

Investigating the Influence of Online Reviews & Ratings on Consumer Behaviour in the Hospitality Industry, Himachal Pradesh

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Abstract- The impact of internet reviews and ratings on consumer behaviour in Himachal Pradesh's hospitality sector is examined in this study. Customer evaluations are becoming increasingly important in influencing purchase habits, guiding decision-making, and forming impressions, particularly in the hotel industry, thanks to the growth of digital platforms. Data from a survey that records Himachal Pradesh customers' demographics, use habits, and opinions on internet reviews is analysed in this study. The results show that a considerable percentage of respondents often look up internet reviews before making reservations for lodging or dining establishments, with location, cleanliness, and service quality being mentioned as the main determinants influencing their choices. The study also emphasises how important it is to keep up a positive online reputation because verified guest evaluations are more trusted than anonymous ones, and bad reviews have a significant influence on customer decisions. The study also investigates the relationships between review consumption and contribution behaviours and demographic characteristics like as age, gender, income, and education. Higher education levels and younger demographics exhibit greater participation, both as readers and as authors of online evaluations. Social media channels are particularly important since many customers, driven by either great or negative encounters, post about their hospitality experiences online. The findings highlight the significant faith that customers have in online reviews, as well as how they help shape customer expectations and price decisions. This research contributes to the growing understanding of digital consumer behavior, providing insights for hospitality businesses in Himachal Pradesh aiming to enhance their online engagement strategies, manage reputation, and ultimately improve customer satisfaction. By recognizing the factors most valued by consumers, hospitality managers can tailor their service offerings and leverage positive feedback to attract and retain customers in a competitive digital landscape.

Key words: *Online Reviews, Consumer Behavior, Hospitality Industry, Ratings, Decision-Making, Himachal Pradesh, Review Influence, Review Content*

Introduction:

The growing use of digital platforms in recent years has resulted in a considerable shift of the hospitality sector, which includes lodging facilities, dining establishments, and other service-based businesses. One of the most important informational resources for customers when choosing where to eat, stay, or schedule services is online reviews and ratings. With the growth of websites and apps like Booking.com, Yelp, TripAdvisor, and Google Reviews, reviews have become an effective tool for customers to assess the calibre of services and make wise choices. Hotels and restaurants are essential to the local economy of Himachal Pradesh, a well-liked tourist destination in India with stunning scenery. Online reviews are becoming a crucial component in influencing perceptions and directing consumer behaviour due to travellers' and consumers' growing reliance on digital technology. Online reviews affect prospective consumers' expectations, trust, and purchase decisions in addition to assisting them in evaluating the calibre of a service. Businesses are under pressure to comprehend and react to the increasing importance of these assessments as the hospitality sector grows more competitive. The purpose of this study is to investigate how consumer behaviour in Himachal Pradesh's hotel industry is affected by internet reviews and ratings. The study specifically aims to determine how frequently customers read reviews, how these evaluations affect their choice to book, and what aspects they value most when assessing reviews. The study also examines the relationship between online review involvement and demographic factors including age, gender, income, and educational attainment. Understanding review consumption trends and decision-making variables allows Himachal Pradesh's hospitality companies to customise their approaches to boost reputation, boost customer happiness, and eventually boost reservations.

Review of Literature

The impact of online reviews on consumer decision-making has been the subject of in-depth research by several companies, and the hotel industry is no exception. Businesses are understanding the importance of managing their online reputation as consumers increasingly predominantly express their opinions and experiences through online platforms. This section covers the literature on the effects of internet reviews in the hotel industry, focussing on the ways in which reviews influence trust, consumer behaviour, and decision-making.

The Role of Online Reviews in Consumer Decision-Making

Online reviews now have a significant impact on consumer decision-making, particularly in the hotel industry. According to Vermeulen and Seegers (2009), customer reviews influence the expectations and decisions of potential customers. Positive reviews usually attract new business, but negative reviews can drive away potential customers and seriously damage a company's reputation. According to research showing a strong association between the frequency of reading reviews and the likelihood of making a reservation, travellers routinely examine online reviews before making reservations (Litvin, Goldsmith, & Pan, 2008).

According to Cheung and Thadani (2012), customers are inclined to believe what other people have to say, especially if such opinions come from other consumers who have experienced similar circumstances. This trust is also affected by the perceived validity of peer evaluations. According to Xie, Zhang, and Zhang (2011), authenticated guest reviews, such as those on Booking.com, are often considered more reliable than anonymous or unverified reviews, which may be perceived as less reliable. A significant factor that influences how assessments are interpreted and handled is this belief in authenticity.

