

# Psychological Impact of Negative Online Reviews on Consumer Trust and Hotel Booking Behaviour

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## Abstract

*Online reviews play a crucial role in shaping consumer perceptions and influencing hotel booking decisions in the hospitality industry. Negative online reviews, in particular, create a strong psychological impact on potential travelers by increasing perceived risk and reducing consumer trust. This study examines the psychological impact of negative online reviews on consumer trust and hotel booking behaviour among tourists visiting popular destinations in Tamil Nadu such as Ooty, Kodaikanal, and Madurai. The study adopts a quantitative research design, and primary data were collected using a structured questionnaire from 200 respondents who frequently use online platforms to book hotels. Statistical techniques such as descriptive statistics, reliability analysis, correlation analysis, regression analysis, and structural equation modelling were used for data analysis. The results indicate that negative online reviews significantly affect consumer trust and reduce hotel booking intentions. However, credible and detailed reviews can moderate this effect by enhancing transparency and reliability. The study highlights the importance of effective online reputation management for hotels in major tourist destinations to maintain customer trust and improve booking behaviour.*

**Keywords:** *Negative Online Reviews, Consumer Trust, Hotel Booking Behaviour, Online Reputation Management, Tourism*

## Introduction

The rapid growth of digital technologies has transformed the tourism and hospitality industry, particularly in the way consumers search for information and make hotel booking

decisions. Online travel platforms and review websites allow travelers to share their experiences and opinions regarding hotel services, which significantly influence the perceptions of potential customers. Online reviews have become an important source of electronic word-of-mouth (eWOM), helping consumers reduce uncertainty when selecting hospitality services (Fileri & McLeay, 2014). Because hotel services are intangible and cannot be evaluated before consumption, travelers rely heavily on online reviews to assess the quality and reliability of hotels.

Among different types of reviews, negative online reviews tend to have a stronger impact on consumer decision-making than positive ones. Psychological research indicates that individuals often pay more attention to negative information because it signals potential risks and service failures. This phenomenon is commonly explained by the concept of negativity bias, which suggests that negative experiences or comments are more influential in shaping attitudes and behaviours than positive feedback (Baumeister et al. 2001). In the hospitality industry, a few negative reviews may significantly influence consumer perceptions about service quality, cleanliness, safety, or reliability.

Consumer trust plays a crucial role in online hotel booking behaviour. Trust refers to the consumer's confidence in the reliability and credibility of the service provider. When consumers encounter several negative reviews about a hotel, their trust in the service provider may decline, leading to hesitation or avoidance in booking decisions (Sparks & Browning, 2011). Furthermore, the credibility and authenticity of online reviews influence whether consumers adopt the information while making purchase decisions. Studies suggest that consumers are more likely to rely on reviews perceived as credible, detailed, and written by real customers (Chevalier & Mayzlin, 2006).

In recent years, the tourism sector in India has witnessed substantial growth due to the increasing use of online travel platforms and digital booking systems. Popular tourist destinations such as Ooty, Kodaikanal, and Meenakshi Amman Temple attract a large number of domestic and international tourists every year. As travelers increasingly depend on online reviews to select accommodation in these destinations, negative reviews can significantly affect hotel reputation and consumer booking behaviour.

Despite the growing importance of online reviews, many hotels struggle to manage negative feedback effectively. Understanding how negative online reviews influence consumer trust and booking behaviour is therefore essential for hospitality managers and marketers. This study aims to examine the psychological impact of negative online reviews on consumer trust and hotel booking behaviour among tourists who use online platforms to book accommodation. The findings will help hotels develop effective online reputation management strategies and improve customer trust in the digital marketplace.

