument. This is reflected in the greater percentage of negative connector words (34%), such as but, however, as if, and even though. It is interesting to note that reviewers in this category speak directly to the other consumers, notably through greater use of words such as you (46%), and look to influence their decision making.

In the high reviews, by contrast, the overall tone tends to be enunciative, and the reviewers use the text to merely reinforce their numerical ratings, using fewer words on average than the negative reviewers. In these reviews, the consumers focus on their personal experiences and appeal to the audience through emotions rather than logic and reasoning, as evident from greater use of positive adjectives

---

such as *great*, *fantastic*, and *awesome* (45%) and personal pronouns such as *we* and *I* (54%).

**Semantic features.** Exhibits 7 and 8 show the main issues or aspects that are prominently discussed in the low reviews. The order of these issues is based on the statistically significant frequency of their occurrence in the 1,200 reviews.

We further investigated the use of various sentiment words. Interestingly, the prominent issues discussed in the positive reviews sometimes do not even figure in the rating scales provided to the reviewers. Overall, the results of the semantic analysis can be summarized as follows:

The property and its features are more commonly connected with extremely positive sentiment words such as *great*, *wonderful*, and *amazing* in the high reviews than in the low reviews. In comparison, the properties and their features in the low reviews are more likely to be characterized with moderately positive words such as *nice* and *okay*.

Negative reviews reflect the extent of expectation–disconfirmation that the consumers face during their stay in the rental property. These reviews have a greater proportion of words expressing disappointment (e.g., not as expected). Further, extremely negative sentiment words (e.g., discomfort, filthy) and adjectives are more likely to be associated with features in low reviews than in high reviews.

Almost 40 percent of the consumers who wrote high reviews express their willingness to return to the property as opposed to only 9 percent of those writing negative reviews. Further, more than 20 percent of the consumers giving high reviews express their strong desire to recommend the property to their friends and family members as opposed to only 5 percent in low reviews.

**Review of Findings**

Our exploratory study of consumer reviews of U.S. vacation homes on Reviewsite.com was highlighted by overwhelmingly positive reviews.

The overall distribution of the reviews was heavily skewed towards the positive ratings. More critically, this finding suggests that there is a lack of moderate and balanced opinions. We theorize that this is either due to purchasing bias (since customers went through the trouble of purchasing and experiencing the facilities, they tend to be positively biased towards their purchase) or under-reporting bias (customers do not have strong enough incentives to take the trouble of reporting their opinions and the few motivated individuals who provide their reviews become a self-selected sample).

The overall (mean) star rating typically used in traveler review sites is probably not the most accurate indicator of customers’ perceptions of service providers’ quality. We
found a correlation between the star rating and ratings on other property attributes of less than 40 percent in most cases.

A high word count in the reviews is correlated with a low overall rating. That is, consumers who are extremely dissatisfied tend to expend more time and energy on their critique of the property, its amenities, and services. Price of the property also seems to positively correlate with extreme negative reviews, perhaps because a high price heightens travelers' expectations.

Numerical ratings do not often capture the actual sentiment and the variety of dimensions on which travelers evaluate properties. Because numerical ratings do not capture reviewers' opinions about specific attributes, they can be deceiving and may not reveal the true quality of the property or the actual intention of the reviewer. We found, for instance, that consumers value location (e.g., closeness to the beach) and cleanliness (e.g., swimming pool area) more than such features as check-in and service. Similarly, in the negative reviews, issues such as lack of bedroom paraphernalia or kitchen items seem to be ranked higher in importance than issues such as location and check-in. Therefore, even when a property scores high on the certain dimensions, the overall rating may remain low because other factors overshadow the favorable aspects.

**What It Means for Managers**

We see implications for online review sites and, by extension, for proprietors of vacation homes and service operations generally. With regard to the review sites, if consumers consistently detect a favorable bias, the review sites may lose the critical aspects of credibility and trust. Although consumers are generally smart and rational and can work around obvious biases, recent evidence suggests that consumers are gradually defecting from some online sites due to unbalanced reviews. In this regard, site administrators as well as property managers should take steps to attract those consumers who are willing to provide a reasonably balanced analysis of the amenities and services. By this, we mean reviews that present comprehensive and objective analysis of the service provider rather than just raves or rants.

