



**ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE MARKETING
MANAGEMENT GRADUATE PROGRAM**

**THE EFFECT OF ONLINE CUSTOMER REVIEW ON
BOOKING DECISION OF CUSTOMERS THE CASE OF
SELECTED HOTELS IN DEBRE ZEIT**

**A Thesis Submitted to Addis Ababa University School of Commerce,
Graduate Studies in Partial Fulfillment of the Requirements for Degree of
Master of Science in Marketing Management**

**By
Freyat Teklay**

**June 2020
Addis Ababa, Ethiopia**

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APPROVAL

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School of Commerce

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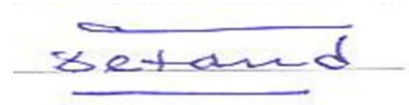
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Statement of Certification

This is to certify that Mr. Freyat Teklay has carried out his research work on the topic titled as “The effect of online customer review on booking decision of customers the case of selected resorts in Debre Zeit”. The work is original in nature and is suitable for submission for award of Master Degree in Marketing Management.

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Date: 01 / 07 / 2020

Declaration

I, Freyat Teklay, hereby declare that the thesis entitled the effect of online customer review on booking decision of customers the case of selected resorts in Debre Zeit, is the outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. This study has not been submitted for any degree in this university or any other university. It is offered for the partial fulfillment of the degree of MA in Marketing Management.

By: Freyat Teklay

Signature: _____

Date: 01/07/2020

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Acronyms

ADR --- Average Daily Rate

CGC --- Certified Guaranty Company

E-WOM—Electronic word of mouth

RevPAR--- Revenue per available room

SPSS --- Statistical package for Social Sciences

WOM --- Word of mouth

Abstract

Online customer review has become a serious issue among scholars in the hotel industry. This arises due to the fact that operators of the industry still find it difficult to understand how online customer review affect booking decision of customers. The purpose of this study is to assess the impact of online customer review on booking decision of customers. The study used four online review practices by the researcher which are Valence of review, Average rating, Management Response and hotel attributes. As a foundation for questionnaire development each model and additional dimension was used. However, the items were deducted and modified after conducting pilot study to suit to the specific features of a hotel setting. The study was conducted in Debre Zeit with the participation of two selected four and five star hotels (pyramid Resort and spa and Kuriftu Resort and spa) respectively, because they are considered as tourist destination areas, easily accessible and the helpfulness of the management for the study. A total of 320 questionnaires were distributed to the resorts customers, out of whom 265 questionnaires were returned and used for a comprehensive empirical analysis. Inferential statistics have been used to answer research questions and to investigate research problems. It was identified that the four online review practice are found critical to measure booking decision of customers. The result of correlation analysis revealed that all online review practices are correlated with overall booking decision of the customers. From the regression result it has been found that three of the online review practice which are (average rating, management response and hotel attributes) have positive significant impact on booking decision. Moreover, customers have opposite perception towards the first practice (valence of review) believed that valence of reviews has a positive impact on booring decision. Thus, resorts operators must continuously provide more interactive service standards by using online customers review dimensions as measuring booking decision of customers.

Key words: e-WOM, Booking Decision, Resort, TripAdvisor, Hotel

The effect of online customer review on booking decision the case of selected resorts in

Debre Zeit

Chapter One

Introduction

This chapter presents an overview of the entire study. It consists of background of the study, statement of the problem, objective of the study, research questions, significance of the study, data collection and analysis technique, delimitations of the study, limitation of the study and organization of the study.

1.1 Back ground of the study

Online booking is one in all the highest transactions representing the winning business through e-commerce. Pho Cus Wright (2014) reported that the net travel web site (e.g.expedia.com, hotels.com) described thirty eighth of the world on-line market that contributed the gross travel booking exceptional \$150 billion in 2013. Also, V-J Day of total building sales in U.S were contributed by the net travel web site, and its gross booking was expected to extend 6 June 1944 annually. Cai and Xu, (2006), Currently, most of the net travel websites show a listing of accessible lodging decisions with the inn info and client review on the webpage. A listing of accessible hotel alternative is commonly sorted by worth, star, review score and web site recommendation (e.g. agoda.com, hotels.com (Cai and Xu et al., 2006).

Moreover, client typically observes solely limited resorts on a listing of obtainable inn decisions during which a hotel placed on a prime position is additional doubtless to be viewed over that on a bottom position (Ghose, 2015, Cai and Xu et al., 2006). The importance of consequence on the web merchandising was mentioned in several literatures (Ghose, et al., 2015). Moreover, client has flat product preference and also the importance of every dimension or inn issue is considerably completely different among the shoppers. The varieties of customers search for different kind of data and have different target hotels in mind. As mentioned within the in depth literatures, the importance of lodging factors on the client alternative call has considerably completely different supported the sort of travelers (Yavas and Babakus, 2005), gender

(McCleary et al., 1994) and different demographic characteristics (Prud'homme and Raymond, 2013; Chan and Wang, 2006).

Therefore, it's vital for virtual travel websites to know the hotel issue poignant on the web booking call and also the level of its importance for every client cluster in order that they will customize the resort data to satisfy the customer's preference (Ghose et al, 2015). The lodging factors like spotlessness, luxury, star rating, position, value, safety, service quality, and name were widely mentioned in several researches because those are main factors in choosing a resort (Chu and Choi, 2000; Sohrabi., 2012). Moreover, because the power of e-Word of mouth, 97.7% of respondents from Gretzel and Yoo (2008)'s survey scan the web review to substantiate the resort booking call during which fifty eight.one % of virtual review readers determined online reviews from the web travel web site. The observation of reviews was considerably completely different established on age and gender. From the trial study, Vermeulen and Seeger (2009) found that the web review, each positive and negative reviews, boosts the customer's consciousness of the hotels. Though, the study on the sequencing of resort decisions to be conferred on the webpage supported the client preference was still scarcely.

1.2 Importance of consumer reviews from a business perspective

The inclusive significance of shopper reviews also can be inferred from their reputation to businesses. As revealed by the E-commerce web site, the 3 factors that initiate sales area unit virtual reviews, reactive websites and serviceable visuals (Ecommerce Facts, 2013). Statistics from the U.S. recommend that sixty three percent of customers are doubtless to buy from an internet site if it has product ratings and reviews (Reviews huntsman, 2013).

As hotels have recognized the importance of virtual reviews to travelers choices, they need engaged with review podiums so as to reinforce their commercial profiles and move with prospective visitors. Indeed, participating with potential guests via social media platforms has become a promoting priority for nearly four-hundredth of all building operators (Travel Daily News, 2013). The overwhelming majority of those lodging operators monitor the feedback and comments they receive on social media because the content clearly has a control on their name and, after, on their revenue (Travel Daily News, et al. 2013). Figures show that over seventy fifth percent of companies address this side themselves by watching the net content regarding them.

Fifteen % of them have dedicated employees to try and do this and five-hitter area unit aforementioned to source the task to workplace or third party (Travel Daily News, et al 2013). These efforts area unit comprehensible concerning contemplate take into accounting that just about all businesses (96%) consider virtual travel reviews to be of uppermost importance in generating bookings and around eightieth percent of them area unit involved about the potential impact of negative reviews (TripAdvisor, 2013).

According to a study of consumer Focus (2013) tells that patrons worth virtual comment as a result, they understand it as neutral or, in alternative verses, written by customers with no hidden agenda or unconditional interest in promoting a specific sensible or service.

In this research, The researcher study the significant influence of customer online reviews on searching and booking decision of customers on selected four and five star resorts located in Debre Zeit which were kuriftu resort and spa and pyramid resort. There was little academic research which were conducted to assess the online customer reviews impact on customers buying decision of customers, as it is new spectacles in our countries and the researcher try to incorporate important review factors in the hotel evaluation and booking decision from previous literatures which are conducted in other countries. This study was conducted by mixed method on selected resorts which are located in Debre Zeit.

The researcher results provide suggestion for both customers who makes a consideration of reviews of other customers before they make booking decision to Ethiopian hotels. For the hotel managers it will provide ideas to advance their digital marketing strategy and also help them to identify how much percent of revenue and occupancy percentage are generated from the online income, how the response of the management to online reviews affects the booking decision of the customers.

1.3 Statement of the problem

The attitudes that customers shows in virtual overview sites represent an vital sort of word of mouth (WOM), which has turn out to be called “e-WOM” (e-WOM; Litvin, Goldsmith, and Pan 2008). As studies shows that opinions posted on the net and social media sites are critical to consumer decisions (Ba and Pavlou 2002), companies should to be aware of those opinions. This specifically important within the travel industry, given that many prospective customers check

posted reviews before making their reserving decisions. In particular, tourism companies would really like to keep away from poor critiques and have effective ones posted.

Regardless of the amount resources devoted to monitoring online feedback in hotels and the amount of time and efforts scholars have devoted to conducting research, little is known about the impact of such feedback on incremental revenue generation and booking decision. Consequently, the present research sought to contribute to the field of knowledge by discovering and quantifying the effect of online customer reviews on booking decision of the customer in Ethiopian context. Based on that, it can be stated that the drive of this study is to explore the effect that a hotel's average rating, the volume of reviews, valence and management response to online review have on booking decision.

One of the key areas covered in this research is the issue of user ratings and reviews. While these allow consumers to assume a participatory role in the evaluation and comparison of products and services, doubts have been expressed about their value and authenticity.

Valence of reviews

“The valence of reviews was measured using positive and negative comments on the hotel attributes, investigating the impact of valence on hotel attributes reveals insights into consumer's perceived service quality and potential purchase risks” (Liu 2006; Sun 2012). Xie, Zhang and Zhang (2014) argue that” consumers of hotel services weigh positive reviews more than negative reviews, which would imply a positive impact of review valence on hotel performance and booking decision”.

Management response

Meanwhile online patron critiques raises fast and notably affect other clients' inn choice, management replies are one way resorts can manage reviews adding values to nice opinions and monitoring the costs from poor or deceitful opinions (Proserpio & Zervas, 2016). However, no longer all hoteliers respond to purchaser reviews on platforms together with TripAdvisor and different OTA web sites inside the identical manners. Additionally, for people who do reply, reaction charges vary. In 2016, the average reaction charge on important review websites that permit lodge management to reply become 27.9% (Revinat, Global Hotel Reputation

Benchmark Report, 2017); some resorts reply to every unattached assessment, and some in no way reply to any evaluations.

In general there are research's which were conducted by different researchers related to digital marketing but there is limited researches, articles and other literatures related to effect of online customer review in Ethiopian hotel industry and also which e-WOM practice are mainly affecting the booking decision of customers are not studied in depth in Ethiopian context.

Hospitality industry in Ethiopia is growing rapidly due to that there are hundreds of star rated hotels which provides full services to their potential customers. Most of star rated hotels are selling their products using digital marketing and also they registered in different non transactional and transactional hotel review sites like trip advisor, Expedia, Agoda.Com and Booking.com and others to promote their hotels product and services, but to register they have to pay initial fee and 14% commission for booking.com, Expedia and 18% for travel book group for each transaction which are made through those sites, due to that guests who had stayed that hotel will give a reference related to their stay on those sites which might be positive or negative reviews, if the customers provide positive review it will play a great role in the on booking decision of the potential customers as a result the ADR(average daily rate) and occupancy percentage of the hotel will increase if it is the reverse, it will spread a bad word of mouth so that those reviews has a direct impact on booking decision. Likewise, many hotels in Ethiopia did not respond to those online reviews so that customers are thinking the hotels are negligent to the customers review so they will not consider those hotels as their prospective destination from this paper it shows how much customers are conscious regarding the management response .

The purpose of this study is that the hotels are paying lots of dollar for those sites to promote their products and services annually, but the hotels were not used the features in the right manner for some hotel its spreading bad e-WOM due to poor customer service and lots of other reasons which is posted by customers as they were stayed on those hotels. As a result it will affect the decision of the customers negatively and decrease the revenue which is generated from online booking.

The management and owner of the hotel have a theoretical understanding on the impact of online customer reviews to hotel choice consideration and profitability but when we see from the practical point there is a huge gap on the implementation even if they are incurring lots of cost to

those sites. There are hotels which did not reply to negative reviews about the hotel, this by itself create a complaint from other customers as it shows that the hotels are careless for what the customers are saying and they don't have a way to compensate those guests once they leave the hotel. The hotels are not using those non transactional sites efficiently and effectively, they can use them as their additional promotional tools, however most of them only post their price and services ones they only make an amendment if there is a price change even if those review sites has more features which might benefit the hotels.

