Impact of Online Reviews on Hotel Booking Intentions among Millennials in Nigeria

Chinedu J.K.
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Chinedu J.K.
National Open University of Nigeria

Abstract

Purpose: The aim of the study was to assess the impact of online reviews on hotel booking intentions among millennials in Nigeria.

Methodology: This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

Findings: The study discovered that millennials heavily rely on online reviews when making hotel booking decisions, considering them as crucial sources of information. Positive reviews tend to increase booking intentions, while negative reviews have a significant adverse effect. Additionally, the study revealed that millennials are more inclined to trust reviews from fellow consumers rather than those from official hotel websites or advertising campaigns. Furthermore, it highlighted the importance of review authenticity and the influence of review characteristics such as quantity, recency, and overall rating on booking intentions.

Implications to Theory, Practice and Policy: Social influence theory, technology acceptance model and selective exposure theory may be used to anchor future studies on assessing the impact of online reviews on hotel booking intentions among millennials in Nigeria. Hoteliers should prioritize online reputation management strategies that enhance the credibility and authenticity of online reviews, thereby positively influencing Millennials’ booking intentions. Policymakers should enact regulations that promote transparency and accountability in online review platforms to mitigate the spread of fake or misleading reviews.

Keywords: Online Reviews, Hotel, Booking, Millennials
INTRODUCTION

In the contemporary digital age, the influence of online reviews on consumer behavior, particularly among millennials, has become a focal point of research across various industries. Among these sectors, the hospitality industry, specifically hotel booking, stands out as a significant arena where online reviews wield substantial power. In developed economies like the USA, Japan, and the UK, hotel booking intentions are influenced by various factors, including economic conditions, travel trends, and consumer preferences. Statistics from a study by Wang and Nicolau (2017) reveal that in the USA, there has been a steady increase in hotel booking frequency over the past decade, with an average annual growth rate of 3.5%. Moreover, the likelihood to book hotels has been positively correlated with disposable income levels, indicating that as economic conditions improve, consumers are more inclined to make hotel reservations. For example, in 2019, the USA saw a record high of 1.18 billion hotel room nights booked, reflecting robust demand in the hospitality sector.

Similarly, in Japan, hotel booking intentions have shown resilience despite occasional fluctuations in tourism trends. According to data from the Japan National Tourism Organization, the booking frequency in major tourist cities like Tokyo and Kyoto has been steadily increasing, with an average annual growth rate of 4.2% over the past five years. Moreover, the average booking amount per reservation has also seen a notable uptrend, driven by a combination of factors such as increasing inbound tourism and domestic travel. For instance, in 2018, the average booking amount for hotels in Japan reached ¥18,500 per night, representing a 7% year-on-year increase. These trends underscore the significance of understanding hotel booking intentions in developed economies and their implications for the hospitality industry (Ogutu and Muturi 2018).

In Southeast Asia and Latin America, hotel booking intentions may exhibit different trends influenced by factors like infrastructure development, tourism promotion efforts, and socio-economic conditions. For instance, in Thailand, a study by Tan and Lee (2016) found that hotel booking frequency has been on an upward trajectory, driven by a surge in international arrivals and government initiatives to promote tourism. According to the Tourism Authority of Thailand, the country witnessed a 7% increase in hotel room nights booked in 2019 compared to the previous year. Additionally, the likelihood to book hotels among domestic travelers has also increased, reflecting growing affluence and travel aspirations.

Brazil, despite economic challenges, hotel booking intentions have shown resilience, particularly in major tourist hubs like Rio de Janeiro and São Paulo. According to data from the Brazilian Hotel Industry Association, hotel booking frequency in these cities has remained relatively stable, with a slight upward trend in recent years. Moreover, the booking amount per reservation has seen modest growth, supported by an increase in domestic tourism and international events hosted in the country. These examples highlight the importance of understanding hotel booking intentions in developing economies and their implications for tourism development and economic growth.

Sub-Saharan Africa, hotel booking intentions are influenced by unique socio-economic dynamics, infrastructure limitations, and tourism development initiatives. For example, in Kenya, a study by Ogutu and Muturi (2018) revealed that hotel booking frequency has been gradually increasing, albeit at a slower pace compared to developed economies. This growth is attributed to factors such as improved connectivity, government investments in tourism infrastructure, and the diversification of tourism offerings beyond traditional safari experiences. Despite challenges such
as seasonality and political instability, the average booking amount per reservation has shown a positive trend, driven by rising demand for higher-quality accommodations and experiential travel.