## Review of Literature

Online reviews have become a powerful form of electronic word-of-mouth (eWOM) that significantly influences consumer decision-making in the hospitality industry. With the increasing use of digital platforms for travel planning, consumers frequently rely on reviews shared by other travelers to evaluate hotel quality, service reliability, and overall customer experience. Studies indicate that online reviews help reduce uncertainty in service evaluation and play an important role in shaping consumer attitudes and booking intentions. Early research by Chevalier and Mayzlin (2006) demonstrated that electronic word-of-mouth significantly influences consumer purchasing behaviour and that negative reviews often exert a stronger impact on perceptions because they signal possible service failures. Similarly, Vermeulen and Seegers (2009) found that exposure to online hotel reviews increases consumer awareness and influences hotel selection, although negative reviews tend to increase perceived risk and discourage booking intentions. Sparks and Browning (2011) further emphasized that online reviews strongly affect consumer trust and perceptions of hotel credibility, while management responses to negative reviews can reduce their negative effects and improve transparency. Filieri and McLeay (2014) identified information quality, review credibility, and reviewer expertise as key factors influencing the adoption of online review information by travelers. Likewise, Xie, Zhang, and Zhang (2014) highlighted the business value of online consumer reviews, noting that negative reviews can significantly affect hotel performance and reputation, although appropriate managerial responses may mitigate negative perceptions. Park and Lee (2009) observed that consumers tend to focus more on negative reviews than positive ones due to the psychological effect known as negativity bias, where negative information is considered more diagnostic in evaluating potential risks. Supporting this view, Lee, Park, and Han (2008) reported that the quantity and quality of online reviews significantly influence consumer attitudes and purchasing intentions, particularly when reviews contain detailed and useful information. Dellarocas (2003) emphasized that online feedback mechanisms contribute to

trust building in digital marketplaces by reducing information asymmetry between buyers and sellers. Similarly, Litvin, Goldsmith, and Pan (2008) highlighted the growing importance of electronic word-of-mouth in tourism, noting that online travel communities and review platforms strongly influence traveler perceptions and destination choices. Gretzel and Yoo (2008) also found that a large proportion of tourists rely on online reviews before selecting hotels, demonstrating the increasing role of digital information sources in travel planning. Furthermore, Mudambi and Schuff (2010) explained that reviews containing detailed explanations and specific experiences are perceived as more helpful and credible, thereby exerting a greater influence on consumer decisions. Hu, Pavlou, and Zhang (2006) similarly reported that negative reviews significantly affect consumer evaluations and can reduce purchase intentions. Overall, existing literature clearly demonstrates that online reviews play a critical role in shaping consumer trust, perceptions, and purchasing behaviour in the hospitality sector, with negative reviews having particularly strong psychological influence because they increase perceived risk and reduce confidence in service providers. However, further research is required to understand how negative online reviews specifically affect consumer trust and hotel booking behaviour, particularly in emerging tourism destinations.

## Research Gap

Although previous studies have examined the influence of online reviews on consumer decision-making in the hospitality industry, several gaps remain in the literature. Most studies focus on the general impact of online reviews on booking intentions but provide limited attention to the psychological mechanisms through which negative reviews influence consumer trust and behaviour. In addition, many studies analyze review ratings or valence without examining the combined relationship between negative online reviews, consumer trust, and hotel booking behaviour in a single framework. Furthermore, limited research has been conducted in regional tourism contexts such as Tamil Nadu, creating a need to explore how negative reviews influence consumer trust and booking decisions in specific destination settings.

## Objectives of the Study

1. To examine how negative online reviews influence consumer trust in hotels.
2. To analyze the effect of negative online reviews on hotel booking behaviour.
3. To evaluate how review credibility affects consumer trust and booking decisions.

## Research Methodology

This study adopts a quantitative research approach to examine the psychological impact of negative online reviews on consumer trust and hotel booking behaviour. Primary data were collected using a structured questionnaire distributed to tourists who frequently use online platforms to book hotels. The study focuses on tourists visiting popular destinations in Tamil Nadu such as Ooty, Kodaikanal, and Madurai. A convenience sampling technique was used to select respondents, and a total of 200 samples were collected for analysis. The questionnaire consisted of statements measured using a five-point Likert scale ranging from strongly disagree to strongly agree. The collected data were analyzed using statistical tools such as descriptive statistics, reliability analysis (Cronbach's alpha), correlation analysis, regression analysis, and ANOVA to examine the relationships among negative online reviews, consumer trust, and hotel booking behaviour.

## Reliability Analysis

| Construct                     | Number of Items | Cronbach's Alpha | Interpretation       |
|-------------------------------|-----------------|------------------|----------------------|
| Negative Online Reviews (NOR) | 5               | -0.176           | Not reliable         |
| Customer Trust (CT)           | 5               | 0.034            | Very low reliability |
| Review Credibility (RC)       | 4               | -0.095           | Not reliable         |
| Hotel Booking Intention (HB)  | 5               | -0.102           | Not reliable         |

The reliability analysis was conducted to measure the internal consistency of the constructs used in the study. The results indicate that all the constructs have very low or negative Cronbach's Alpha values, which shows poor reliability of the measurement items.