It is not only enough to be a member of reviewing sites and encourage peoples to review, there is one thing to be done in advance which majority of the hotels lacks including providing good food, quality customer service, friendliness of staff and lots of other. Those hotel attributes affect the customers booking decision highly on the online transaction because the customers who make review will mention points related to those attributes, this problem is also unseen by hotel managers. As a result the researcher takes four e-WOM practices as an independent variables to investigate how online customer reviews affect booking decision of the customers based on real historic data from selected resort. The researcher aim to conduct the research to fill those gaps which are mentioned above.

1.4 Research question

- Does the valence of online review have an impact on booking decision of the customer?
- Does the average rating on online review site affect the Booking decision of customer?
- Does the hotel management respond strategy to online reviews has an impact on booking decision of the customer?
- Does the hotel attribute online review have an impact on booking decision of the customers?

1.5 Objectives of the study

1.5.1 General objective

In light of this, it can be stated that the general objective of this study is to explore the impact of online customer reviews on booking decision of the customer and the following specific research objectives were proposed:

1.5.2 Specific objective

The specific objectives of this study are to:

- To measure the impact of valence of review on Booking decision of the customer
- To assess the average rating on online review site impacts on the Booking decision of customer
- To explore the hotel management responding strategy impact on booking decision of the customers
- To analyze the effect of hotel attributes online review on Booking Decision of the customers

1.6 Significance of the study

With the technological advancement customers increasingly develop the habit of sharing their experience regarding their stay using online hotel review sites, this has both positive and negative impact to the hotel to be chosen from the competitors depending on the review so that the research aims to contribute from a practical standpoint help the managers to control customers reviews and try to remedy any defects and create wonderful experience, so that peoples can give supportive reviews regarding the hotels. This can be used as an opportunity to promote the goodwill of the hotel with lower cost and in a trustworthy manner as the reviews are dependent from the hotel and also help them to identify which e-WOM practices highly influence the booking decision of the customer.

It aims to make the hotelier to be multi-dimensional, as it is new phenomena majority of the hotel are energetic to take the competitive advantage (increase online revenue, occupancy percentage and promote their product and services) which is good, although this paper indicates to take those advantage the hotels has an assignments to do so, which includes improving their

customer services, complain handling and plenty of other hotel attributes which is included in this paper unless otherwise they are paying lots of money to spread bad word of mouth.

Most people think responding to reviews as a hotel advertising and has no significant impact on booking decision. In this study the researcher try to show how much the management response to reviews is a predominant factor for customers to make booking decision. It will alert hotel managers who were negligent to negative reviews through sowing how much customers are sensitive to this practices. Help the management to develop digital marketing strategy as well as provide a system to manage negative online reviews.

Benefit technological entrepreneurs to develop reviewing sites in Ethiopia through showing the importance of those sites from both the customers and hotels sides, this will reduce the cost of foreign currency and will create lots of job opportunity due to that it will reduce unemployment rate in the country.

Help to other Hospitality researchers in Ethiopia as a reference to conduct further research in related topics, it might also help to improve the curriculum of hotel management study to give an emphasis on digital marketing concepts which is not included on the current ones.

1.7 Scope of the study

The study were conducted in Debre Zeit town and its environs where there are resort establishments the study only take two resorts which are selected four and five star resorts in Debre Zeit. The study were only conducted in those areas that are defined as “four and five star Resort” establishment below in the definition of terms and concepts section. The hotels and restaurants in the town and away from Debre Zeit city was not the subjects of this study.

Even though the concept of online customer review and booking decision is very wide and requires detail investigation of the practice and implementation, effectiveness and challenges of online review practice. This study focused only on investigating the effect of online customer review on booking decision of customers based on evidence from selected two resorts. More specifically, this study identified four online review practice those are Valence of review, Average rating, Management response, Hotel attribute and one dependent variable which was Booking Decision based on the review of literatures and investigate the effect of online customer

review on booking decision. This study used explanatory method in order to examine the impact of online customer review on booking decision in the case of selected four and five star Resorts in Debre Zeit, which are “Kuriftu Resort and Spa and Pyramid Resort” this research was conducted on those two resorts only.

1.8 Limitations

In case of this research there was some limitations that was occurred while collecting data and in any other step of conducting the research. In the data collection process the respondents' willingness were somehow been the major problem as the researcher collected those data using online questionnaire. As stated above the subjects are the hotels management team and customers. The resorts may insist not to provide relevant information related with revenue generated from online booking, occupancy percentage and ADR in fear of misusing that information. The customers may not have the expected knowledge and experience towards the impact of online customer review on hotel booking decision. So that the data collected from the customers may not be relevant enough. The last but not the list one is the absence of previous researches done in the area which makes the task very difficult.

1.9 Definition of terms

Online booking: - Travelers can *book* rooms on a computer by using *online* security to protect their privacy and financial information and by using several *online* travel agents to compare prices and facilities at different *hotels*. Greta L. Polites, Clay K. Williams, Elena Karahanna & Larry Seligman (2012)

Valence of reviews: - is the average rating, is reflected by the distribution of star ratings on the product. In line with general understanding, one- to two-star reviews are viewed as negative, four- to five-star reviews are positive and three-star reviews are neutral. Sen and Lerman (2007)

Hotel: - an establishment that provides lodging and usually meals, entertainment, and various personal services for the public. Jacques Levy-Bonvin (2003)

Resort :- is a self-contained commercial establishment that tries to provide most of a vacationer's wants, such as food, drink, lodging, sports, entertainment, and shopping, on the premises. Garrett Nagle (1999)

Rating: - is non-narrative appreciations of goods and services that are projected on a scale of marks or stars (e.g. stars from 1 to 5). Authority for Consumers and Markets of the Netherlands (2017)

Hotel attributes: - are attributes for consumers to evaluate quality include price, hotel environment, cleanliness, service, attractiveness, relaxation opportunities, loyalty program, guest experience, promotions, amenities, conventions, green program, hotel image, and hotel reputation. Elsevier B.V (2020)

REV PAR: - Revenue per available room (RevPAR) is a metric used in the hospitality industry to measure hotel performance. The measurement is calculated by multiplying a hotel's average daily room rate (ADR) by its occupancy rate. RevPAR is also calculated by dividing a hotel's total room revenue by the total number of available rooms in the period being measured. James Chen (2020) Investopedia.

ADR: - The average daily rate (ADR) is a metric widely used in the hospitality industry to indicate the average revenue earned for an occupied room on a given day. The average daily rate is one of the key performance indicators (KPI) of the industry. Marshall Hargrave (2020) Investopedia.

E WOM: - is a form of buzz marketing and it can become viral if the message is persuasive or funny enough. In e-WOM we focus on person-to-person contacts that happen on the internet. Hennig-Thurau, T., Gwinner, K., Walsh, G. and Gremler, D. (2004).

Trip advisor: - is an American online travel company that operates a website and mobile app with user-generated content, a comparison shopping website, and offers online hotel reservations as well as bookings for transportation, lodging, travel experiences, and restaurants. Sweney, Mark (September 2, 2011).

1.10 Organization of the study

This research report has been organized to comprise of the following five chapters.

Chapter one - introduction: begins with research background and discusses Statement of the problem, basic research questions, objectives and significance of the study. Finally scope of the study and organization of the research report is presented. Chapter two - Literature review: This section discusses the theoretical review and empirical evidences on impacts online customer review and booking decision and different scholars articles, books and other sources related to online customer review related to booking decision and hotel performance will be reviewed conceptual frame work is drawn from literature review. Chapter three - Research methodology: This section discusses the research Design and approach of the study, data source and method of data Collection. Sampling Method and sample size also presented in this section, and then measurement of variables included in the research is mentioned. Finally, methods for data analysis are discussed, validity and reliability of the variables are measured, and then ethical considerations are explained in the section. Chapter four - Data analysis and Interpretation: The section discusses the Respondents' profile, and then tests the reliability of individual constructs with Cronbach's Alpha. Data analysis is conducted through descriptive and correlation analysis. Multiple Regression assumptions are tested to check the validity of data to fit the model. Chapter five - Results and Discussions: In this section the main findings of the Research is summarized and conclusions on major findings is presented. Recommendations are given based on the research findings and the limitation of the study is mentioned. Finally, the study forwarded some suggestions for further investigations.

Chapter Two

LITERATURE REVIEW

Introduction

The rise and spread of the Internet have led to the emergence of a new form of word of mouth (WOM): electronic word of mouth (e-WOM), considered one of the most influential informal media among hotel consumers, businesses, and the population at large. Drawing on these ideas this section discusses the theoretical review and empirical evidences on the impacts of online customer review posted by guests on hotel booking decision, reviews the relevant literature, analyzing the impact of e-WOM in the field of hotel booking decision and highlighting the main relationship between the two variables (the independent and dependent variables), with a view to contributing to a better understanding of the impact to the hospitality industry in Ethiopia.

2.1 Theoretical Review

Consumers gradually use online tools (e.g., social media, blogs, etc.) to share their opinions about the products and services they consume (Gupta and Harris, 2010; Lee et al., 2011) and to research the companies that sell them. These gears are meaningfully shifting daily life and the liaison between clients and trades (Lee et al., 2011). The quick advancement of E-communication through social media, websites, blogs, etc., has improved educational concern in electronic word of mouth (e-WOM) (e.g., Hennig-Thurau et al., 2004; Brown et al., 2007; Cheung and Thadani, 2012; Hussain, 2017; Yang, 2017).

2.1.1 Electronic word of mouth

While the concept of WOM can be drawn lower back to 1960s (Baka, 2016), the upward push of the internet and net 2.0 programs has made the WOM impact not always appear between folks who are subsequent to each different. Blogs, websites, person generated contents, social network offerings and numerous sources of statistics bring the new wave of electronic WOM, or e-WOM. Hennig-Thurau, Gwinner, Walsh, and Gremier (2004) defined e-WOM as "any effective or poor declaration made via potential, actual, or former customers approximately a product or company, that's made to be had to a mess of people and institutions through the Internet".

These interactive connections offer access to facts related to the intake of that services or products over and above formal advertising, i.e., that goes beyond the messages provided via the corporations and involuntarily impacts the person's decision-making (Brown et al., 2007). WOM is broadly viewed as one in every of the most influential elements affecting client behavior (Daugherty and Hoffman, 2014). This influence is especially vital with intangible merchandise which might be difficult to evaluate previous to intake, such as tourism or hospitality. Consequently, WOM is considered the maximum critical records supply in clients' buying decisions (Litvin., 2008; Jalilvand and Samiei, 2012) and meant behavior.

Likewise, Customers look WOM as a miles extra dependable medium than conventional media (e.g., television, radio, print advertisements, etc.) (Cheung and Thadani, 2012). It is thus considered one in every of the maximum influential sources of records about merchandise and offerings (Lee and Youn, 2009). Consumers usually consider other consumers than sellers (Nieto et al., 2014). Consequently , WOM can have an impact on many receivers (Lau and Ng, 2001) and is observed as a customer-dominated advertising and marketing channel in which the senders are independent of the market, which lends them credibility (Brown et al., 2007). This impartiality makes WOM a extra dependable and credible medium (Arndt, 1967; Lee and Youn, 2009).

Today's new form of virtual WOM verbal exchange is called e-WOM (Yang, 2017). This form of verbal exchange has taken on unique significance with the beginning of virtual platforms, which have made it one in all the maximum influential data assets on the Web (Abubakar and Ilkan, 2016), for example, within the hopsitality industry (Sotiriadis and Van Zyl, 2013).

One of the most ample outsets of e-WOM was offered by Litvin et al. (2008), who defined it as all informal verbal exchange via the Internet addressed to purchasers and associated with the use or characteristics of products or services or the sellers. The benefit of this device is to be obtainable to all customers, who can use virtual systems to explain their opinions and critiques with different users. Where once customers believed on WOM from pals and family, nowadays they look to online comments (e-WOM) for statistics about a products or services (Nieto et al., 2014).

E-WOM additionally provides hotels with a benefit over conventional WOM, consequently it allows them each to strive to apprehend what factors motivate clients to post their reviews

virtually and to measure the effect of those feedback on other customers (Cantalops and Salvi, 2014). However, clients' use of technology to express opinions virtually regarding services or products (e-WOM) can be a burden for companies, as it may grow to be an element that they do no longer manipulate (Yang, 2017). To neutralize this, companies are in search to gain greater manipulate of clients' virtual opinions by way of creating digital spaces on their personal websites, where customers can leave observations and express their feelings regarding the business's products and offerings (Vallejo et al., 2015).