Impact of Review Characteristics on Consumer Decisions

The content of reviews, which includes things like review length, message tone, and specific attributes mentioned (e.g., cleanliness, service quality, and location), has a significant impact on consumer decision-making. Features like cleanliness and service quality are often cited in hotel assessments as the most significant factors influencing visitors' decisions (O'Connor, 2010). In a similar vein, restaurant reviews often emphasise how important atmosphere, food quality, and service are in shaping the attitudes of customers (Kaufmann, Vukcevic, & Kabadayi, 2021). Negative evaluations about these issues may cause potential customers to avoid establishments with poor ratings, which can disproportionately influence reservations.

Furthermore, negative reviews can have a big influence on the decisions that customers make, even if they are uncommon. Positive information is given less weight than negative information, according to the psychological phenomena known as "negativity bias" (Baumeister et al., 2001). Because of this, a single negative review might overshadow a number of positive ones, which could lower customer trust and, consequently, reservations. This highlights how important it is for businesses to actively manage their online reputation and promptly address negative remarks.

Demographic Factors and Online Review Consumption

According to research, demographic variables including age, gender, wealth, and educational attainment have a big impact on how customers interact with online reviews. For example, younger buyers—millennials in particular—are more inclined to look up internet evaluations before making a purchase. Research indicates that younger people are more likely to believe internet evaluations and frequently utilise them to influence their expectations (Xu, 2014). However, older generations could be more dependent on conventional information sources like word-of-mouth or professional advice.

The behaviour of online reviews is also influenced by educational background. Higher education levels increase the likelihood that consumers will participate in online reviews as authors and readers. This group may be more inclined to provide thorough and considerate feedback based on their experiences and is frequently more discriminating about the calibre of evaluations (Gretzel et al., 2006). Additionally, customers with greater incomes are more likely to utilise internet reviews, especially when making important selections like selecting upscale eating options or luxurious lodging.

Social Media and Consumer Engagement with Online Reviews

Online reviews now play a bigger part in customer decision-making thanks to social media sites. Bloggers, social media influencers, and regular customers all actively share their experiences—both good and bad—which has a big impact on how other people see them. According to research by Mangold and Smith (2012), social media platforms are important repositories of user-generated information because they enable people to contribute evaluations and personal stories that affect their networks' purchase decisions.

Businesses in the hospitality sector are increasingly using social media to interact with customers as more customers post their thoughts and experiences on sites like Facebook, Instagram, and Twitter. While bad evaluations may spread just as rapidly, underscoring the necessity of efficient reputation management, positive feedback has the potential to go viral and enhance a company's online image. Online reviews are a crucial part of the hotel industry's decision-making process, according to the body of research on customer behaviour and online reviews. Consumer behaviour is greatly influenced by a number of factors, including the frequency of reviews, their perceived reliability, demographic characteristics, and their substance. Since the digital landscape in Himachal Pradesh is changing quickly, it is imperative that organisations in the hotel industry understand these elements. Businesses may improve their reputation, draw in new clients, and stay competitive in the market by utilising good reviews, responding to unfavourable comments, and customising services to match customer

expectations. This study will help us comprehend these dynamics in greater detail within the context of the hotel industry in Himachal Pradesh.

Objective: To examine the impact of online reviews and ratings on consumers' decisions to book hotels and restaurants in the hospitality industry of Himachal Pradesh.

H₀: There is no significant association between the frequency with which consumers read online reviews and their decision to book a hotel or restaurant.

H₁: There is a significant association between the frequency with which consumers read online reviews and their decision to book a hotel or restaurant.

Data Interpretation:-

Demographics

Age: Most respondents fall within the 25-34 age group (36 or 38.3%), followed by 18-24 (22 or 23.4%). Older age groups (45-54 and 55 above) are less represented, suggesting that younger individuals are more likely to engage with online reviews or are more responsive to surveys about them.

Gender: Male respondents (64%) out number females (36%), which may introduce a gender bias in preferences and trust in online reviews.