Nigeria, hotel booking intentions have been shaped by a burgeoning middle class, urbanization trends, and a growing business travel segment. Research by Ibrahim and Lawal (2019) indicates that hotel booking frequency in major cities like Lagos and Abuja has witnessed steady growth, spurred by increased domestic and international business activities. Moreover, the proliferation of online booking platforms and mobile technology has facilitated greater accessibility and convenience for travelers, contributing to a rise in hotel reservations. While challenges such as infrastructure deficiencies and security concerns persist, initiatives to promote tourism and improve hospitality standards are expected to further bolster hotel booking intentions in the region.

Moreover, in countries like Rwanda, which has emerged as a promising tourism destination in Sub-Saharan Africa, hotel booking intentions have shown remarkable growth in recent years. Research by Nkurunziza and Bizimana (2020) highlights the impact of Rwanda's tourism development initiatives, including investment in infrastructure, conservation efforts, and marketing campaigns promoting the country's unique attractions such as mountain gorilla trekking. This has resulted in a surge in both domestic and international tourist arrivals, driving hotel booking frequency and increasing the average booking amount per reservation. Additionally, the government's focus on sustainable tourism practices and the development of high-end accommodation options have further boosted confidence among travelers, leading to a positive outlook for hotel bookings in Rwanda.

In Ghana, a study by Adu-Ampong and Ankomah (2017) examined the factors influencing hotel booking intentions among tourists visiting the country. Findings revealed that besides traditional factors such as price and location, cultural experiences and destination image played significant roles in shaping booking decisions. The emergence of niche tourism segments, such as heritage tourism and ecotourism, has also contributed to increased demand for accommodation options beyond mainstream hotels. As Ghana continues to promote tourism and improve infrastructure, including the expansion of airport facilities and road networks, hotel booking intentions are expected to rise, supporting the growth of the hospitality sector and the broader economy.

In Indonesia, a country known for its diverse cultural and natural attractions, hotel booking intentions have been influenced by a combination of factors such as tourism development, infrastructure investments, and digital technology adoption. Research by Setiawan and Budiarto (2018) indicates a steady increase in hotel booking frequency, particularly in popular tourist destinations like Bali and Jakarta. The rise of online travel agencies (OTAs) and accommodation booking platforms has facilitated greater access to hotel options, leading to a surge in both domestic and international bookings. Moreover, initiatives by the Indonesian government to promote tourism, including visa liberalization and destination marketing campaigns, have contributed to the growth of hotel reservations. As Indonesia continues to invest in tourism infrastructure and improve accessibility to remote areas, hotel booking intentions are expected to further strengthen, supporting the country's tourism industry and economic growth.

In Egypt, a country renowned for its ancient history and cultural heritage, hotel booking intentions have faced challenges amidst periods of political instability and security concerns. However, research by Abdelhamid, (2019) suggests a gradual recovery in hotel booking frequency following the stabilization of the political situation. The government's efforts to enhance security measures...
and promote tourism have helped rebuild confidence among travelers, leading to a resurgence in hotel reservations, particularly in popular tourist destinations like Cairo, Luxor, and Sharm El Sheikh. Additionally, the adoption of digital technologies and online booking platforms has facilitated greater transparency and convenience for travelers, contributing to the growth of hotel bookings. With ongoing investments in tourism infrastructure and marketing efforts, Egypt aims to attract a larger share of international visitors, thereby boosting hotel booking intentions and revitalizing the hospitality sector.

Online reviews, encompassing ratings, sentiment, and content, play a crucial role in shaping consumer perceptions and decision-making processes in the hospitality industry. Xie and Mao (2019) highlights the significance of online review ratings, indicating that higher ratings are positively associated with increased hotel booking intentions. Positive ratings serve as social proof of a hotel's quality and reliability, influencing consumers' likelihood to book accommodations. Additionally, sentiment analysis of online reviews, as demonstrated in studies by Hu et al. (2018), reveals that positive sentiments expressed by previous guests can enhance trust and confidence among prospective travelers, thereby leading to higher booking frequencies and amounts. Positive sentiments conveyed through reviews contribute to a favorable perception of the hotel's service quality and overall guest experience, encouraging repeat visits and larger expenditures.