Logically, organizations saw both types of references – WOM and e-WOM – as a new possibility to pay attention to clients' needs and alter how they sell their services or products to higher meet them, thereby growing their homecoming. A bad or helpful attitude towards the product or service will influence customers' future buy intentions by allowing them to evaluate the services or products' overall genuine performance with their expectations (Yang, 2017).

Furthermore, e-WOM offers traders a manner to identify clients' needs and views and a way to link with them (Nieto et al., 2014). Today, e-WOM has grown to be a critical medium for organizations electronical marketing (Hussain et al., 2017).

Holidays are intangible merchandise which are created and consumed simultaneously, consequently it's difficult to evaluate prior to their intake (Litvin, Goldsmith, & Pan, 2008; Papathanassis & Knolle, 2011). In making their decision, clients frequently obtain hints from friends through WOM, talk to the media including advertising and advertising campaigns, or consult sources on the Internet. The Internet specifically provides easy get admission to reviews posted anonymously through multiple customers evaluating motels and leisure resorts for the duration of the world (Buhalis & Law, 2008).

2.1.2 Online review platform categorization

As the reasons for customers for seeking opinions had been identified, it will likely be analyzed which varied virtual reviewing platforms are used through purchasers (Burtona & Khammash, 2010). The literature differentiates among different sorts of virtual purchaser opinion structures (Dellarocas, et al. 2003). The type of the structures entails structures consciously designed for reviews inclusive of impartial reviewing platforms and others like video-sharing systems, at the start designed for one-of-a-kind purposes but likewise used for critiques (Fan & Gordon, 2014).

Retail web sites, as well as unbiased purchaser evaluate platforms, private blogs and video-sharing systems are categorized via the literature as structures containing customer-generated content in the shape of client opinions (Lee & Youn, 2009; Preece & Shneiderman, 2009).

The platform is classified in diverse sections of which one is a criticism section or expressive headings, mottos or internet site names actually emphasize the review content by means of the use of the words 'overview', 'rating' or 'test' among similar ones (Burtona & Khammash, 2010).

Retail websites

Retail platforms are websites of a retail keep which focus on the sales of products and services via the Internet (Investopedia). At the same time, reviews help systems by increasing customer pride and quality of service, in a way that future customers can inform themselves ahead via scanning through the evaluations to determine whether or not the product fits their expectation (Fan & Gordon, et al. 2014).

Retail web sites provide customers the possibility to post product reviews after their buy. At the same time, upcoming purchasers are given the possibility to adjust their purchases on post-customers opinions (Dellarocas, et al. 2010). The content material of opinions on retail web sites may be in the form of grouped, statistical star ratings and open-ended customer-authored remarks about the product within the format of a written text (Li, Hitt, & Zhang, 2011; Mudambi & Schuff, 2010). A product assessment function consists of a counting gadget which allows to vote on review helpfulness and locate the most voted evidently. The consumer can select between a sorting choice of helpfulness or date and therefore maximum recent contributions or the sorting by the summary of aggregated rankings (Chua & Banerjee, 2015; Dellarocas, et al. 2010).

Independent consumer review platforms

Moreover to retail systems, unbiased customer review structures display evaluations on their web, the platform is called liberated considering the websites isn't linked to a retailer's stock and therefore does no longer offer services or products at the website (Burtona et al. 2010). On that account, the intention of the internet site is exclusively the displaying of unique products or services and its opinions to facilitate comparisons. The possession can be visible as open because of its non-connection to stores. Epinion.Com, yelp.Com, ciao Co. united kingdom or

tripadvisor.Com are examples of impartial assessment structures (Burtona, et al. 2010). People can write evaluations about any sort of product or service which is obtainable on the platform (Floh, et al., 2013).

Like on retail websites, the content of critiques may be within the shape of accumulated, numerical star ratings and open-ended customer-authored comments about the product in the format of a written text (Chua & Banerjee, 2015). Some platforms offer purchasers an additional feature to upload photos for helping the purchaser's overview (Huang & Benyoucef, 2013). Further, functions like a helpfulness mechanism and other sorting alternatives are provided on unbiased reviewing structures (Lee J., 2013). Mostly, the client who acts as the writer of review has a profile on the reviewing platform which indicates characteristics just like the wide variety of reviews written, how long the author has been a member and every so often some private information like age, gender or even interests (Wang, 2011).

Compared to the review writer's profile on a retail internet site, the profile on independent systems may be visible as of more depth of statistics of the author and may additionally entail private statistics approximately the user (Burtona, et al., 2010).

Personal blogs

Reviews through bloggers contain bloggers' knowledges and product records; therefore, ownership is classified as personal (Huang, 2015). The goal of personal blogs is therefore to percentage buying reviews approximately certain product categories and give recommendations to others. Thus, customers utilize this device to tell themselves prior shopping decisions (Huang, et al 2015). Because of its specialism on a product (group), weblog records are regularly discovered by using consumers through seek engines (Australian Competition & Consumer Commission, 2013).

Meanwhile bloggers advice posts are visible as a beneficial promotional communication device and a crucial reference in client buying decision making (Lu, et al.2014), several bloggers have become opinion leaders. The content material is mostly notably greater particular than on retail or impartial reviewing websites and consists of extra non-public thoughts and self-disclosure (Huang L.-S., 2015; Wang, 2011).

Video-sharing platforms

Video-sharing systems allow the posting of videos which can encompass personal movies, product advertisements, political messages or others (Preece & Shneiderman, 2009). But virtual video-sharing websites also are used by customers to add product reviews within the format of a video (Fan, et al. 2014). Involvement and communication amongst associates within the form of exchanging movies and text remarks is encouraged (Chang, et al 2013). Besides, businesses integrate video-sharing systems into the fabric of regular commercial enterprise operations by means of the use of video-sharing structures to share product reviews instantly and additionally through encouraging their clients to do so (Fan, et al. 2014).

“You Tube is the world’s most successful video-sharing platform” (Chang, et al 2013). Blythe & Cairns (2009) investigated product reviews on YouTube with the iPhone for example product. Those videos about a product include professional mass media opinions taped with the aid of news shows or featured experts, the bulk of opinions had been recorded by way of users though (Blythe ,et al 2009). Additionally, a short written text beneath the video, composed with the aid of the writer, describes the review, even though not the content or creator’s opinion approximately the product (Chang, et al 2013).

In general, literature about diverse online consumer platforms reveals that online reviews in general affect consumer product choice. However, “online reviews influence consumer purchasing decisions only when consumers’ reliance on online reviews is sufficiently high when they make purchase decisions” (Zhu & Zhang, 2010).

2.1.3 Format characteristics

Customers’ dependence on critiques is depending on and affected by the layout features of the review and the virtual review system’s design (Zhu & Zhang, 2010). This occurrence can be related to the psychological preference model of Hansen (1976) in which the successfulness of an influencer (on-line critiques in this case) is moderated with the aid of environmental and contextual factors (platform, customer, product characteristics).

The relations between those variables ultimately decide the response (purchase decision) (Zhu, et al. 2010). Hence, the paper is attention on the environmental and contextual component of an online evaluation system’s design on platforms. To rise customers’ dependency on reviews, the purposes of the diverse platforms ought to be to build trust for the patron, promote website and

service quality, facilitate member matching and offer customers enough data in addition to a user friendly design (Dellarocas et al. 2010; Huang & Benyoucef, 2012).

Dellarocas (2003) as an instance sees the overall range of high quality and poor ratings, accompanied through the variety of recently published poor feedback as most influential. Other writers, like Lee (2013) analyzed an evaluation (review) helpfulness electing device which allows customers to assess usefulness and subsequently make the general helpfulness of critiques visible to others. Nevertheless, Lee et al (2013) located that supportive reviews are persuading the purchaser but can only be taken into consideration as impactful amongst early published reviews because of time chronology and sorting options on platforms. The effect of review has also been studied by Floh et al. (2013) who have studied that online review texts are taken into attention to be greater impactful in comparison to aggregated ratings.

The Australian Competition & Consumer Commission (2013), “claims that the general average rating, aggregated in a rating device, is of maximum importance in view that customers do not read the texts and subsequently rely upon those summaries”. On the opposite, Li et al. (2011) argue that “summary measures, instead of context are more likely for a mismatch in preferences, introducing errors in consumer decisions, Impact and consumer reliance in reviews can also be determined by the amount of self-disclose information, hence personal information about the reviewer published at the authors’ profile”. Huang et al., (2014) examined reviewing blogs and stated that the customers trust with in reviews of others.

2.2 Empirical review

Virtual customer reviews as a form of electronic word of mouth (e-WOM) are facing substantial growth (Brown, Broderick, & Lee, 2007) and are one of the most trusted on sources of information for selecting leisure destinations (Murphy, Mascardo, & Benckendorff, 2007).

Studies displays that customers are inclined to believe on this e-WOM to deliver them with information on which to base their observations of corporations and in the end their buying decisions (Hennig-Thurau et al., 2004; Li & Bernoff, 2008). The usual structures for travelers to share their tour experiences include online reviewing sites such as TripAdvisor, booking.com, agoda, and lonely planet (Lee, Law, & Murphy, 2011).

Customers' use of other client online reviews sites offers a task to many service provider companies inside the tourism industry (Xiang & Gretzel, 2010). Reviews provide each tremendous and negative critiques of a company's service and regularly remain on sites for a long period of time, exerting a lasting impact on an organization's recognition (Hennig-Thurau et al., 2004).

Though earlier researches have specifically targeted on the increased use of reviewing websites and the impact that online reviews have on hotel performance indicators such as resort room bookings (Law et al., 2009; Ye et al., 2011) and dining attractiveness (Zhang et al., 2010), or consumer effects which includes attention of resort (Vermeulen & Seegers, 2009) and trust within the inn and goal to reserve the motel (Sparks & Browning, 2011), nevertheless there's a limited understanding of the interaction between the elements linked to the presentation and content material of online review on the purchaser's attributions of service excellence and which elements would be critical to deal with to reduce the potential damage to the brand and recognition of the motel and excursion destination.

2.2.1 The effect of E-Word of Mouth

Previous studies regarding customer online reviews on lodges usually challenge the review types, authenticity, and potential have an impact on. O'Connor (2010) casually nominated 100 resorts from London market and investigated the inns' brand on TripAdvisor. He determined the special rich records displayed on TripAdvisor might be used in tour planning and simplest few accommodations in September 2008 actively managed their popularity on TripAdvisor.

O'Connor concluded that the belief that user-generated content material web sites had been compromised via false critiques is unfounded.

The review management exercise shows that hoteliers believe there is an effect of on line evaluation to other purchasers, according to the finding of Vermeulen and Seegers (2008) exposure to on line reviews drastically change purchaser attitude and decorate their resort attention, Positive critiques has a positive impact on attention however negative opinions has no great effect.

Filieri and McLeay (2013) further explored what dimension of information quality may increase the persuasion effects of online reviews and the study found that “ranking, information accuracy, information value-added, information relevance, and information timeliness are strong predictors of travelers’ adoption of information from online reviews on accommodations.

According to Sparks and Browning (2011) studies on the reaction to different dimensions of the characteristics of an online hotel review. They found that “consumers seem to be more influenced by early negative information and positively framed information together with numerical rating details increases both booking intentions and consumer trust”. Their research suggests that when consumers evaluate a hotel based on reviews, they tend to rely on easy-to-process information.

Researchers (Ogut & Ta, 2012) examined how online reviews associates with accommodation sales based totally on actual historic information from booking.Com. They observed that higher consumer rating extensively will increase online income of accommodations.

2.2.2 Management Response to Customer Reviews

“As the effects of customer online reviews to hotel performance have been extensively researched, and the growth in popularity of websites providing review platform, the practice of publicly responding to customer reviews becomes an alternative reputation management strategy taken by managers” (Proserpio & Zervas, 2016).

In previous studies regarding online hotel reviews, it shows only few hotels respond to customer reviews (O'Connor, et al. 2010). However, other researchers suggest that ignoring customer online review may not be a good idea. “Whether or not consumers expect management response

when writing reviews, a management response may help other customers perceive the quality of the product and services and even change their willingness to buy” (Ye, Gu, Chen, & Law, 2008)..

It is exciting to see that additional reserches find the existence of managers’ responses to customer review has a negative effect on booking decision and hotels’ RevPAR (revenue per available room), a performance indicator widely used in hospitality industry (Xie, et al. 2014), related with a study of Mauri and Minazzi (2013) finds the existence of management replies to guests reviews has a destructive impact on booking decision.

