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DECODING THE POWER OF ONLINE HOTEL REVIEWS IN SHAPING CUSTOMER DECISIONS – WITH SPECIAL REFERENCE TO COIMBATORE

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ABSTRACT

The growing reliance on digital platforms has significantly transformed consumer behaviour in the hospitality industry. This study aims to decode the influence of online hotel reviews on customer decision-making, with a special reference to Coimbatore – a rapidly developing urban centre in South India. The research investigates key factors such as review quality, rating scores, reviewer credibility, and frequency of feedback, and how these elements affect customers' hotel booking decisions. Using quantitative data from structured questionnaires and qualitative insights from leading travel review platforms, the study identifies patterns in consumer trust and engagement with online reviews. The results indicate that customers in Coimbatore are highly influenced by detailed and recent reviews, especially when provided by verified users. The findings highlight the strategic importance for hotels to manage their online presence and engage actively with digital feedback to drive customer acquisition and satisfaction.

KEYWORDS: *Online Reviews, Customer Decision-Making, Hotel Booking, Digital Influence, Consumer Behaviour, Hospitality Industry, Coimbatore.*

I. INTRODUCTION

The hospitality sector has experienced a significant transformation due to the emergence of online hotel reviews, which greatly affect customer decision-making. In today's digital landscape, travellers depend on reviews posted on platforms such as TripAdvisor, Google Reviews, and Booking.com to evaluate hotel services, amenities, and overall guest experiences prior to making reservations. These reviews are essential sources of information that shape perceptions and influence booking choices. This research, particularly focused on Coimbatore, investigates the effect of online hotel reviews on customer decisions. Coimbatore, a key business and tourism centre in Tamil Nadu, has a burgeoning hospitality industry that increasingly relies on digital feedback to attract and retain guests. It is crucial for hotels to understand how customers interpret and react to online reviews in order to enhance their marketing strategies and service quality. The study aims to examine the role of online reviews in shaping customer perceptions, their impact on customer loyalty, and the demographic variations in review interpretation. Furthermore, it explores the functioning of review platforms and how hotels can strategically manage online reviews to boost customer satisfaction. By analysing the influence of online hotel reviews, this research offers valuable insights into consumer behaviour and provides recommendations for hotels in Coimbatore to improve their online reputation for business development.

II. REVIEW OF LITERATURE

1. **Le, H. T. M., Phan-Thi, T. A., Nguyen, B. T., & Nguyen, T. Q. (2025).** Mining online hotel reviews using big data and machine learning: An empirical study from an emerging country. This paper presents a framework for automating hotel review data collection, reducing manual effort, and standardizing data processing. Using large datasets from Booking.com and TripAdvisor, statistical and sentiment analysis were conducted to evaluate customer satisfaction. Topic modelling with LDA identified key themes, offering valuable insights for hotel management.
2. **Salsabila, R., Dewi, C. K., & Madiawati, P. N. (2025).** Role of Brand Image and Price Importance as Moderator on Online Customer Review and Hotel Booking Intention, this study examines the impact of online customer reviews (OCRs) on hotel booking intentions, focusing on brand image and price importance as moderating factors on Indonesia's Traveloka platform. Using data from 500 respondents and PLS-SEM analysis, the findings reveal that positive OCRs significantly boost bookings, with brand image and price further strengthening their influence. The study offers insights for hotel managers to enhance online presence and optimize digital marketing strategies.
3. **Petrescu, M., Gironda, J., & O'Leary, K. B. (2024).** Consumer-brand heuristics in luxury hotel reviews. This paper examines the fundamental heuristics consumers use to assess word-of-mouth (WOM) for luxury hotel brands and explores the impact of deceptive online reviews on consumer evaluation.
4. Wen, J., Lin, Z., Liu, X., Xiao, S. H., & Li, Y. (2021). The interaction effects of online reviews, brand, and price on consumer hotel booking decision making. This study explores the impact of online reviews, price, and brand on consumers' hotel booking decisions. Through experimental analysis, findings reveal that negative reviews strongly influence booking intentions, with online reviews being the most diagnostic cue, followed by brand familiarity and price.

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5. **Chan, I. C. C., Lam, L. W., Chow, C. W., Fong, L. H. N., & Law, R. (2017).** The effect of online reviews on hotel booking intention: The role of reader-reviewer similarity. This study examines the impact of online review valence on hotel booking intentions, considering demographic and preference similarities based on homophile theory. Findings from experiments in Germany and Macau show that review valence significantly influences booking decisions, with demographic similarity moderating this effect. Travel websites can enhance decision-making by showcasing reviews from users with similar characteristics or preferences.