Furthermore, the content of online reviews, as explored in research by Kim (2017), provides valuable insights into specific aspects of hotels that resonate with consumers. Detailed and informative reviews that address key factors such as cleanliness, staff friendliness, and amenities can positively influence hotel booking intentions. Consumers tend to rely on review content to assess the suitability and alignment of a hotel with their preferences and expectations, ultimately impacting their likelihood to book, frequency of bookings, and the amount spent on accommodations. Therefore, hoteliers must proactively manage online reviews, ensuring prompt responses to feedback and addressing any concerns raised, to cultivate a positive online reputation that translates into higher booking intentions and revenue generation.

**Problem Statement**

In recent years, the hospitality industry has witnessed a significant shift in consumer behavior, particularly among millennials, with a growing reliance on online reviews to inform their hotel booking decisions. As digital platforms continue to proliferate and social media influence becomes increasingly pervasive, understanding the impact of online reviews on hotel booking intentions among millennials has emerged as a crucial area of research. However, despite the burgeoning literature on this topic, there remains a need for comprehensive investigations that account for the nuanced preferences and behaviors of millennials in the context of online review platforms. Moreover, with the continuous evolution of online review platforms and the dynamic nature of millennial preferences, there is a pressing need for up-to-date research that captures the latest trends and developments in this rapidly changing landscape. Recent studies have highlighted the profound influence of online reviews on consumer perceptions and decision-making processes within the hospitality sector (Hennig-Thurau, 2019; Wang, 2020).

However, existing research predominantly focuses on general consumer populations or aggregates across demographic segments, often overlooking the distinct characteristics and preferences of millennials, who constitute a significant and influential market segment in the hospitality industry (Xiang, 2015). Moreover, while previous studies have identified the significance of online reviews
in shaping consumer attitudes and behaviors, there remains a gap in understanding the specific mechanisms through which online reviews influence hotel booking intentions among millennials, particularly in the context of diverse online review platforms and varying levels of review credibility (Zeng, 2021).

**Theoretical Framework**

**Social Influence Theory**

Originating from social psychology, the Social Influence Theory posits that individuals' attitudes, beliefs, and behaviors are influenced by the actions and opinions of others within their social environment. As introduced by Deutsch and Gerard (1955), this theory suggests that people conform to social norms and expectations in order to gain acceptance and approval from others. In the context of online reviews and hotel booking intentions among Millennials, Social Influence Theory is highly relevant as it explains how Millennials may be influenced by the opinions and experiences shared by their peers on online review platforms. Research by Hu et al. (2018) demonstrates that Millennials are particularly susceptible to social influence, often relying on online reviews as a form of social proof when making decisions. Understanding the mechanisms of social influence can provide valuable insights into how Millennials perceive and interpret online reviews, ultimately shaping their intentions to book hotels.

**Technology Acceptance Model**

Developed by Davis (1989), the Technology Acceptance Model (TAM) posits that individuals' acceptance and usage of technology are determined by perceived usefulness and ease of use. According to TAM, if individuals perceive a technology as useful and easy to use, they are more likely to adopt it. In the context of online reviews and hotel booking intentions among Millennials, TAM provides a framework for understanding the factors that influence Millennials' willingness to rely on online reviews when making hotel reservations. Research by Venkatesh and Davis (2000) highlights the importance of perceived usefulness and ease of use in driving technology adoption among Millennials. Applying TAM to the study can help identify the key determinants of Millennials' acceptance and utilization of online review platforms for hotel bookings.

**Selective Exposure Theory**

Selective Exposure Theory, proposed by Klapper (1960), suggests that individuals tend to seek information that reinforces their existing beliefs and attitudes while avoiding contradictory information. Applied to the context of online reviews and hotel booking intentions among Millennials, this theory implies that Millennials may selectively seek out and engage with online reviews that align with their preconceived notions or preferences regarding hotels and travel experiences. Research by Knobloch-Westerwick and Johnson (2014) supports the notion of selective exposure in the digital realm, showing that individuals are more likely to select online content that confirms their existing beliefs. Understanding selective exposure can shed light on the types of online reviews that Millennials are more likely to engage with, as well as the potential biases and limitations in their information-seeking behavior when making hotel booking decisions.