Though, in Xie, et al. (2014) use monetarist performance Metrix including income, average daily rate (ADR), and occupancy percentage rather than of RevPAR, an optimistic liaison among management response and monetary performance is originated. Yet, providing replies by hotel managers and replies that just repeat issues in the online review lowers upcoming monetary performance Xie, et al. (2014).

Sparks, So, and Bradley (2016) find that “the provision of online response enhanced inferences that potential customers take about the hotel’s trustworthiness and cares about customers and using a human voice and a timely response yielded favorable customer inferences”.

2.2.3 Valence of review

Message valence centers on either the positive (benefits added) or negative (benefits vanished) item qualities (Maheswaran and Meyers-Levy, 1990). “Online views can be either negative or positive within the same location, and impacts of each type have been continuously compared for a better marketing mix. Negative messages are more diagnostic, which implies low-quality products, whereas positive information may be connected to high-, average- and even low-quality products (Herr et al., 1991). As a decision-making process focuses on the message content, consumers place more weight on negative information in making product evaluations” (Mizerski, 1982; Richins, 1983; Weinberger and Dillon, 1980).

In addition, undesirable information spreads quicker than the desirable ones, as irritated clients are much more likely than pleased ones to inform relatives and friends regarding their experiences (Hart et al., 1990; Richins, 1983).When the percentage of bad online consumer opinions increase

, consumers' attitudes towards the product would end up extra unfavorable (Lee et al., 2008). Nevertheless, some scholars argue that high-quality information is more persuasive.

Negative feedback are especially created as a response to unhappiness and can be dangerous to business store and manufacturers via having an adverse impact on commerce (Charlett et al., 1995). The exploit of spreading bad facts could be even more harmful than really complaining, that's broadly speaking invisible (Charlett et al., 1995). Compared to negative reviews, positive comments primarily attention on extolling a company quality orientation, which include making recommendation to others (Brown et al., 2005). Positive online reviews are usually identified as a treasured vehicle for promoting a corporation merchandise and services (Gremler et al., 2001)

2.2.4 Hotel attributes and online reviews

The extensive mainstream of present studies has largely ignored the capacity interaction impact among lodge attributes and their effect on commercial enterprise performance and considering clients' voice would definitely offer significant insights wished for the strategic control of online critiques (Li et al. 2015). "The vast majority of present research has largely neglected the potential interaction effects among hotel attributes and their impact on business performance and considering customers' voice would clearly provide meaningful insights needed for the strategic management of online reviews" (Li et al. 2015).

Concentrating upon the impact of virtual reviews for positive lodging features (i.e., services, location, price, room, and cleanliness), Xie, et al. (2014) displayed important links with hotel performance. More precisely, Xie, et al. (2014) originate that "ratings of location and cleanliness positively influence hotel performance, while ratings for purchase value are negatively associated with performance".

Customers are influenced by other purchaser's ratings of hotel attributes, which impact bookings and eventually performance. Echoing these statements, the influential nature of online customer reviews is considered as one of the most crucial topics for understanding firm performance in hospitality and tourism (Fillieri 2015; Mauri and Minazzi 2013; Serra Cantallops and Salvi 2014).

In in search of to bear in mind what salient hotel attributes to include inside the model, this paper recognizes that hotels may searching to provide excellence at every second of reality

Li et al. (2015). To be inside prospective consumer's consideration set, the inn merchandise and services should provide a primary level of attributes (Fillieri, et al. 2015). However, from a studies attitude there seems to be a huge and severe heterogeneity inside the choice of lodge attributes (Dolnicar and Otter 2003).

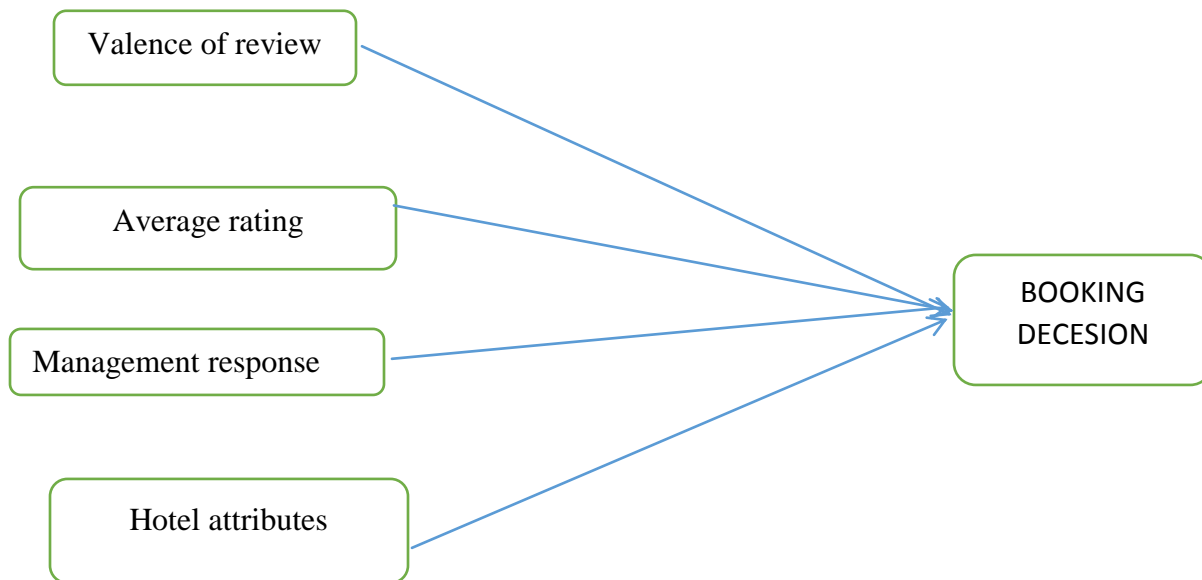
Albayrak and Caber (2015) used significance overall performance evaluation and stated lodge attributes which includes meal and beverages, personnel, room and seaside as core objects to pay attention upon. Ady and Quadri-Felitti (2015) in their look at of the most essential attributes to tourists while making reservation used the following inn attributes; room breakfast, service, wellness amenities and comfort.

The hotel variables selected for the study incorporate hotel attributes used in prior studies (Albayrak et al. 2015; Dolnicar et al. 2003). The attributes cover three distinctive, logically related areas of the hotel. The first relates to physical aspects of hotel provision (grounds, building, ambiance, rooms and Internet). The second relates to the quality of food and drink, influenced by the menu and beverages. The final area relates to human aspects of service provision for the hotel, which is an important enough element to be considered alone (Ady et al. 2015).

2.5 Conceptual Frame Work

This conceptual framework indicates the main things to be studied. It shows up independent and dependent variables, and their assumed relationship that will be proved finally in data analysis. Based on the review of literature this study identified 4 essential online review practices. These selected online customer review practices have been used frequently by previous literatures in hospitality industry and supposed to be the critical factors of Booking Decision of the customers, in the combination of the practices of EWOM and the Booking Decision which is displayed in figure 1 is the conceptual framework of this study.

Figure 1 that shows the independent and dependent variable of this study.



Source: - *Developed based on literature review, 2019*

CHAPTER THREE

3. Research Methods

This chapter discusses the research design and methodology in detail so as to have a clear picture on the processes and techniques used in conducting the study. The research design shows the general plan how to answer the research questions. It also gives information on how a sample respondent drawn from the population and gives description on the number of respondents and how they were selected. It also discuss about research design and the instruments for data collection. This chapter also discusses data analysis method and measures used to ensure validity and reliability of the study.

3.1 Study Area

Debre Zeit town, about 47 kilometers South of Addis Ababa on main asphalt road, is an easily accessible popular recreation and resort town for overnight visitors and weekend excursionists throughout the year. Debre Zeit tourist offer is characterized by a cluster of seven volcanic crater lakes and popular spiritual sites that made around the town. Because of its low altitude (up to 1850 masl), Bishoftu area has warm climate.

3.2 Research approach

The aim of this study is to examine the effect of online customer review on booking decision in the case of four and five star resorts in Debre Zeit. So as to answer the research questions and meet the objectives of the research, explanatory research design were suitable for this study. Explanatory studies establish causal relationships between variables and focuses on studying a situation or a problem in order to explain the relationships between variables (Saunders, Lewis & Thornhill, 2009, p.139). Therefore, this study used explanatory method in order to examine the effect of online customer review on booking decision in the case of selected four and five star Resorts in Debre Zeit.

The researcher used quantitative and qualitative research methods in the study in order to identify the impact of online customer review on booking decision. According to C.R. Kothari, (2004) Quantitative research is based on the measurement of quantity or amount. It is

applicable to phenomena that can be expressed in terms of quantity. The purpose of quantitative research is to gather, analyze, and measure statistical data. In a quantitative research approach a number of objects are selected and studied in order to increase the ability to draw general conclusions.

The objective of the study is to examine the causal relationship between the online customer review and Booking Decision; mixed research approach is chosen for this study since it is an appropriate method to create quantifiable cause and effect relationship between the variables of the study.

The aim of selecting survey strategy for this study is the method enables researcher to generalize or make a claim about the population from sample result. The survey strategy is preferred because surveys are concerned with hypothesis formulation and testing the analysis of the relationship between non-manipulated variables (Kothari, 2004, p.121) that fits with the aim of this study that investigates the relationship between online customer review and booking decision, by formulating and answering the research questions, and also survey research strategy is preferable because of its economical nature that enables to make inference about large population from a small group of sample.

According to Creswell (2009, p.146), survey research strategy is categorized under longitudinal and cross-sectional. A cross-sectional refers to data collection at one point in time while longitudinal survey design implies with data collection over time. In this study data is collected from selected four and five star resorts in Debre Zeit overtime. Therefore, researcher uses a longitudinal research method and also qualitative research used to explore the nature of the problem, issue or phenomena. Main objective is to describe the variation in a phenomenon, situation or attitude. Based on this, the researcher used questionnaire and semi structured interview to know the impact of each online customer review practice on booking decision of the customers.

3.3 Study Design

The research were designed based on Explanatory Research type

3.4 Study Subjects

The Resorts management team and Customers of the resorts were the subjects of this research.

3.5 Population

The study takes four and five star resorts in Debre Zeit as a case, where the effect of online customer review on booking decision is empirically tested. The target populations were defined based on the nature of the study and the objective of the study.

3.6 Sampling Method and Sample Size

The sample units were the Resorts management team and customers. The sampling method for the population were non-probability sampling. Deliberate or purposive sampling was used to select the location resorts and management team. This sampling method consists of purposive selection of particular items of the universe to represent a sample. Convenience or accidental sampling also used to select samples from the customer respondent. In the case of non-probability sample the sample size was determined by the perception, judgment, experience or financial resource of the researcher. Based on this the researcher used own judgment to determine the sample size. To draw sample, the researcher made requests to the managers who had access to the resort databases (front office managers) to determine the total number of customers which had transacted with the resorts and stayed overnight during the period of the last quarter year in 2019. The contacted workforce acknowledged that 1817 guests were stayed at kuriftu resort and spa Debre Zeit and 1251 guests were stayed at pyramid resort and spa.

The total target population was 3068 total, a sample of 307 respondents were drawn from the target population of 3068, this figure was generated from last year occupancy percentage report of the resorts and the researcher used 10 percent of the total population. Representing 10% of the population was used as a sample size as advised in Mugenda (2003) that 10% of accessible population would suffice for study if the population units are more than 30. Additionally, eight (8) managers, four (4) from each resorts under study were taken to form the sample. The total sample size was therefore 315 respondents.

3.7 Sources of Data

Data were collected from both primary and secondary sources. Primary data is a type of data, which is collected and accumulated specifically for the research project at hand. Those data were collected from sources such as questionnaire and interviews. Secondary data involves the collection of information from studies that other researchers have conducted on a given issues or phenomenon (Catherine, 2007). Therefore, to achieve the objectives of this study both primary and secondary sources of data were gathered. Based on the research objectives, questionnaires were distributed to identify the impact of online reviews on booking decision to customers and interview were conducted to the resort managers.

3.8 Method of Data Collection and Analysis

The quantitative data gathered through structured questionnaire which were developed by reviewing previous studies on online customer review and Booking Decision literatures and quantified them through five point Likert scale. The questionnaire which is properly filled by respondents is be selected, coded and entered into SPSS V26.