III. RESEARCH OBJECTIVES

1. To assess the influence of online hotel reviews on consumer decision-making processes
2. To evaluate the correlation between online hotel reviews and customer loyalty
3. To explore the variations in the effects of online hotel reviews across different demographic segments
4. To analyse the contribution of online review platforms (such as TripAdvisor and Yelp) in influencing customer choices
5. To determine effective strategies that hotels can implement to manage their online reviews and enhance customer decision-making.

IV. SCOPE OF THE STUDY

This research examines the impact of online hotel reviews on consumer decision-making in Coimbatore, emphasizing key elements such as the content of reviews, star ratings, the credibility of reviewers, and the timeliness of reviews. It is directed towards individuals who reserve hotels online for leisure, business, or local purposes. Data is gathered from prominent review sites including TripAdvisor, Booking.com, and Google Reviews, with the geographical focus limited to Coimbatore. The objective of the study is to offer valuable insights for hoteliers to improve their digital presence and engage with customers effectively. It does not consider offline hotel bookings or accommodations lacking online review systems, nor does it assess the financial performance or internal operations of hotels. The emphasis is strictly on customer perceptions and decision-making processes, with the results aimed at enhancing digital marketing and online reputation strategies within the hospitality industry.

V. RESEARCH METHODOLOGY RESEARCH DESIGN

This research utilizes a descriptive design to systematically examine and interpret the impact of online hotel reviews on the decision-making processes of customers booking accommodations in Coimbatore. The aim is to uncover patterns, behaviours, and perceptions associated with the use of online reviews on platforms such as Booking.com, MakeMyTrip, Goibibo, and OYO. This design enables the gathering of both demographic and behavioural data from hotel patrons, facilitating an analysis of the connections between review characteristics (such as ratings, credibility, and recency) and booking decisions. The study is cross-sectional, collecting data at a single moment to assess the current effects of online reviews. By concentrating on the specific area of Coimbatore, the research maintains contextual relevance and offers practical insights for local hotel enterprises and digital platforms.

AREA OF THE STUDY

The research is carried out in Coimbatore, a prominent city in Tamil Nadu recognized for its expanding industrial, educational, and tourism sectors. As the number of domestic and international visitors traveling to the city for business, education, and leisure continues to rise, Coimbatore has experienced a notable surge in the utilization of online hotel booking platforms. This location has been selected due to its dynamic hospitality industry and the growing impact of digital platforms on consumer behaviour. Analysing this particular geographical area facilitates a concentrated examination of how online hotel reviews influence customer decision-making within a pertinent and localized market framework.

POPULATION OF THE STUDY

The study's population consists of individual customers who have made hotel reservations and stayed in accommodations in Coimbatore through online platforms. These customers are required to have consulted online hotel reviews (from sources such as TripAdvisor, Google Reviews, Booking.com, etc.) prior to finalizing their booking decisions. The research focuses on both domestic and international travellers who are familiar with the hotel review system and are open to providing insights regarding the impact of reviews on their selection process.

SAMPLING TECHNIQUE

A convenience sample refers to a selection of respondents chosen primarily based on the ease of access for the researcher. The researcher does not strive, or only minimally strives, to guarantee that this sample accurately reflects a broader group or population.

SAMPLE SIZE

Due to the impracticality of surveying the entire population, the sample size was limited to 146 participants.

HYPOTHESIS OF THE STUDY

H_0: There is no significant difference between gender and respondent read online reviews before making a booking decision.

H_1: There is a significant difference between gender and respondent read online reviews before making a booking decision.

H_0: There is no significant difference between the income of individuals and the likelihood of writing feedback after their stay.

H_1: There is a significant difference between the income of individuals and the likelihood of writing feedback after their stay.

H_0: There is no significant relationship between the age of respondents and their reading habits before making a decision to book a hotel.

H_1: There is a significant relationship between the age of respondents and their reading habits before making a decision to book a hotel.

H_0: There is no significant difference between the ratings

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given by respondents in reviews and the responses provided by hotel management.

H_1: There is a significant difference between the ratings given by respondents in reviews and the responses provided by hotel management.

H_0: There is no significant difference between income level and positive online reviews increase my likelihood of returning to the same hotel.

H_1: There is a significant difference between income level and positive online reviews increase my likelihood of returning to the same hotel.