**Empirical Review**

Chen and Tseng (2016) aimed to unravel the intricate dynamics between online reviews and hotel booking intentions specifically among millennials. Employing a sophisticated survey methodology, they engaged a diverse cohort of millennials, probing into their perceptions and
behaviors regarding online reviews when making hotel reservations. Through meticulous analysis, the researchers unearthed compelling insights, revealing a profound positive correlation between favorable online reviews and heightened booking intentions among this demographic segment. Furthermore, their study delved into the conversion rates of online travel agencies (OTAs) concerning the influence of online reviews, shedding light on the pivotal role played by digital feedback mechanisms in driving consumer decision-making in the hospitality sector.

Kim and Kim (2017) embarked on an exhaustive exploration of millennials' reliance on online reviews during the hotel booking process. Employing a comprehensive research design integrating both qualitative and quantitative methodologies, their study provided a multifaceted understanding of the nuanced factors shaping millennials' perceptions and preferences when navigating the digital landscape of hotel selection. Through in-depth interviews and rigorous survey analysis, Kim and Kim elucidated the trust dynamics inherent in peer-generated content, underscoring the pivotal role played by online reviews as a primary source of information and validation for millennials in their quest for accommodation options.

Liu (2018) aimed to discern potential variations in the influence of online reviews on hotel booking intentions across diverse cultural contexts. Employing a mixed-methods approach encompassing surveys, interviews, and comparative analysis, their study offered valuable insights into the nuanced nuances of millennials' decision-making processes in different countries. By examining the interplay between cultural factors and digital review dynamics, Liu et al. unveiled intriguing variations in the reliance on online reviews among millennials, highlighting the complex interplay between cultural norms, digital literacy, and consumer behavior in shaping hotel booking intentions in an increasingly globalized marketplace.

Zhao (2019) adopted an innovative approach by integrating eye-tracking technology to unravel the visual attention patterns of millennials when perusing online reviews. Through meticulous experimentation and analysis, their study offered a unique perspective on the underlying mechanisms driving millennials' decision-making processes in the digital realm. By identifying key visual cues and elements that capture millennials' attention, Zhao et al. provided invaluable insights into the design and presentation of online review platforms, offering practical recommendations for hoteliers and digital marketers to optimize their online presence and enhance engagement with the millennial demographic.

Jackson and Lee (2017) aimed to provide a deeper understanding of millennials' engagement with online reviews in the context of hotel booking. Through immersive fieldwork and participant observation, the researchers delved into the lived experiences and digital practices of millennials as they navigated various online platforms to gather information and make booking decisions. Their qualitative approach uncovered rich narratives and insights, shedding light on the subjective and experiential dimensions of millennials' interactions with online reviews. By contextualizing digital behaviors within the broader socio-cultural landscape, Jackson and Lee offered nuanced perspectives on the role of online reviews in shaping millennials' perceptions and behaviors in the hospitality sector.

Smith (2018) aimed to explore the evolving dynamics of millennials' engagement with online reviews over time. By tracking changes in attitudes, behaviors, and preferences among a cohort of millennials over an extended period, their research provided valuable insights into the temporal dimensions of consumer decision-making in the digital age. Through iterative surveys and
qualitative interviews, Smith et al. identified shifts in the factors influencing millennials' reliance on online reviews, such as the emergence of new review platforms, changes in review credibility, and evolving socio-cultural trends. Their longitudinal approach offered a dynamic perspective on the complex interplay between technological advancements, consumer behaviors, and market dynamics in shaping hotel booking intentions among millennials.

Garcia and Martinez (2019) conducted a comparative analysis of different types of online reviews, aiming to elucidate the differential impact of user-generated content and expert reviews on millennials' hotel booking intentions. Through a mixed-methods approach encompassing content analysis, surveys, and experimental design, their study revealed intriguing insights into the relative influence of peer reviews versus professional critiques in the decision-making process. By examining factors such as trustworthiness, credibility, and perceived expertise, Garcia and Martinez shed light on the nuanced nuances of millennials' information processing strategies when evaluating online reviews. Their findings underscored the importance of considering the diverse array of review sources and formats in understanding millennials' attitudes and behaviors towards hotel booking in the digital age.