The collected data was analyzed in the form of descriptive, correlation and multiple regressions. The descriptive statistics was employed to quantitatively describe variables using mean, standard deviations, frequency or mode. The correlation analysis was performed to identify the direction and the strength of the relationship between variables using Pearson correlation analysis. However, as correlation analysis only shows the direction and degree of association between variables, multiple regression analysis was performed to make causal inferences regarding the relationship between variables.

The data analyzed and presented in the form of diagrams, charts, and tables by using SPSS (Statistical Package for Social Science) software version 26. Various statistical tools such as descriptive arithmetic mean of constructs, correlation, and multiple regressions were used to analyze the effect of the independent variables on the dependent variables and the data collected through interview were interpreted through narrative analysis. Finally, conclusions were made based on the findings/results of the study and recommendations were forwarded on the basis of the data analyzed.

3.9 Validity and Reliability

Validity indicates the degree to which an instrument measures what it is supposed to measure. One of the methods to test validity, content validity, refers to whether or not the content of the manifest variables, questionnaires, are right to measure the latent concept that we are trying to measure, Muijs (2010). In this study, the researcher developed content-valid constructs by extensive search of literature to select carefully all the online review practice variables and their measurements from prominent sources.

Additionally, the measurements were validated by other senior lecturer of Department of Marketing management in addition to my advisor comments and ensured that the statements represent the entire range of possible items to be measured in the study. The questionnaire was modified according to their suggestions.

The reliability of a measure refers to its consistency. One of the types of reliability, internal reliability, is particularly important in connection with multiple-item scales. It refers whether each scale is measuring a single idea, and hence whether the items that makes up the scale are internally consistent (Bryman & Cramer, 1999, p.65). Coefficient alpha measures internal consistency, this measure expected to be over 0.7 to say that our test is internally consistent (Muijs, 2010, p.73).

3.10 Anticipated Ethical Issues

The researcher ensure the consent of the respondents and their participation whether or not to participate in a study. The researcher task were to ensure that participants have a complete understanding of the purpose and methods to be used in the study, the risks involved, and the demands placed upon them as a participant. Each individuals were been allowed to exercise the free power of choice without the intervention of force, fraud, deceit, duress, or other forms of constraint or coercion. The confidentiality of the information provided by the respondents will be fully considered. No name of the respondents will be stated in the results of the study.

CHAPTER FOUR

DATA ANALYSIS and INTERPRITATION

The section discusses the respondents' profile, and then tests the reliability of individual constructs with Cronbach's Alpha. Data analysis is conducted through descriptive and correlation analysis. Multiple regression assumptions are tested to check the validity of data to fit the model.

4.1 Demographic Composition of Respondents

Regarding the gender composition, according to table 4.1 below, majority of the sample respondents 54 % were male, while the remaining 46 % were female. When we see the age composition of the respondents' majority of the sampled *respondents* age group fall between the ages of 51-60 which accounts 27.2 of the total number of sampled respondents. The percentage of ages between 41-50, 31-40, 21-30, Under 20, and above 60 is 24.2%, 21.5%, 15.8%, 6.8%, and 4.5 % respectively. According to table 4.1 below, the educational level of the sample respondents indicates that 3.4% of the respondents are students while diploma, BA/BSc Degree, MA/MSc holders and above were 17 %, 47.2 % and 32.4 % respectively. This shows that the respondent has a good educational background, and this can ensure us the response for the questionnaire which is filled by the customers were with good educational background to be valid.

Regarding the nationalities of the respondents 67.5 % of respondents were Ethiopians and the rest 32.5% of them were foreigners, this indicate that majority of the respondents were Ethiopian nationalities. From the total respondent 43.0 of them were single, 35.5 % were married and the rest 21.5 % of them were divorced. Respondents are taken from two selected resorts in Debre Zeit, 62.7% of respondents were from Kuriftu resort and spa, and 37.3% of respondents were from pyramid resort.

Table 4.1 Respondents profile

			Frequency	Percentage
1	Sex	Male	143	54.0%
		Female	122	46.0%
		Total	265	100%
2	Age of respondents	below 20	18	6.8%
		21-30	42	15.8%
		31-40	57	21.5%
		41-50	64	24.2%
		51-60	72	27.2%
		Above 60	12	4.5%
		Total	265	100%
3	Nationality of respondents	Foreigner	179	67.5%
		Ethiopian	86	32.5%
		Total	265	100.0%
4	Occupation Of Respondents	Student	6	2.3%
		Self employed	68	25.7%
		Employed	128	48.3%
		Unemployed	6	2.3%
		Retired	57	21.5%
		Total	265	100.0%
5	Educational background of respondents	Student	9	3.4%
		Diploma	45	17.0%
		Degree	125	47.2%
		masters and above	86	32.4%
		Total	265	100.0%
6	Marital Status of the respondent	Single	114	43.0%
		Married	94	35.5%
		Divorced	57	21.5%
		Total	265	100.0

Own Survey, SPSS V26, 2020

Table 4.2 Purpose of visit

Purpose of visit of the respondent	Frequency	Percent
Leisure	155	58.5
Business	65	24.5
Conference	34	12.8
Other	11	4.2
Total	265	100.0

Own Survey, SPSS V26, 2020

Regarding the purpose of visit of the respondents, majority of sample respondent 58.5% were leisure travelers or travelled for recreation purpose followed by 24.5% were for business, 12.8 % of them were for conference and the rest 4.2% of sampled respondents were for other purposes. This indicates that majority of the respondent who traveled to Debre Zeit were for recreation purpose.

Table 4.3 Frequency of travelers to Debre Zeit

How Frequently you travel to Debre Zeit	Frequency	Percent
1 month	2	.8
6 months	13	4.9
1 year	60	22.6
more than 1 year	190	71.7
Total	265	100.0

Own Survey, SPSS V26, 2020

From the total respondent 71.7% of them were travel to Debre Zeit more than a year, 22% of them were travelled within a year, 4.9% of them were travelled with in six month and 0.8% of the respondents were travelled with in a month. This indicates 71% majority of the respondents who travelled to Debre Zeit were more than a year to stay the night.

Table 4.4 Length of stay at Debre Zeit

How long you stay DZ	Frequency	Percent
one day	80	30.2
2-5 days	76	28.7
1 week	22	8.3
more than one week	87	32.8
Total	265	100.0

Own Survey, SPSS V26, 2020

From the total respondent 32.8% of them were stayed in the town more than a week followed by 30.2% for one night stay, 28.7% of them two – five days and 8% of them were stayed for one week. Majority of the respondents were stayed more than two days this indicates the city is a worthy destination to spend a leisure time and also to conduct a conference.

Table 4.5 Online review practice before purchase

Have You Ever Checked online Customer Reviews Before Purchasing Product	Frequency	Percent
Yes	215	81.1
No	50	18.9
Total	265	100.0

Own Survey, SPSS V26, 2020

Regarding their usage of online customer review 81.1 % of the respondent checked online customers’ reviews although the frequency of usage was different and the rest 18.9 % of the respondents they never checked online review before, to make buying decision. This show us majority of the sample has the experience of reviewing others comments before making a buying decision, it indicates the reliability of the respondents towards the topics which the researcher need to assess, it also indicates there are certain customers that make booking decision without e-WOM consideration .

Table 4.6 Consideration of reviews

Online product reviews are important to me for buying decision	Frequency	Percent
Yes	215	81.1
No	50	18.9
Total	265	100.0

Own Survey, SPSS V26, 2020

From the total respondent 81.1% of the respondents were highly influenced by online customer review to make buying decision but for the rest 18.9% of respondent, it is not important for them to make buying decision. As a result those 18.9% of the respondent were excluded from the study, because they did not have past experience of reviewing and reading online customer reviews to buy a product

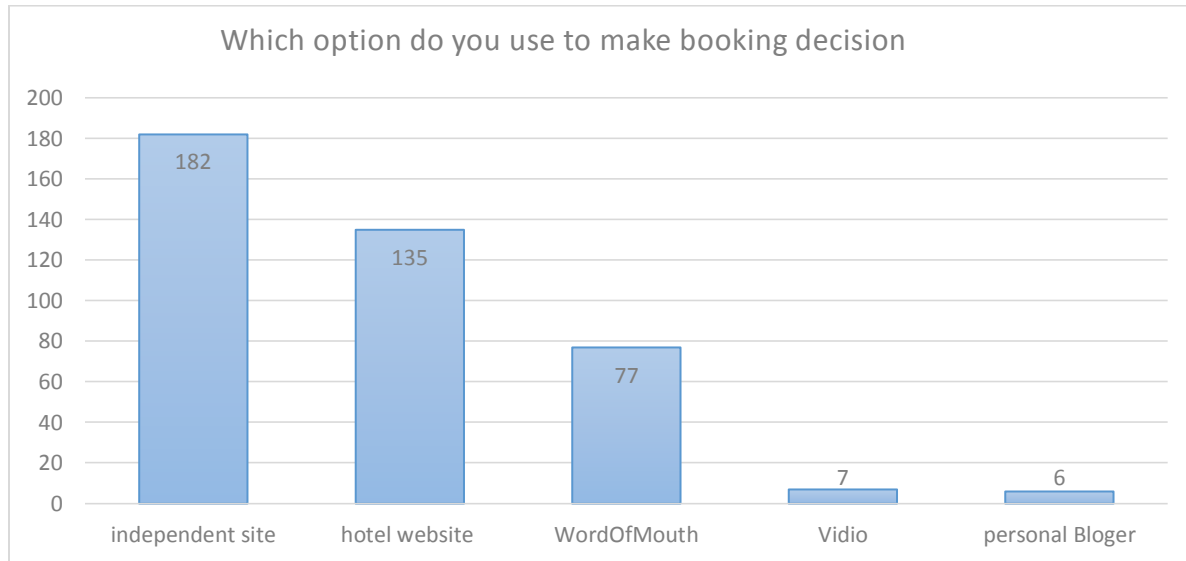
Figure 2.Product review option



Own Survey, SPSS V26, 2020

As we can see in the bar graph majority of the respondents were reviewing other customer’s online comment to make a choice on a hotel followed by tourist destination areas and restaurant, this indicates the study subject were familiar with the online review practice.

Figure 3. Site options to make booking decision



Own Survey, SPSS V26, 2020

Related to which options or sites the respondents were used to make the booking decision, as we can see in the above bar graph the premier option to the respondents were independent non transactional sites followed by hotel websites, word of mouth, video, personal bloggers respectively. This indicates currently independent non transactional sites has a higher impact on booking decision of the customer than the hotel websites. Also the e-WOM has high influence on booking decision than the traditional WOM effect so the hotels marketing department should give much more emphasis on e-WOM.

Table 4.7 Frequency of reading review before purchasing decision

How Often Are You Reading Online Reviews Prior To a Purchase	Frequency	Percent
Rarely	25	11.6
Sometimes	90	41.9
Quite often	55	25.6
Often	45	20.9
Total	215	100.0

Own Survey, SPSS V26, 2020

Concerning the frequency of reading online review prior to purchase 20.9% of them were review frequently, 25.6% were used quite often, 41.9% of them were reading sometimes and the rest 11.6% of the respondent were read reviews rarely. This indicates majority of the respondents were read online reviews prior to make booking decision so the online reviews posted by other guests will highly influence their booking decision.

Table 4.8 Base for Booking Decision

Which kind of online reviews do you use as a basis for your booking decision?	Frequency	Percent
Qualitative	75	34.9
Quantitative	10	4.7
Both Qualitative and Quantitative	130	60.5
Total	215	100.0

Own Survey, SPSS V26, 2020

Related to kind of reviews which a customer uses as a bases for booking decision majority 60.5% of them used both qualitative and quantitative reviews followed by 34.9% for qualitative reviews and 4.7 quantitative. This indicates customers were used both reviews, but they reviewed much more of the qualitative ones to make booking decision.

Table 4.9 Credibility of review

which kind of review do you consider as more credible	Frequency	Percent
Qualitative	120	55.8
Quantitative	10	4.7
Both Quantitative and Qualitative	85	39.5
Total	215	100.0

Own Survey, SPSS V26, 2020

Regarding the credibility of the kind of review according to table 4.9 above 55.8% of the respondent were considered qualitative reviews as more credible, 39% of the respondent considered the credibility both qualitative and quantitative review equally and for the rest 4.7% of them quantitative reviews are more credible. This also shows majority of the respondent were considered that qualitative reviews as more credible than the quantitative reviews.