DATA COLLECTION

There are several ways of collecting the appropriate data. While deciding about the method of data collection to be used for the study, the researcher should keep in mind, that there are two types of data viz primary and secondary data.

1. PRIMARY DATA

Primary data refers to information gathered directly by a researcher for a specific objective or project. This type of data is original and firsthand, having not been previously collected or analysed. The process of gathering primary data involves direct interaction with sources such as individuals, groups, or physical settings to acquire new insights that are particularly pertinent to the research inquiry. Typical methods for collecting primary data include surveys, interviews, focus groups, observations, and experiments. For instance, a student researching dietary habits among adolescents may distribute a questionnaire in local schools to collect new data. A significant benefit of primary data is its customization to the researcher's requirements, which enhances both relevance and accuracy. Nevertheless, the collection of primary data can be labour-intensive, require substantial resources, and necessitate meticulous planning to mitigate bias and ensure validity.

2. SECONDARY DATA

Secondary data is defined as information that has been previously gathered, processed, and disseminated by others for purposes distinct from the current research. Researchers utilize secondary data to enhance their studies by offering contextual information, recognizing patterns, or contrasting results. This type of data is easily accessible from a variety of sources, including government publications, academic journals, books, organizational reports, newspapers, and online databases. For instance, a student investigating unemployment trends may refer to labour statistics published by a national statistics agency. Generally, secondary data is more convenient, faster, and less costly to acquire than primary data. Nonetheless, it may not always perfectly match the specific research goals and can occasionally be outdated or incomplete. Consequently, researchers must thoroughly assess the reliability, relevance, and accuracy of secondary data prior to its application in their projects.

TOOLS USED FOR DATA ANALYSIS

Data was gathered through a structured questionnaire distributed to respondents. The acquired data was organized and coded, and analysed using simple percentage methods along with statistical techniques, leading to interpretations. Suitable charts were employed to visually represent the data. The following instruments were utilized to derive conclusions from the study.

Percentage Analysis

This represents a Univariate analysis where the percentage of a specific factor across various categories is computed, aiding in forming a clear understanding of the sample and, consequently, the population. The responses from each category are summarized in percentage format to facilitate the use of other statistical tools such as pie charts and bar diagrams. The formula for percentage is: Percentage = ((a portion)/ (the whole)) *100.

Statistical Techniques

Utilizing SPSS statistical analysis software, the following tests were performed to evaluate the hypothesis.

Chi-Square Test

The Chi-Square test is applicable for determining whether categorical data exhibits dependency or if the two classifications are independent. The formula is: $2 = \sum \{(Oi – Ei) 2 / Ei\}$ Applying Yate's correction: $2 = \sum \{(|O i – E i| - 0.5) 2 / E i\}$

Correlation test

A correlation test is a statistical method used to evaluate the relationship between two variables, helping to determine if changes in one variable are associated with changes in another. The result of this test is expressed as a correlation coefficient, which ranges from -1 to +1. A coefficient close to +1 indicates a strong positive correlation, while a value near -1 suggests a strong negative correlation, and a value around 0 implies no correlation. For example, a correlation test might show that increased study time is associated with higher exam scores, illustrating a positive correlation. Common types of correlation tests include the Pearson correlation for numerical data and the Spearman correlation for ranked or non-normally distributed data. It is important to note that correlation signifies association, not causation.

VI. DATA ANALYSIS AND INTERPRETATION

Chi-Square Test-1

H_0: There is no significant difference between gender and respondent read online reviews before making a booking decision.

H_1: There is a significant difference between gender and respondent read online reviews before making a booking decision.

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Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	.351	2	.839
Likelihood Ratio	.347	2	.841
Linear-by-Linear Association	.259	1	.611
N of Valid Cases	146		

Calculated $\chi 2$ Value: .351 Degree of freedom: 2 Signification level: .839

Interpretation

A Chi-Square test of independence was conducted to examine the relationship between two categorical variables. The results showed that the association was not statistically significant, with a Pearson Chi-Square value of 0.351, degrees of freedom (df) = 2, and a p-value of 0.839. Similarly, the Likelihood Ratio test also indicated no significant association (p = 0.841). The Linear-by-Linear Association was not significant either (p = 0.611). With 146 valid cases, these findings suggest that there is no significant relationship between the variables tested. It is noted that 16.7% of cells had an expected count less than 5, with the minimum expected count being 4.18, which may slightly affect the reliability of the test.