To that end, site operators should take steps to understand customers' review writing behavior and to attract more balanced reviews. One way to do this is to give personalized information to the consumer demonstrating the contribution made by his or her review and the value of the review to stakeholders. For instance, Ling et al. found a positive correlation between willingness to write reviews and the consumers' perception that their contributions would be unique and helpful to other customers as well as perused by the service providers. Simply put, the propensity to write reviews increases when the consumers feel that their review is actually helping others (both the service provider and other consumers).

We suggest that review sites develop better methods to aggregate, synthesize, and publish specific review comments, as well as numerical ratings. First, managers should take into consideration the low correlation between the overall ratings and consumers' assessments of various property attributes (as well as the results from the text analysis). The implication of such a weak correlation is that review sites need to expand on the list of possible variables so that the ratings accurately reflect consumers' needs and expectations regarding service providers.

Further, site managers may have to rethink the current practice of averaging all the ratings for a given property, because such a mean rating fails to take into account the biases that are inherent in the rating systems. As an example, this study finds significant under-reporting bias in this online review site. A customer's decision to not post online reviews may mean the loss of important information that can assist the users of the sites to make more reliable inferences. The majority of today's feedback mechanisms do not publicly disclose the number of silent transactions (i.e., transactions for which no feedback was posted by customers). Such information should become a part of a service provider's online profile on rating sites and other feedback mechanisms. It is important to provide more information and heuristics to help the consumers navigate through the clutter and get the information they want and seek.

It is important to apply modern semantic analysis and sentiment classification techniques to study the content of the reviews and identify various dimensions on which consumers evaluate vacation homes. The details provided in the review text are in many ways a better reflection of customer satisfaction. Service providers can better position themselves using the dimensions uncovered through text analysis and target the needs and preferences of their customers.

The results in this study show that negative reviews are typically associated with a greater word count than positive reviews. It is useful to focus specifically on these negative reviews because they can reveal patterns of deficiencies in the service standards and delivery. These reviews should be treated the same as customer comment cards or letters. Further, customers who write such lengthy negative reviews

---


are most likely to spread negative word-of-mouth about the property. Lengthy reviews are excellent sources of information, and should be used as the bases to understand the complaining behavior of the consumer.

Word count may be used as an additional segmentation variable to identify those consumers who are more involved and willing to provide balanced feedback to both the review site as well as to property management. Various other research methods such as telephone interviews or focus groups should be used to elicit detailed feedback from such consumers. These actions also help in service recovery, post-purchase engagement and relationship building.

Outlook

We foresee three potential areas investigation that can add value to current best practices. We still don't know much about consumers’ motivation to write online reviews.20 Recent studies identify various antecedents of review writing but suffer from sampling bias, since they survey a self-selected sample of consumers who already provided reviews. As the results in this study indicate, under-reporting bias (lack of moderate and low reviews) remains prevalent in online review sites. Future research should identify socio-psychological factors that increase consumers’ propensity to write online reviews.

Future research should explore the impact of the presence (or lack) of extremely negative reviews within a large corpus of positive reviews. The evidence on the impact of review valence (negative or positive) is equivocal. Proponents of confirmatory bias suggest that consumers look for affirmative evidence supporting a product choice already made. If that is the case, positive reviews are more likely to have a greater effect on consumer actions. On the other hand, the notion of negativity bias suggests that when consumers are neutral, negative reviews tend to become more salient than positive reviews.21 In the presence of large numbers of positive reviews, consumers specifically seek negative reviews that they feel will help them identify specific problems with a service. Understanding how consumers reconcile the information provided by both negative and positive reviews has implications for the design and management of review sites.

Finally, a review’s word count has important implications for consumers’ trust in the reviews. When consumers are willing to read and compare open-ended comments from other consumers, the amount of information in a review can matter. WOM for high involvement products is more persuasive and increases the decision maker’s confidence when the message sender provides greater number of reasons for their overall rating. Longer reviews provide more information and are likely to be perceived as more helpful and persuasive than shorter reviews. The ways in which a review is written, framed, and presented is an interesting factor which has rarely been investigated, and has important implications, particularly given our finding that the amount of information in a review (word count) varies significantly with the ratings of the review.