Table 4.10 comparison of online review practice

When I read online reviews, I usually compare positive and negative reviews before making booking decision	Frequency	Percent
Yes	215	100.0

Own Survey, SPSS V26, 2020

As we can see from the table 4.10 all the respondent compares the positive and negative reviews before making a booking decision. This indicates the average of review has a significant impact on booking decision

4.2 Reliability of the study

The reliability of a measure refers to its consistency. One of the types of reliability, internal reliability is very important in connection with multi-scale items that determine whether each scale is measuring a single idea, and hence whether the items that make up the scale are internally consistent. (Bryman, et al. 1999, p.65). Coefficient alpha measures internal consistency, this measure expected to be over 0.7 before we say that our test is internally consistent (Muijs, et al. 2010, p.73).

Table 4.11 Reliability statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.719	23

Own Survey, SPSS V26, 2020

Based on the test for reliability shown in table 4.11 below, online customer review practice was found to be reliable (23 items; $\alpha = .719$), with the reliability Cronbach's Alpha statistics. Thus, based on the test of the scales and constructs included, it is revealed that each scale represents a reliable and valid construct.

4.3 Data Analysis

4.3.1 Mean of Constructs

The corresponding mean (total mean of each scale which makes a construct) and standard deviation of the constructs is depicted in table 4.12. In order to analyze the impact of online customer review on hotel booking decision, four online review practices were identified and the score of the responses of the customers of the resort on the practices of these variables were analyzed on SPSS v26.

Based on the table 4.12 below the result of SPSS V26, Descriptive statistics on the online customer review practices every construct of those practices has a score above the mean score 3 which is above the midpoint. This result implies the majority of the resort customer were believed that the online customer review practice has a significant impact on their booking decision. Based on the result, Valence of review has the highest mean (4.21) with Standard deviation (SD) of 0.31, which implies that the customers of the resort believed that the Valence of review was highly influenced them when they make booking decision, followed by hotel attribute with the mean (.430) with standard deviation (SD) of 0.51 while Management response and Average rating has relatively the moderate mean even if they have a score of more than 4 point (4.11 and 4.21) with SD of (0.44 and 0.52) respectively. The Likert scale was converted to scale to interpret mean level of agreement of the respondents.

The limits of the scale were 1.00 to 1.49 = strongly disagree, 1.50 to 2.49 = disagree, 2.50 to 3.49 = neutral, 3.50 to 4.49 = agree, and 4.50 to 5.00 = strongly agree. Regarding the booking decision it had a mean and SD of 4.3 and .32 which is above the cut point of three. Thus, this indicates customers of Kuriftu resort and spa and pyramid resort believed that their booking decision was influenced due to the online customer review practices which is posted by other customers.

From the table 4.12, we can see that the standard deviation (SD) of online customer review constructs is less than one; this implies the variations in respondent's opinion/view concerning online customer review practice and booking decision of customers is small.

Table 4.12 Mean of Individual Constructs

Descriptive Statistics			
	Mean	Std. Deviation	N
Booking Decision	4.2391	.31409	215
Hotel Attribute	4.303	.5122	215
Management Response	4.1473	.44595	215
Average Rating	3.7721	.52876	215
Valence of Review	4.2171	.37396	215

Source: Own Survey, SPSS V26, 2020

4.3.2 Correlation Analysis

According to Saunders et al. (2009, p.490) a correlation analysis used to identify the direction and relationship between the variables. The correlation analysis result was performed to see the relationship between online customer review practice and booking decision. Therefore, the correlation analysis revealed the relationship between valence of review, average rating, management response and hotel attributes with the Booking decision. If the correlation results of the two variables lies between -1 and 0, the two variables are negatively related. But if correlation result of the two variables lies between 0 and 1, the two variables are positively related. Furthermore, according to Field (2005) general guidelines correlations of 0.1 up to 0.29 are considered small, correlations of 0.30 up to 0.49 are considered moderate and correlation above ≥ 0.5 are considered large.

Table 4.13. Pearson Correlation

Correlations						
		Booking Decision	Hotel Attribute	Management Response	Average Rating	Valence Of Review
Booking Decision	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	215				
Hotel Attribute	Pearson Correlation	.116	1			
	Sig. (2-tailed)	.089				
	N	215	215			
Management Response	Pearson Correlation	.644**	-.052	1		
	Sig. (2-tailed)	.000	.451			
	N	215	215	215		
Average Rating	Pearson Correlation	.362**	.229**	.328**	1	
	Sig. (2-tailed)	.000	.001	.000		
	N	215	215	215	215	
Valence of Review	Pearson Correlation	.284**	.022	.338**	.235**	1
	Sig. (2-tailed)	.000	.743	.000	.001	
	N	215	215	215	215	215

Source: Own Survey, SPSS V26, 2020

According to Edgell, S. E., & Noon. S. M. (1984), the following guidelines have been proposed: 0.1 to 0.3 small, 0.4 to 0.5 medium and 0.6 to 1 large. The above Pearson correlation matrix shows that management Response has positive and highest associations with overall booking decision with the value of (r=0.644, p<0.01). The other three online review practices have also positive associations which are Average Rating (r=0.362, p<0.01), Valence of review (r=.284, p<0.01), and hotel attributes with value of (r=0.116, p<0.01)

These independent variables have a positive and significant relation with the dependent variable Booking decision, Thus the increase in online customer reviews as valence of review, average rating, management response and hotel attribute affects the booking decision of

customers. However, correlation analysis shows only the strength and directions of one independent and dependent variables, it does not permit the researcher to make analysis of more than one independent and dependent variables, and fall short in predicting the beta value of independent variables that explains the dependent variable, and in making inferences regarding the overall relationship between the identified variables. Hence, to analysis the impact of online customer review on booking decision of the customer the researcher uses regression analysis that overcomes the shortcomings of correlation analysis

4.4 Diagnostics in Regression

A number of assumptions need to be met before we can use regression analysis with confidence. The important assumptions that are to be tested in this section are; independent variables shouldn't be too strongly correlated to one another (Multicollinearity), the value of residuals to be independent from one another and the residuals should be normally distributed. The following tests performed to check whether the data fits the assumptions of linear regression in order to conclude the analysis results are valid and reliable.

4.4.1 Multicollinearity

If there is a high degree of correlation between independent variables, we have a problem of what is commonly described as the problem of multicollinearity (Kothari, p.142). This is essentially the assumption that the predictors are not too highly correlated with one another.

Table 4.14 multicollinearity test

Inter-Item Correlation Matrix					
	Booking Decision	Management Response	Average Rating	Valence Of Review	Hotel Attribute
Booking Decision	1.000	.644	.362	.284	.116
Management Response	.644	1.000	.328	.338	-.052
Average Rating	.362	.328	1.000	.235	.229
Valence Of Review	.284	.338	.235	1.000	.022
Hotel Attribute	.116	-.052	.229	.022	1.000

Source: Own Survey, SPSS V26, 2020

Inter-item correlation

When predictor variables are very highly correlated, we have to wonder whether they are not in fact measuring the same thing and would be better combined into one new variable (Muijs, 2010, p.180). As we can see from table 4.14 there is no strong pair-wise correlation between online customer review practices (Independent Variables). As a rule of thumb, Bryman and Cramer (1999, p.154) stated that the independent variables that show a relationship at or in excess of 0.80 suspected of exhibiting multicollinearity. In this study as shown in table 14, there is no relationship that equals or exceeds Pearson correlation coefficients of 0.80.

We can also test this assumption by looking at the coefficients table. As explained by Muijs (2010, p.181) Tolerance and Variance Inflation Factors (VIF) do exactly the same thing, tolerance is the amount of variance in the individual variable not explained by the other predictor variables. It varies from 0 to 1, a value close to 1 indicates that the other predictors do not explain the variance in that variable. A value close to 0 implies almost all the variance in the variable is explained by the other variables. This permits us to more formally check that our independent variables are not too highly correlated. To meet multiple regression assumptions, we need tolerance score above 0.2 and VIF scores below 10.

Table 4.15 Multi-collinearity test Coefficient

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Hotel Attribute	.930	1.076
	Management Response	.805	1.242
	Average Rating	.817	1.224
	Valence Of Review	.868	1.152

a. Dependent Variable: Booking Decision

Source: Own Survey, SPSS V26, 2020

As we see from the above tables 4.15, analysis of collinearity statistics show this assumption has been met, as no relationship of predictors equals or above coefficient value of 0.8 and VIF scores shown below 10, and tolerance scores above 0.2.

4.4.2 Autocorrelation

It is an assumption that the value of residuals to be independent from one another (or uncorrelated). To check this assumption, we need to look at the regression output of model summary box. Durbin-Watson statistic uses to test the assumption that our residuals are independent (or uncorrelated). This statistic can vary from 0 to 4. For no Autocorrelation assumption, Durbin-Watson statistic value needs to be close to 2. A value of two indicates no autocorrelation. A value of towards zero indicates positive autocorrelation. A value towards four indicates negative autocorrelation (Saunders et al., 2009, p.622).

Table 4.16. Autocorrelation test

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.674 ^a	.455	.444	.23411	1.680
a. Predictors: (Constant), Valence Of Review, Hotel Attribute, Average Rating, Management Response					
b. Dependent Variable: Booking Decision					

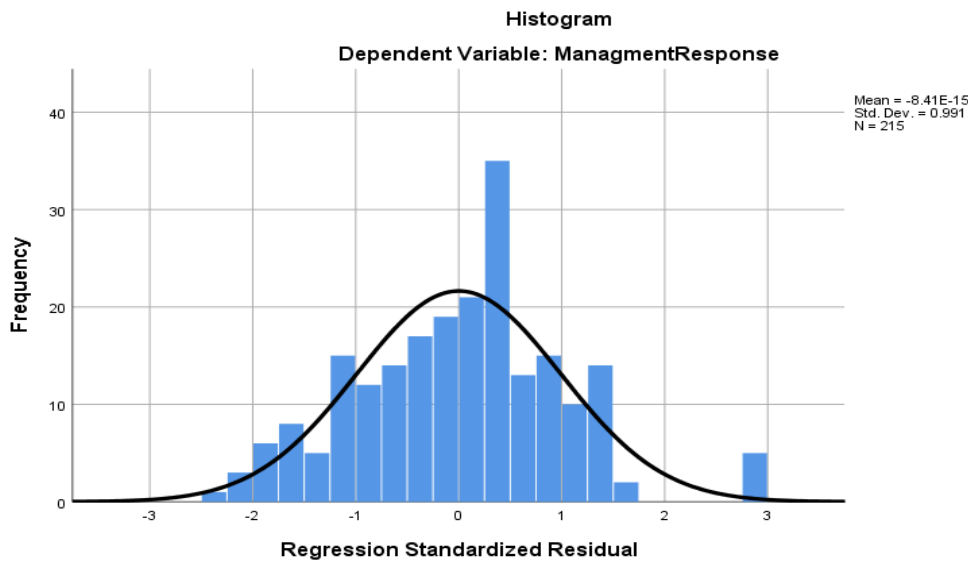
Source: Own Survey, SPSS V26, 2020

Thus, from the above table 4.16, we can see that Durbin-Watson value for model is 1.680, which is a score near 2. Thus, we can conclude that there is no Autocorrelation problem as the Durbin-Watson statistic showed the value close to 2.

4.4.3 Normality Test

This assumption is used to determine whether the residuals are normally distributed. This can be tested by looking at the Histogram and P-P plot for the model. To say the Normality assumption of this study is met, the Histogram should be symmetric along the center 0 and the dots at the P-P Plot should be closer to the diagonal line; Normal P-P plot –points should lie in reasonably straight diagonal line from bottom left to top right. In this case Histogram is symmetric and the P-P plot the dots are drawn closer to the diagonal line, indicating that assumption of normality is met.

Figure 04. Normality test



Source: Own Survey, SPSS V26, 2020

4.5 Multiple Regression Analysis

Multiple regression analysis is a statistical technique that can be used to analyze and measure a relationship between two or more variables (Saunders et al., 2009, p.461). This technique implemented to explore the most sophisticated interrelationship among variables, for instance the technique uses to identify which online customer review element is the best predictor of booking decision and the amount of variance explained in booking decision variable by all online customer review practices. Generally, this method enables the researcher to make stronger causal inferences from observed interrelationships among variables and to predict a dependent variable based on values of a number of independent variables.

4.5.1 Valence of review

Regression was conducted to determine the overall impact of the four online customer review practice in order to assess how well the valence of review impact on the booking decision of the customer. The result of regression analysis based on four independent variables (Valence of review, Average rating, management response and hotel attributes) is presented in the Table 17, the online customer review practice (independent variables) in contributing to the booking

decision of the customers (dependent variable) were explained by the standardized Beta coefficient.