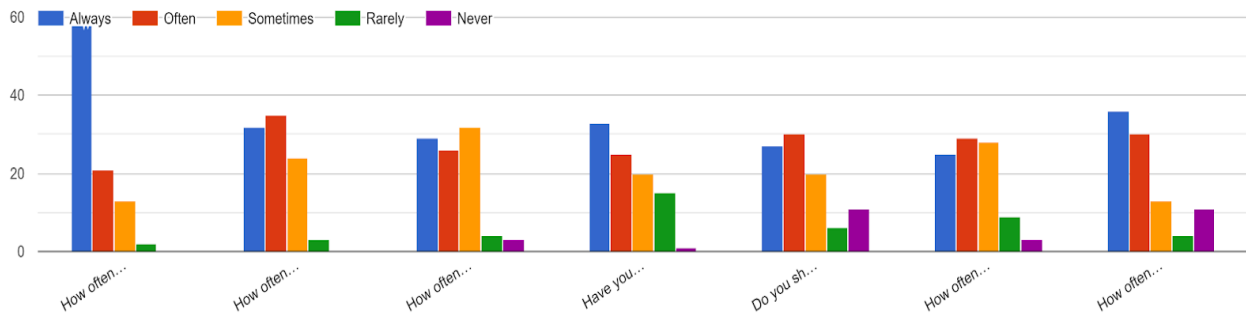
Educational Qualification: A majority hold a Bachelor's (39 or 41.5%) or Master's degree (33 or 35.1%), indicating a relatively educated respondent base that might be more analytical or skeptical about review content.

Income: Most respondents report income in the middle range (3-6 lakhs or 6-10 lakhs), while only a few fall in the highest bracket (above 10 lakhs). Higher-income respondents might have different preferences or levels of trust in reviews.

Particluars	Sub catograies	Frequencies	Percentages
Age	18-24 years	22	23.4%
	25-34 years	36	38.3%
	35-44 years	18	19.1%
	45-54 years	14	14.9%
	55 above	04	4.9%
Gender	Male	60	63.8%
	Female	34	36.2%

Education	High school	20	21.3%
	Bachelors	39	41.5%
	Masters	33	35.1%
	Doctorate	01	1.1%
	Others	01	1.1%
Income	Below 3 lakhs	26	27.7%
	3 lakhs-6 lakhs	29	30.9%
	6 lakhs-10 lakhs	30	31.9%
	Above 10 lakhs	09	9.6%

General usage of review and rating



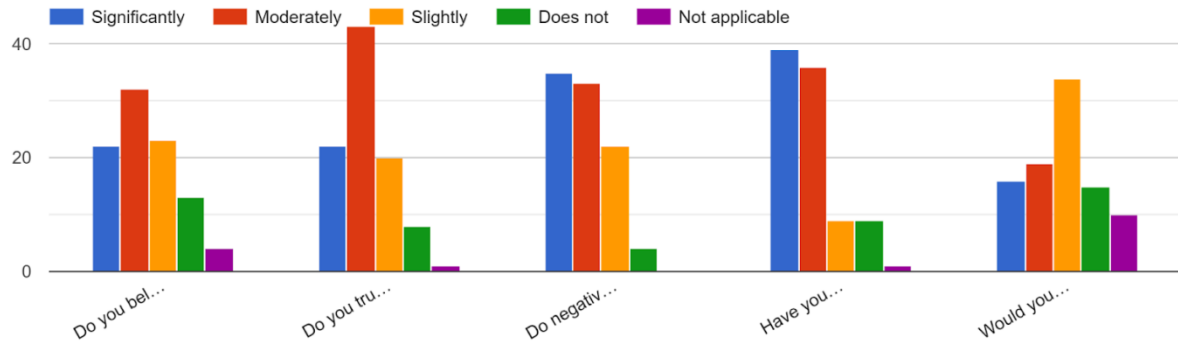
General Usage of Reviews and Ratings

Frequency of Reading Reviews: A significant portion (58%) always read reviews before booking, and 21% do so often. This suggests that reviews play a critical role in decision-making for a majority, with only a small minority rarely or never reading reviews.

Decision-Making Helpfulness: Most respondents (67%) believe that online reviews often or always help them make the right decision, reinforcing the idea that reviews are a trusted source of information.

Writing Reviews: About 85% of respondents occasionally to always write reviews, indicating a high level of engagement with review platforms. This could imply that many users are both consumers and contributors of online reviews, fostering a culture of reciprocity.