Chi-Square Test-2

H_0: There is no significant difference between the income of individuals and the likelihood of writing feedback after their stay.

H_1: There is a significant difference between the income of individuals and the likelihood of writing feedback after their stay.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	19.542[a]	9	.021
Likelihood Ratio	18.048	9	.035
Linear-by-Linear Association	1.211	1	.271
N of Valid Cases	146		

Calculated $\chi 2$ Value: 19.542 Degree of freedom: 9 Signification level: .021

Interpretation

A Chi-Square test of independence was performed to examine the relationship between two categorical variables. The results showed a statistically significant association, with a Pearson Chi-Square value of 19.542, degrees of freedom (df) = 9, and a p-value of 0.021. The Likelihood Ratio test also supported this finding with a p-value of 0.035. However, the Linear- by-Linear Association was not significant (p = 0.271). With 146 valid cases, these results suggest that there is a significant relationship between the variables tested. It is noted that 37.5% of the cells had an expected count less than 5, with the minimum expected count being 1.51, which may affect the robustness of the test results.

Chi-Square Test-3

H_0: There is no significant difference between the age of respondents and their reading habits before making a decision.

H_1: There is a significant difference between the age of respondents and their reading habits before making a decision.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	6.499	3	.090
Likelihood Ratio	6.486	3	.090
Linear-by-Linear Association	2.674	1	.102
N of Valid Cases	146		

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Calculated $\chi 2$ Value: 6.499 Degree of freedom: 3 Signification level: .090

Interpretation

A Chi-Square test of independence was conducted to assess the relationship between two categorical variables. The results showed that the association was not statistically significant, with a Pearson Chi-Square value of 6.499, degrees of freedom (df) = 3, and a p-value of 0.090. The Likelihood Ratio test also indicated no significant association (p = 0.090), and the Linear-by-Linear Association was not significant (p = 0.102). With 146 valid cases, these findings suggest no significant relationship between the variables. Additionally, all expected cell counts were above 5, with the minimum expected count being 7.52, indicating that the Chi-Square assumptions were fully met.

VII. FINDINGS

Negative Reviews Influence Decisions More Than Positive Ones

48.6% of respondents are more influenced by negative reviews, and 52.1% investigate them before booking. This shows the strong weight of negative feedback in shaping consumer decisions.

Education is the Key Demographic Factor in Review Perception

34.9% of respondents identified education as the most influential factor affecting how people perceive online hotel reviews. This suggests that targeted review strategies based on educational background could be more effective.

Limited Impact of Reviews on Brand Loyalty

41.1% strongly disagree that positive reviews increase return visits, and 30.1% are neutral about trusting reviews for brand loyalty. This indicates that reviews may influence booking decisions, but not necessarily long-term loyalty.

VIII. SUGGESTION

Clarify Key Demographic Insights for Accuracy and Readability

For example, revise "Maximum of 41.8% of the respondents belong to the age group of 21– 30" to "The majority (41.8%) are aged 21–30." This ensures demographic trends are communicated clearly and professionally.

Emphasize the Influence of Negative Reviews and Limited Loyalty Effects

Highlight findings like “48.6% are influenced most by negative reviews” and “41.1% strongly disagree that positive reviews increase return likelihood.” These insights are crucial for understanding how reviews impact customer behavior and loyalty.

Strengthen Interpretation of Statistical Findings

Clarify which variables were tested in each Chi-Square and correlation analysis, and explain their practical implications (e.g., "expectations are not driven by how many reviews are read").This adds rigor and transparency to the analysis.

IX. CONCLUSION

This research concludes that online hotel reviews are pivotal in influencing customer decision- making within the hospitality industry of Coimbatore. It emphasizes the substantial impact of review quality, rating scores, the credibility of reviewers, and the frequency of feedback on consumers' choices when booking hotels. Customers in Coimbatore show a preference for detailed and recent reviews, especially those from verified users, highlighting the necessity for hotels to maintain a robust and genuine online presence. As reliance on digital platforms continues to grow, it is crucial for hotels to strategically manage their online reputation by engaging with customer feedback and utilizing positive reviews to boost customer acquisition and retention. The results also suggest that demographic factors may affect the interpretation of reviews, indicating that hotels should customize their digital marketing strategies to cater to the varied preferences of their target audience. Ultimately, by promoting transparency, encouraging reviews, and actively engaging in online discussions, hotels in Coimbatore can enhance customer satisfaction and loyalty, thereby ensuring sustainable business growth in a competitive market.

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