METHODOLOGY
This study adopted a desk methodology. A desk study research design is commonly known as secondary data collection. This is basically collecting data from existing resources preferably because of its low cost advantage as compared to a field research. Our current study looked into already published studies and reports as the data was easily accessed through online journals and libraries.

RESULTS
Conceptual Research Gap
While the studies examined the influence of various factors such as review valence, volume, credibility, and recency on Millennials' hotel booking intentions, there appears to be a gap in understanding the underlying psychological mechanisms driving Millennials' responses to online reviews (Smith, Johnson & Brown, 2018). Specifically, there is limited exploration of cognitive processes, such as information processing and decision-making heuristics, that may mediate the relationship between online reviews and booking intentions among Millennials. Addressing this gap would contribute to a deeper understanding of the psychological mechanisms underlying Millennials' reliance on online reviews when making hotel reservations.

Contextual Research Gap
The studies primarily focused on Millennials' perceptions and behaviors in the context of hotel bookings, but there is a lack of examination of how contextual factors, such as travel purpose, destination characteristics, and hotel attributes, may moderate the relationship between online reviews and booking intentions. Understanding how contextual factors shape Millennials' responses to online reviews can provide valuable insights for hotels and destination marketers to tailor their online review strategies and offerings to different segments of Millennial travelers (Chen, & Tseng, 2016).
Geographical Research Gap

The studies predominantly focused on Western contexts, particularly North America and Europe, with limited representation from other regions such as Asia, Africa, and South America. Given the cultural differences and varying levels of internet penetration and digital literacy across different regions, there is a need for research that examines how online reviews influence hotel booking intentions among Millennials in diverse geographical contexts (Kim, 2017). Exploring these variations can help identify region-specific factors that may influence Millennials' responses to online reviews and inform localized marketing strategies for hotels and destinations.

CONCLUSION AND RECOMMENDATION

Conclusion

In conclusion, the impact of online reviews on hotel booking intentions among Millennials is substantial and multifaceted. Through a comprehensive review of empirical studies, it is evident that positive online reviews significantly influence Millennials' intentions to book hotels, emphasizing the importance of managing online reputation for hoteliers. Moreover, factors such as review credibility, valence, volume, and recency play crucial roles in shaping Millennials' perceptions and behaviors towards hotel bookings. Trust emerges as a key mediator in the relationship between online reviews and booking intentions, highlighting the importance of establishing credibility and authenticity in online review platforms.

However, despite the substantial body of research on this topic, there are several research gaps that need to be addressed. Conceptually, there is a need to delve deeper into the underlying psychological mechanisms driving Millennials' responses to online reviews, particularly in terms of information processing and decision-making heuristics. Contextually, more research is needed to understand how contextual factors such as travel purpose and destination characteristics moderate the relationship between online reviews and booking intentions among Millennials. Additionally, there is a geographical research gap, with limited representation from diverse regions such as Asia, Africa, and South America, highlighting the need for cross-cultural studies to explore regional variations in Millennials' responses to online reviews.

Recommendations

Theory

Future research should focus on advancing theoretical frameworks that elucidate the underlying mechanisms driving Millennials' responses to online reviews. By integrating theories from psychology, consumer behavior, and information processing, scholars can develop more nuanced models that explain how factors such as trust, credibility, valence, and recency interact to influence booking intentions. Moreover, theoretical frameworks should consider the contextual and cultural differences that may shape Millennials' responses to online reviews in diverse geographical settings.

Practice

Hoteliers should prioritize online reputation management strategies that enhance the credibility and authenticity of online reviews, thereby positively influencing Millennials' booking intentions. This includes actively monitoring and responding to reviews, soliciting feedback from guests, and incentivizing satisfied customers to leave positive reviews. Additionally, hotels should leverage
technology and data analytics to personalize the online review experience for Millennials, providing tailored recommendations and targeted offers based on their preferences and past booking behavior.

Policy

Policymakers should enact regulations that promote transparency and accountability in online review platforms to mitigate the spread of fake or misleading reviews. This may involve implementing verification mechanisms for reviewers, imposing penalties for fraudulent practices, and fostering collaboration between industry stakeholders to establish industry-wide standards for online review management. Moreover, policymakers should support initiatives that enhance digital literacy and consumer education, empowering Millennials to make informed decisions when interpreting and responding to online reviews.
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