Decision Making and behavioral patterns

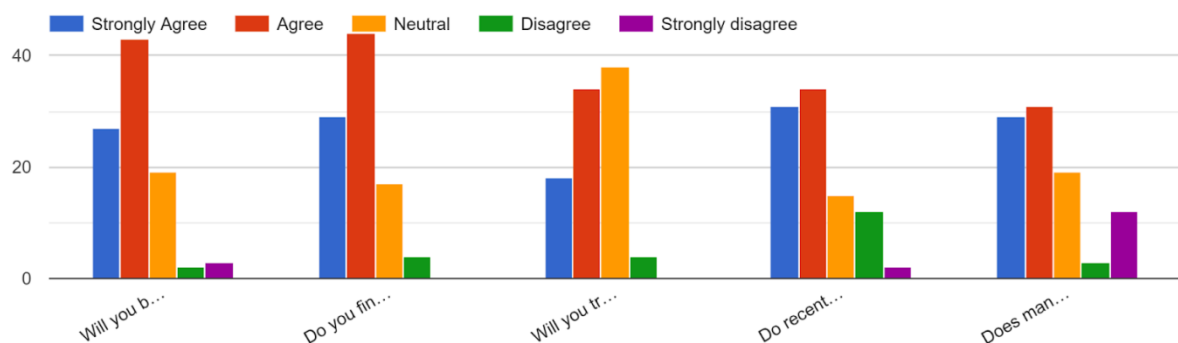


Decision-Making and Behavioral Patterns

Impact of Negative Reviews: Negative reviews significantly influence 35% of respondents and moderately affect another 33%. Only a small group (4%) claims to be unaffected by negative reviews, showing that poor reviews are generally impactful in the decision-making process.

Willingness to Pay More for Positive Reviews: There is a mixed willingness to pay more for highly rated hotels or restaurants, with a third slightly willing to pay more and fewer respondents significantly willing. This could suggest that while reviews matter, budget remains a constraint for many.

Influence of Reviews and Ratings



Influence and Trust in Reviews

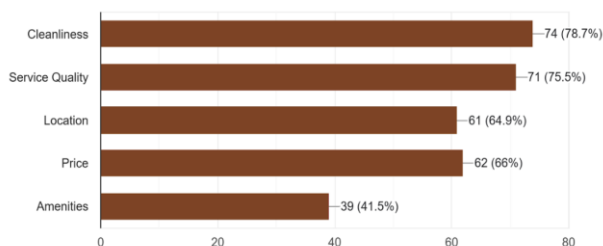
Trust in Verified vs. Anonymous Reviews: Verified reviews are moderately to significantly more trusted than anonymous ones for a majority. This reflects a preference for accountability in reviews, with most respondents relying more on reviews they consider credible.

Trust in Online vs. Personal Recommendations: Neutral to high trust in online reviews compared to personal recommendations suggests that online reviews have gained considerable influence but might

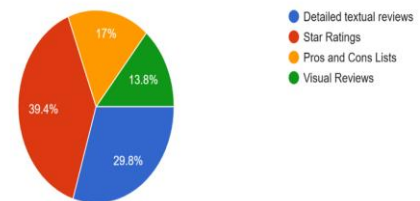
not completely replace personal referrals. This split indicates that while online reviews are highly valued, a portion of users still prefers personal recommendations.

Impact of Management Responses: Management's response to reviews moderately or significantly influences perceptions for about 60% of respondents. This may indicate that proactive communication from hotel or restaurant management can help mitigate negative impressions or enhance positive ones.

What aspects do you consider most important when reading reviews for hotels or restaurants?
94 responses



What type of reviews do you find most helpful?
94 responses



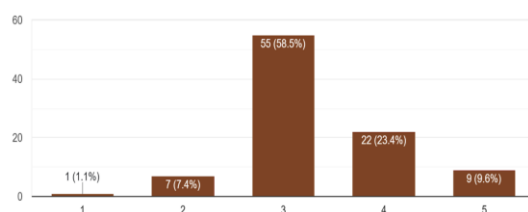
Preferences and Requirements in Reviews

Important Aspects in Reviews: Cleanliness, service quality, location, and price are the most valued factors when reading reviews. This suggests that travelers prioritize hygiene and hospitality standards, alongside practical considerations like location and affordability.

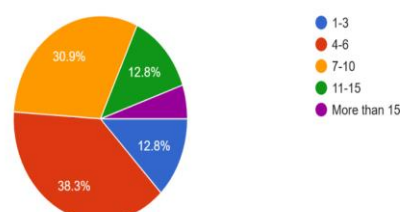
Type of Review Considered Helpful: Star ratings and detailed textual reviews are preferred by the majority. Star ratings provide quick insights, while textual reviews offer depth, catering to different stages of the decision-making process.