---


2011 Reports


Vol. 11, No. 14  Reversing the Green Backlash: Why Large Hospitality Companies Should Welcome Credibly Green Competitors, by Michael Giebelhausen, Ph.D., and HaeEun Helen Chun, Ph.D.


Vol. 11, No. 12  Creating Value for Women Business Travelers: Focusing on Emotional Outcomes, by Judi Brownell, Ph.D.

Vol. 11, No. 11  Customer Loyalty: A New Look at the Benefits of Improving Segmentation Efforts with Rewards Programs, by Clay Voorhees, Ph.D., Michael McCall, Ph.D., and Roger Calantone, Ph.D.

Vol. 11, No. 10  Customer Perceptions of Electronic Food Ordering, by Sheryl E. Kimes

Vol. 11, No. 9  2011 Travel Industry Benchmarking: Status of Senior Destination and Lodging Marketing Executives, by Rohit Verma, Ph.D., and Ken McGill

Vol 11 No 8  Search, OTAs, and Online Booking: An Expanded Analysis of the Billboard Effect, by Chris Anderson Ph.D.

Vol. 11 No 7  Online, Mobile, and Text Food Ordering in the U.S. Restaurant Industry, by Sheryl E. Kimes, Ph.D., and Philipp F. Laqué

Vol. 11 No 6  Hotel Guests’ Reactions to Guest Room Sustainability Initiatives, by Alex Susskind, Ph.D. and Rohit Verma, Ph.D.

Vol. 11, No. 5  The Impact of Terrorism and Economic Shocks on U.S. Hotels, by Cathy A. Enz, Renáta Kosová, and Mark Lomanno

Vol. 11 No 4  Implementing Human Resource Innovations: Three Success Stories from the Service Industry, by Justin Sun and Kate Walsh, Ph.D.

Vol. 11 No 3  Compendium 2011

Vol. 11 No 2  Positioning a Place: Developing a Compelling Destination Brand, by Robert J. Kwortnik, Ph.D., and Ethan Hawkes, M.B.A.

Vol. 11 No 1  The Impact of Health Insurance on Employee Job Anxiety, Withdrawal Behaviors, and Task Performance, by Sean Way, Ph.D., Bill Carroll, Ph.D., Alex Susskind, Ph.D., and Joe C.Y. Leng

2011 Hospitality Tools

Vol. 2 No 1  The Game Has Changed: A New Paradigm for Stakeholder Engagement, by Mary Beth McEuen

2011 Industry Perspectives

No. 7  MegaTips 2: Twenty Tested Techniques for Increasing Your Tips, by Michael Lynn

2011 Proceedings

Vol. 3, No. 5  Building Brands in the Internet Age: Analytics, Loyalty, and Communication, by Glenn Withiam

Vol. 3, No. 4  Brave New World: Online Hotel Distribution, by Glenn Withiam

Vol. 3, No. 3  Social Media and the Hospitality Industry: Holding the Tiger by the Tail, by Glenn Withiam

Vol. 3 No 2  The Challenge of Hotel and Restaurant Sustainability: Finding Profit in “Being Green,” by Glenn Withiam

Vol. 3 No 1  Cautious Optimism: CHRS Examines Hospitality Industry Trends, by Glenn Withiam

2010 Reports

Vol. 10 No 18  How Travelers Use Online and Social Media Channels to Make Hotel-choice Decisions, by Laura McCarthy, Debra Stock, and Rohit Verma, Ph.D.

Vol. 10 No 17  Public or Private? The Hospitality Investment Decision, by Qingzhong Ma, Ph.D. and Athena Wei Zhang, Ph.D.


Vol. 10 No 15  The Impact of Prix Fixe Menu Price Formats on Guests’ Deal Perception, by Shuo Wang and Michael Lynn, Ph.D.
Advancing Business and Personal Success

Explore, develop and apply ideas with global hospitality leaders and expert Cornell professors.

Professionals from around the world are invited to attend 3-day, 10-day or online courses at the world’s leading institute for hospitality management education in:

- Strategic Leadership
- Finance
- Foodservice
- Human Resources
- Marketing
- Operations
- Real Estate

Visit our website to apply.

The Executive Path
Hospitality Leadership Through Learning

Complete program information and applications available online: www.hotelschool.cornell.edu/execed

Phone +1 607 255 4919   Email exec_ed_hotel@cornell.edu