Table 4.17 Model Summary

Model Summary ^b										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				Sig. F Change	Durbin-Watson
					R Square Change	F Change	df1	df2		
1	.674 ^a	.455	.444	.23411	.455	43.799	4	210	.000	1.680

a. Predictors: (Constant), Valence Of Review, Hotel Attribute, Average Rating, Management Response

b. Dependent Variable: Booking Decision

Source: Own Survey, SPSS V26, 2020

The regression model presents how much of the variance in the measure of booking decision is explained by the underlying factors of online customer review (the model). The model or the predictor variables have accounted for 45.5% (adjusted R square of 44.4%) of the variance in the criterion variable (booking decision). The remaining 53.6 % are explained by other variables out of this model.

Table 18 ANOVA

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	9.602	4	2.401	43.799	.000 ^b
	Residual	11.510	210	.055		
	Total	21.112	214			

a. Dependent Variable: Booking Decision

b. Predictors: (Constant), Valence Of Review, Hotel Attribute, Average Rating, Management Response

Source: Own Survey, SPSS V26, 2020

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant. This indicates that the variation explained by the model is not due to chance.

Valence of review that include, the positive reviews increase booking decision and negative reviews decrease booking decision and decrease the online hotel revenue were, the lowest standardized coefficient $\beta = .052$, $p > 0.05$ which is .346 and it has no significant impact on

booking decision of the customers, this implies that the valence of review from the online customer review practice has no value in this study context.

However, according to the management responses from the resorts they believed that the valence has an impact on their customer booking decision, they usually compare positive and negative review before making booking, the resorts valence of review is positive than negative as a result majority of the customers who traveled to Debre Zeit prefer those resorts as their potential stay. So to influence the booking decision of the customers the management team should have to work hard and give a quality service to avoid negative reviews and increase the positive ones.

The result generated from the customers was different from what the management responded.

Table 4.19 Coefficient Beta Analysis

Coefficients a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.737	.246		7.066	.000
	Hotel Attribute	.071	.032	.116	2.189	.030
	Management Response	.415	.040	.590	10.384	.000
	Average Rating	.077	.033	.130	2.311	.022
	Valence Of Review	.043	.046	.052	.944	.346

a. Dependent Variable: Booking Decision
 Source: Own Survey, SPSS V26, 2020

Average Rating

The result of regression analysis based on four independent variables (Valence of review, Average rating, management response and hotel attributes) is presented in the Table 16, the online customer review practice (independent variables) in contributing to the booking decision of the customers (dependent variable) were explained by the standardized Beta coefficient.

According to the ANOVA table 16 shows the overall significance/acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value (.000), which is less than $p < 0.05$, the model is significant. This indicates that the variation explained by the model is not due to chance.

Average rating of online customer review practice that includes hotel starting, ranking, intensity and recommendation percentage influence the booking decision of the customers and the like has standardized coefficient $\beta=.130$, $p<0.05$ and it has positive significant relationship with booking decision of the customers, this implies that the average rating given by previous customers from the online customer review practice has an impact on the booking decision of the customer on this study context.

According to the responses from the interview, all the management of the resorts understood that the average rating of their resorts on online reviewing sites influenced their customer decision highly, because most customers may not see each customers comment (qualitative reviews) rather they focused on quantitative reviews like, star, rating and recommendation percentage. Which is similar with what the customers responded.

Management response

Management response that include, the management response to review affect positively booking decision and I will consider to come back to that hotel if they reply to reviews and the like, is the highest standardized coefficient $\beta=.590$, $p<0.05$ and it has positive significant relationship with booking decision of the customers, this implies that the management response from the online customer review practice is the best predictor in this study context.

Thanks to technology it has become easier to reply for both positive and negative reviews for hotel managers as they start to link their business with different worldwide travel, booking and review sites. With the response of those two-resort management the study found that, they reflect the opportunity to reply to customers' reviews as an important opportunity to make service recovery and to increase customer perceptions of service quality and booking decision

Measuring management perceptions of online review practice is important as measuring consumers' perceptions, because management perceptions directly affect the booking decision of the customers. Based on the response of the interview from the resorts, they believed that their response has an impact on the booking decision and most managers should try to understand the way a hotel should interact with consumer reviews to increase profits, trying to control online word-of-mouth.

The researcher found that the response of the resorts should change according to the kind of reviews. The resorts reduced negative reviews through, strategically responding to online

consumer review and improving the level of service delivered to the customer, improving the service recovery when the customer is already at the hotel, stimulating complaints; conducting customer satisfaction surveys and personal interviews and developing guest comment areas on the websites when the customer has already gone home.

Hotel attributes

The fourth online review practices were hotel attributes, this include the hotels physical building, location, staff and the like, with the value standardize coefficient $\beta=.116$, $p < 0.05$ and is has significant impact on booking decision of the customers. This indicated the hotel attributes online reviews about location, service and staff has positive and significant impact on booking decision of the customer.

Majority of the management who were interviewed consider the attributes which were listed on this paper has significant impact on their customer booking decision for that matter, they gave much emphasis on maintaining a good ambiance of the resort, train their employees to make them professional service provider, hire professional chefs and barman to provide tasty cuisines and beverages. This implicates both the management and the customers knows hotel attribute is an important factor which affect booking decision

As shown in Table 4.17 from the four online review practice three of them appeared as significant independent variables in the regression model. The model written as follows

$$Y = (\beta_0 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta) + E_i$$

Where: Y =the outcome variable

β_0 =the coefficient of the constant predictor (X_i) β_1 =the coefficient of the first predictor (X_1)

β_n =the coefficient of the nth predictor (X_n)

E_i = the difference between the predicted and observed value of y for the i th participant.

Thus, to find the impact of predictors on dependent variable, the specified regression equation in this study takes the following form:

$$BD = B_0 + \beta_2(AVR) + \beta_3(MGT) + \beta_4(HATT)$$

Where,

BD– Booking Decision

ValR – Valence of Review

AVR – Average Rating

MGT – Management Response

HATT– Hotel Attributes

Therefore, the equation comes as,

$$\text{Customer BD} = 1.737 + .130 (\text{AVR}) + .590 (\text{MGT}) + .116 (\text{HATT})$$

The result of the regression analysis shows that the three independent variables (average rating, management response and hotel attribute) has a significant impact on the dependent variable " booking decision of customer " as the three coefficient carried positive signs. This indicated that the customers booking decision depended largely on those three variables. In other words, when there is a higher performance level in these dimensions, the customer' overall booking decision will be influenced and the customers booking decision were not affected by the valence of reviews as the coefficient carried negative sign

4.6 Analysis of data collected from resort managers through interview

Under this section, results of personal interviews with hotel managers are presented. Content analysis to identify patterns and commonalities of responses were used to analyze the data collected and produce meaningful themes. The resultant themes were cross-examined to establish an agreed set of themes that were thought to appropriately represent hotel managers' views.

4.6.1 Does a demographic factor affect the online booking decision?

From the management point of view, they believed that only two factors affect` their customers booking decisions which are educational background and age of the customers. As their guest become more literate and older, they give much emphasis on to read reviews before making booking decision and also sharing their experience by wright on different sites, the other demographic factors doesn't have much more significant impact.

4.6.2 Do you think online customer reviews benefits the hotel

Currently both resorts were a member of different travel sites and they believed that the review of the customers helps the resort in different ways. According to the management, from the hotel monthly occupancy percentage more than 3% and 4.8 of the reservations comes from online booking (Kuriftu resort and spa and pyramid resort and spa 2020) respectively. Both the resorts were awarded by trip advisor (non-transactional site) and booking.com as excellent resort, this is a cumulative result which is collected from the guest who post their opinion and give rate on their sites and as more positive review exists most customers were willing to spent there times at those resorts than the others which are found in the city, the customers even didn't consider the price rate to make reservation this shows that customers trust the word of others as the base to make booking decision.as a result those reviews support both resorts by increasing occupancy percentage, increasing revenue and promoting their resorts throughout the world.

4.6.3 Do you think customers with Ethiopian nationalities consider reviews and share their experiences?

Majority of the respondent say no, according to the management response, Ethiopians who live in other countries have the experience to do so, but when they see the domestic tourist majority of them were not review, even if they don't have the habit of booking in advance. There are some peoples who make a review and post but it's rarely. Most of them they give their comments and complains on the guest comment book which is placed at the front desk than the reviewing sites.

4.6.4 Which site do you think highly influence the booking decision of the customers?

According to the management, trip advisor is the first choice of majority of customers to write their opinion/experience and also to review other comments followed by booking.com, but some of the management Sayed that the trip advisor site is open for biases, as it doesn't require actual stay or booking record, this might expose the resorts to fake reviews. In the case of booking.com, to post a comment on the site it requires booking record and you can't post after 3 days of your departure so they considered as more credible but most of their customers didn't consider this scenario.

4.6.5 Have you stayed in 3-star hotel before? Have you read online review when you make booking decision?

The researcher finds all the management team has the chance to stay in 3 and four star resorts twice a year although except one manager all the management did not review comments to make booking decision and none of the management share their experience on the review sites. The study finds that there is no knowledge gap on the management to understand the review impact which has on booking decision and the profitability on the resorts but the practicability of e-WOM practice is less as it is new digital marketing tool to the Ethiopian hotel industry. On the other hand, the resort managers are not completely conscious of the impact of online word-of-mouth on the customer as they did not record how much profit they generated from the online sites, consequently, they undervalue this phenomenon (this point is from the management past experience, it didn't represent their current resort as it give much attention to reviews of guests). However, they know the value of their review but there is a problem with attitude they were remiss to make review. The most interesting finding is that all of them doesn't has trip advisor account due to that only they can see what other guest make review but cannot make reviews.

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATIONS

In this section the main findings of the research is summarized and conclusions on major findings is presented. Recommendations are given based on the research findings and the limitation of the study is mentioned. Finally, the study forwarded some suggestions for further investigations.

5.1 Summary of finding

In this study the impact of online customer review practices on booking decision of customers were examined; online customer review practices were selected from previous researches and its impact on booking decision was examined both in quantitative and qualitative analysis. Based on the results of the regression analysis the following summaries of findings were drawn.

Customer reviews are an important source of information for customers to make decision about their destination and hotels as they can access lots of information from customers with different backgrounds it serve as a base for potential customers. Knowing how online review affect tourist's online booking decision is extremely essential for hotels to boost e-WOM as a digital marketing tool especially for a country like Ethiopia. There was no previous academic studies on investigating the impacts of online customer review.

The study try to covers the standing knowledge by clarifying the impact of the online customer review practices. The current findings demonstrate that impacts of online reviews on travelers' actions depend on three characteristics/features, including average rating, Management response, and hotel attributes. These features play different roles in influencing tourist plans and booking decisions. From the study one of the features were valence of reviews but according to the study finding, it doesn't have a significant impact on booking decision of the customers.

The researchers examined the impact on the booking decision of the customers. The management response to online reviews influenced more the customers to make booking decision, which all things being equal could result in better occupancy percentage. The number of reviews, average rating, and ranking and recommendation percentage was also particularly

relevant to the present study. A highest rank of reviews can indicate more popularity for a hotel and the recommendation percentage by past guests has also positive contribution. While it is acknowledged that guests rely on categorical information because it is simple and easy to understand, this study found that average rating has high predictive power of their booking decision. Since the intensity of reviews positively impacted the booking decision of customers, hotel front office and marketing managers can create strategies aimed at generating a large pool of customers who write reviews and give rating and also they should also have to reply to reviews as a result customers will make a consideration to come back to that hotel because they think their voice has been heard and the management give a value for what they were saying or written.

The most fascinating research point of the study was to verify the effect on hotels' reply to online reviews on booking decision. Results show that including the hotel responses to customer reviews has an impact on customer booking decision. This approach avoid the attitude that considers the hotel's reply as more similar to promotion and therefore perceived by the customer as less credible because not independent from the organization. Hotel managers should try to reduce negative WOM and stimulate positive reviews through personalized activities that increase customer satisfaction, for example: improving the level of service delivered to the customer by trying to reduce the volume of negative comments; improving the service recovery when the customer is already at the hotel, stimulating complaints; conducting customer satisfaction surveys and personal interviews and developing guest comment areas on the websites when the customer has already gone home.