Minimum Rating for Consideration: Most respondents require a minimum average rating of 3 stars, with some demanding 4 or even 5 stars. This indicates that low-rated establishments are generally disregarded, highlighting the importance of maintaining a good average rating.

What minimum average rating must a hotel or restaurant have for you to consider it. (STARS)
94 responses



How many reviews do you typically read before making a booking decision?
94 responses

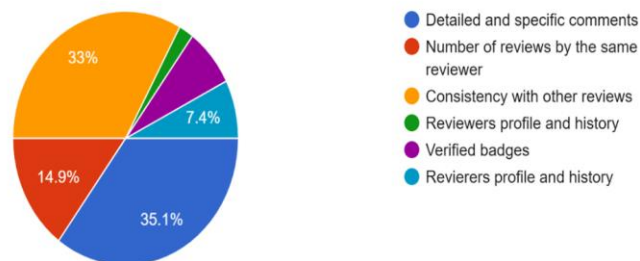


Review Interaction Patterns

Positive vs. Negative Experience: Respondents are more likely to leave reviews after a negative experience (36% always do so) than after a positive one (25% always do so). This is a common pattern where customers are more motivated to share feedback when dissatisfied, which may lead to a higher volume of negative reviews on platforms.

Social Media Sharing: Around 57% of respondents frequently or always share experiences on social media, showing the potential impact of social platforms on reputation management for hotels and restaurants.

How do you assess the authenticity of a review
94 responses



Authenticity Assessment

Authenticity Indicators: Specificity in comments and consistency with other reviews are the most valued factors for assessing authenticity. Respondents likely rely on contextual details to judge the reliability of a review rather than superficial metrics such as badges or reviewer profiles.

This dataset reveals a high level of engagement with online reviews among respondents, particularly for younger and middle-aged groups. Cleanliness and service quality are top priorities, with a clear preference for credible, verified reviews. Trust in reviews is substantial, though personal recommendations and management's response to reviews still play significant roles. There is also a tendency for users to contribute their own reviews, especially after negative experiences, highlighting the importance of maintaining high standards to avoid a proliferation of negative feedback.

Conclusion

This study aimed to examine the influence of online reviews and ratings on consumer decision-making in the hospitality industry of Himachal Pradesh. The analysis reveals that online reviews significantly impact consumer behavior, supporting the alternative hypothesis H_1 , which states there is a significant

association between the frequency of reading online reviews and the decision to book hotels or restaurants.

Key findings include:

- *Demographics and Review Usage* The majority of responders are younger (18–34 years old), primarily male, have a bachelor's or master's degree, and make a decent amount of money. These customers read reviews often before making reservations, demonstrating a high level of involvement with them.
- *Decision-Making Drivers:* Price, location, cleanliness, and service quality are all important aspects that affect customer choices. The best kind of feedback are star ratings and in-depth reviews.
- *Influence of evaluations:* Although verified and thorough evaluations are often more trusted than anonymous ones, negative reviews typically have a greater influence on decision-making than good reviews.
- *Management's Role:* Management's reactions to reviews have a big impact on how customers regard a company, highlighting how crucial proactive communication is to preserving a favourable reputation.
- *Trust and Authenticity:* Trust in online reviews has grown significantly, with verified reviews and consistency across multiple reviews serving as key indicators of authenticity.

These insights suggest that online reviews play a pivotal role in shaping consumer decisions in Himachal Pradesh's hospitality sector, reflecting a broader global trend of increasing reliance on digital feedback mechanisms.

Recommendations

Businesses should encourage customers to post genuine, verified reviews rather than sponsored or fake ones in order to increase the credibility of reviews. To increase trust and enhance the impression of the brand, management should actively address all feedback, both favourable and unfavourable. Prioritising important aspects of service, such as location, cleanliness, and quality, guarantees conformity with client goals and lowers unfavourable reviews.

Positive user-generated content may be amplified by having a strong social media presence and encouraging happy consumers to share their experiences. Finding areas for improvement and market

expectations is made easier by using data analytics to examine rival ratings and feedback patterns.

Customers prefer companies with ratings of three to four stars or higher, therefore it's critical to foster a culture of good reviews and retain competitive ratings via constant service excellence.

By implementing these recommendations, the hospitality industry in Himachal Pradesh can harness the power of online reviews to attract and retain customers, thereby strengthening its competitive edge in the market.

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