The effect of online service recovery policies, by means of hotels' reply to negative comments on non-transactional website, have not the same effect of personal complaint handling, it might cost the hotel more because most customers will see that even if the resorts management team reply and apology for it and also from the finding the resorts also give different compensation to make service recovery and avoid the negative attitude customers

Though several hotel managers may fear negative reviews, proactive approach is a good way to satisfy existing guests due to that the hotel get much intense of reviews on different non transactional sites but also those positive reviews from delighted customers will help the hotel to be awarded from those site, which plays a great role in the booking decision of customers.

In addition to management response and average rating, online reviews about the hotel attribute significantly influences people's online booking intentions. This finding shows that customers are

cognitive misers, as they tend to rely on positive comments of the food quality, accessibility of the resort location, friendliness of staff and ambiance of the resort. The study found that resorts with positive hotel attribute reviews would receive more bookings.

The hotel company should also try to find other ways to create an interaction with customers on the web, using social media and other means as 18.1 % of their customer were not consider online customer reviews to make booking decision, through this the resorts can stimulate positive online and offline word-of-mouth as a result the hotel management response to online review has great significant impact on the booking decision of customers.

In general, it is concluded that more management response, positive hotel attribute and average rating of reviews are likely to influence the booking decision of customers.

5.2 Conclusions

In order to understand the impact of online customer reviews posted by previous stayed guests in other potential customers' decision making for the hotel which they will stay. This study identified various online customer review practices and proposed a conceptual model. This model has been empirically tested with data from two selected resorts customers and managers with various backgrounds and nationalities. For the process of customer booking decision, we need to understand the attitudes of both the customers and the management towards the impact of online customer reviews. The empirical results show the significant explanatory power of the proposed conceptual model.

Reading the reviews of the fellow customers and writing reviews about one's pleasant/unpleasant stay at a property is a source of satisfaction for the majority of the customers. Providing booking services gives beneficiaries the right to write their honest opinion and make it available for everyone that has become an integral part of any e-commerce website. The main reason for it is to build a good relationship based on trust. Reputable e-commerce websites help in building this relationship of trust between the service provider and the customers. Electronic word of mouth, especially online customer reviews, has become a significant

determinant of customers' online hotel booking decision. Well- structured reviews that can be refined and filtered give users the courage to interact with the reviews and react immediately to make a decision.

This study has proven with empirical evidence that the most influencing component of various review characteristics significantly affects customers' decision making on those selected resorts. Out of four different e-WOM characteristics, we find a significant effect of management response, hotel attribute and average rating on customers' online booking decision. We also find positive effect on people consideration of the online review platform majority of the respondent used non transactional websites to make the booking decision than the hotel websites. Furthermore, the paper has found there is no significance effect of valence of review on the online booking decision of customers. The results obtained through the analysis support three research question except the first research question of the study that consider valence of reviews and hotel booking intention negatively related.

The paper shows that booking decision in the hospitality industry are influenced by the timely management response to reviews, the average rating, rank and recommendation percentage and positive hotel attributes given by previous guests providing further theoretical and practical knowledge on this topic. Especially, online customer reviews is confirmed to be an important source of information which influences customer decision making process and booking decision. The presence of hotel managers' reply to customer reviews is considered as a key factor by the customer and it has substantial impact on customer booking decision. The basis of information in this case is probably seen as impulsive and independent from the business. These results, in light of managerial implications described in the finding, can support hotel managers in crucial cohesive communications strategies based on a synergic use of new media and technologies.

5.3 Recommendation

This study examined the impact of online customer review on booking decision of customers: the case of selected resorts in Debre Zeit. On the basis of the findings and conclusions mentioned, the following recommendations were forwarded.

Even though the resort employees has been receiving some encouragement and training packages, the hotel managers should give attention to training of staff to provide quality customer services and develop different incentive package, it will make them to be motivated and satisfy customer need as a result will play a great role in minimizing negative reviews and enhance the positive ones. More attention should be given to employee encouragement; employees should be rewarded for dealing effectively with customers problems, for satisfying complaining customers and when they excel in serving customers.

The management of the resorts should give a specific time to review sites each day so as to react or to respond in a timely manner, it will show the alertness of the management to customer comments and try to solve the problem immediately

The top management team should give much emphasis and develop the habit of reviewing customers opinion it shouldn't have to be only their own hotels but also their competitors, it helps the resort to improve their services and what ever written on the site to attract those customers and take the competitive advantage. The resorts should have to utilize the feature of the reviewing sites effectively and efficiently, to do that it might be better to take online training, as they don't have an office in our countries

In general, the findings of this study revealed that online customer review practices has a positive and significant effect on overall booking decision of customers. Thus it is recommended that mangers have to give more attention in their managerial function to successful implementation of online review practices to successful influence the booking decision of customers, for higher levels of customer satisfaction in the industry. Online customer review practices with low beta values also need to be considered for inspiration of booking decision of customers.

5.4 Limitations and future research

The present paper is based on an explanatory study that presents some limitations. First of all, it is based on a convenience sample and respondents are mainly concentrated in a specific town. It is necessary for the future to continue the research on a wider sample. While an experimental approach is a strong research design, it does limit the investigation to selected variables, therefore it must be acknowledged that numerous other variables may also influence the dependent variables and could be researched at another time. For instance this could also be

helpful to verify the impact of valence of reviews on customer booking decision which resulted not significant in this study. Additionally the lack of generality due to the restricted number of resorts selected, this study working only an introductory view and elevated the concern of the significance of the online customer review.

Further, future work could compare the impact of online reviews across different hospitality sectors. While the current study focused on resorts only, the results may be applicable to other market segments. For example, it is realistic to recommend that online reviews may have a greater influence on products that are more likely destination areas online flight ticket.

It is also unknown that the cost the resorts incurring to promote their products and services and its value on the online market. As a country we are incurring lots of cost for those reviewing sites, so peoples who works on the technology should give much more emphasis on those issue to reduce those costs by developing those kind of reviving sites.

There has to be comparative study which shows the impact of e-WOM vs WOM impact on booking decision currently hotels start to manipulate reviews this will affect the tourism industry badly but its specifically unknown.

In this study, hotel booking decision was measured from the viewpoint of online customer review. In future research it would be essential to broaden the term 'online customer review by introducing measures of ADR (Average Daily rate and occupancy percentage) with those Metrix the researcher can measure the performance of the hotel.

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Appendix
Addis Ababa University
School of commerce
Questionnaire

Dear Participant,

This questionnaire is designed to conduct a research on the topic of *the effect of online customer review on booking decision of customers the case of selected hotels in Debre Zeit.*

The purpose of the study is for the partial fulfillment of the requirements of MA Degree in Marketing Management at Addis Ababa University, school of commerce. For the successful accomplishment of the research, the genuine response of the customers of the resorts will have an important role and the responses will be used as a valuable and primary input for the study. For this reason, you are kindly requested to take few minutes of your busy schedule and genuinely fill this questionnaire.

Confidentiality:

This research would like to assure you that this research is only for academic purpose for Partial fulfillment of the Requirements for the Degree of Masters of Art in Marketing Management in Addis Ababa University. No other person will have access to data collected. In any sort of report published, the researcher will not include any private information that will make it possible to identify any respondent. If you have any question or enquiry, please don't hesitate to contact me at any time through the following address: freyatteklay@gmail.co or Tel: +251 912975871

Thank you in advance for your genuine, honest, and prompt response!

Part 1 - General Questions

This part of the questionnaire is divided into two set of questions, one concerning yourself and one with regard to your use of online reviews. The questions asked are multiple choice questions mainly with choosing one answer. Even though there are two questions with multiple answers possible. General questions concerning yourself:

1. Gender Male Female

2. Age

Under 20 years old 21-30 years old 31-40 years old

41-50 years old 51-60 years old Above 60 years old

3. Nationality

Forigner Ethiopian

4. What is your current main occupation?

Student Self-employed Employed Unemployment

Homemaker Retired Unable to work

Educational background

Student Diploma degree Masters and above

5. Purpose of visit

Leisure business conference other

6. Marital status

Single Married Divorce

7. How frequently you travel to Debre Zeit

Every One month six month One year More than a year

8. How long you stay at Debre Zeit

For one day 2-5 days A week More than a week

General questions concerning your use of online consumer reviews:

9. Have you ever checked online customer reviews/opinions before purchasing a product?

Yes No

If this questions has been answered with ‘No’ the questionnaire ends here.

10. For which product categories are you reading online reviews? (Multiple answers possible.)

Hotel Restaurant Vacations Other: _____

11. How often are you reading online reviews prior to a purchase?

Never Rarely sometimes quite often often

If this question has been answered with ‘Never’ the questionnaire ends here. Since it indicates that the person has according to question five (Q5) at least once read online reviews prior to a purchase but is not doing so anymore.

12. When consulting online reviews which kind of platforms do you mostly choose? (Multiple answers possible.)

Hotel websites Video platforms (e.g. YouTube)

Independent reviewing platforms (e.g. Trip advisor)

Personal (reviewing) blogs Other: _____

Part 2 – Questions concerning online consumer reviews

This is the second part of the questionnaire and is totally devoted to your opinion and use of online consumer reviews and your decision. In the following several statements will be presented to you and need to be answered on a five point Like-scale. Answers vary from (1) strongly disagree up to (5) strongly agree. Division of rating: (1) Strongly disagree (2) disagree (3) neutral (4) agree (5) strongly agree

The effect of online customer review on booking decision of customers: the case of selected hotels in Debre Zeit

	Valence of review	Strongly disagree	disagree	Neutral	Agree	Strongly agree
A1	The hotel booking Decision of the customer is different depending on the valence of the review posted on “non-transnational” travel websites.					
A2	The hotel booking Decision of the customer is increases in the case of a prevalence of positive comments					
A3	The hotel booking Decision of the					

	customer is decrease in the case of a prevalence of negative comments					
A4	The amount of online revenue of the hotel will increases in the case of prevalence of positive comments					
A5	The amount of online revenue of the hotel will decrease in the case of prevalence of negative comments					
A6	I will book from a hotel if any negative reviews about it are spotted					
	Average rating	Strongly disagree	disagree	Neutral	Agree	Strongly agree
B1	There is a significant relationship between a hotel's overall rating (i.e. 1, 2, 3 stars) on non-transnational travel website Ex. (Trip Advisor) and the customer booking decision					
B2	There is a significant relationship between a hotel's overall ranking (1st, 2nd, 3rd) on non-transnational travel website Ex. (Trip Advisor) and the customer booking decision					
B3	There is a significant relationship between a hotel's overall number of online reviews on online feedback sites and customer booking decision					
B4	There is a relationship between recommendation percentage on non-transnational travel website Ex. (Trip Advisor) and the booking decision of the customer					
B5	Larger volume of online reviews					

	reflects that many people are interested in a hotel					
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	Management response	Strongly disagree	disagree	Neutral	Agree	Strongly agree
C1	The hotel responses to customer reviews posted on “non-transnational” travel websites could have a positive and useful effect on customer booking Decision					
C2	Management response to online review has will increase revenue of the hotel					
C3	If the management respond to reviews the customer might consider to come back to the hotel again					
	Hotel Attributes	Strongly disagree	disagree	Neutral	Agree	Strongly agree
D1	Positive review about physical hotel attributes is positively related to Booking decision					
D2	Positive review about hotel location is positively related to Booking decision					
D3	Positive review about food and drink is positively related to Booking decision					
D4	Positive review about staff service is positively related to Booking decision					

	Booking decision	Strongly disagree	disagree	Neutral	Agree	Strongly agree
E1	The more reviews existing the more helpful for me to make booking decision					
E2	I like to read many reviews before I make a booking decision					
E3	I do not like to process a lot of information prior to a make booking decision					
E4	One positive review will not affect my booking decision					
E5	One negative review will not affect my booking decision					

Thank you

Source: - Adopted from, (Julia D., Gina G., Jennifer R., Nina I., 2015; Yang, B., 2013; Chevalier J. and Mayzlin, D. 2013)

Interview questions to the management of the resorts

1. Do you think the management response to online reviews has an impact on booking decision?
If yes, how can a Hotel try to minimize the impact on online negative comments on booking decision?
2. Does a demographic factors affect the online booking decision?
3. Do you think online customer reviews benefits the hotel?
4. Do you think customers with Ethiopian nationalities consider reviews and share their experiences?
5. Which site do you think highly influence the booking decision of the customers?
6. Have you stayed in 3 star hotel before? Have you read online review when you make booking decision?
7. Do you think the valence of review has an impact on booking decision of the customers?
8. Do you think the average rating on reviewing sites has an impact on booking decision of the customers?
9. Do you think the hotel attributes has an impact on booking decision of the customers