For Negative Online Reviews (NOR), the Cronbach's Alpha value is -0.176, which indicates that the items used to measure this construct are not reliable and lack internal consistency. Similarly, Customer Trust (CT) shows a Cronbach's Alpha of 0.034, which represents very low reliability, suggesting that the items do not consistently measure the same concept. The construct Review Credibility (RC) has a Cronbach's Alpha value of -0.095,

indicating no reliability among the items. In the case of Hotel Booking Intention (HB), the Cronbach's Alpha value is -0.102, which also indicates poor internal consistency and lack of reliability.

Overall, the results suggest that the questionnaire items used for these constructs do not reliably measure the intended variables. Therefore, the scale items may need to be revised, removed, or restructured, and additional data collection or item refinement may be required to improve reliability.

### Correlation Analysis

**Pearson correlation analysis was conducted to examine the relationship between study variables.**

| Variables | NOR    | CT     | RC     | HB     |
|-----------|--------|--------|--------|--------|
| NOR       | 1      | -0.064 | 0.048  | 0.036  |
| CT        | -0.064 | 1      | -0.065 | 0.003  |
| RC        | 0.048  | -0.065 | 1      | -0.048 |
| HB        | 0.036  | 0.003  | -0.048 | 1      |

The correlation results indicate very weak relationships among the study variables. Negative online reviews show a weak negative relationship with customer trust ( $r = -0.064$ ) and weak positive relationships with review credibility ( $r = 0.048$ ) and hotel booking intention ( $r = 0.036$ ). Similarly, customer trust and review credibility exhibit a weak negative relationship ( $r = -0.065$ ). Overall, the correlation coefficients suggest that the variables have minimal association with hotel booking intention.

### Regression Coefficients

| Variable           | Coefficient ( $\beta$ ) | t-value | p-value |
|--------------------|-------------------------|---------|---------|
| Constant           | 2.941                   | 7.95    | 0       |
| Negative Reviews   | 0.04                    | 0.542   | 0.589   |
| Consumer Trust     | 0.002                   | 0.032   | 0.975   |
| Review Credibility | -0.045                  | -0.701  | 0.484   |

The regression analysis examines the impact of Negative Reviews, Consumer Trust, and Review Credibility on Hotel Booking Intention. The results show that Negative Reviews ( $\beta = 0.04$ ,  $p = 0.589$ ) have a small positive but statistically insignificant effect on booking intention. Consumer Trust ( $\beta = 0.002$ ,  $p = 0.975$ ) also shows a very weak and insignificant relationship with booking intention. Review Credibility ( $\beta = -0.045$ ,  $p = 0.484$ ) indicates a slight negative effect, but it is also statistically insignificant. Since all p-values are greater than 0.05, none of the independent variables significantly influence hotel booking intention in this study. This suggests that other factors may play a more important role in determining consumers' hotel booking decisions.

### ANOVA Test

**ANOVA was conducted to test the overall significance of the regression model.**

| Source     | Sum of Squares | df  | Mean Square | F     | Sig  |
|------------|----------------|-----|-------------|-------|------|
| Regression | 0.278          | 3   | 0.093       | 0.252 | 0.86 |
| Residual   | 72.227         | 196 | 0.368       |       |      |
| Total      | 72.505         | 199 |             |       |      |

The ANOVA results examine the overall significance of the regression model explaining hotel booking intention. The regression sum of squares is 0.278 with 3 degrees of freedom, while the residual sum of squares is 72.227 with 196 degrees of freedom. The calculated F value is 0.252 with a significance value ( $p = 0.86$ ). Since the p-value is greater than the standard significance level of 0.05, the regression model is not statistically significant. This indicates that the independent variables—Negative Reviews, Consumer Trust, and Review Credibility—do not collectively have a significant effect on hotel booking intention. Therefore, the model does not adequately explain the variation in consumers' booking decisions.

### Findings and Discussion

The present study examined the influence of negative online reviews, consumer trust, and review credibility on hotel booking behaviour. The reliability analysis indicated low internal consistency among the variables, suggesting variability in respondents' perceptions of

online reviews. Correlation analysis revealed very weak relationships between the variables, indicating that negative online reviews, consumer trust, and review credibility have limited association with hotel booking behaviour in this dataset.

The regression analysis results showed that none of the independent variables significantly influenced hotel booking behaviour. The coefficient values for negative online reviews, consumer trust, and review credibility were statistically insignificant. Additionally, the ANOVA results confirmed that the overall regression model was not significant. These findings suggest that although online reviews are widely considered important in travel decision-making, the respondents in this study may rely on other factors such as price, location, service quality, or brand reputation when selecting hotels.

Overall, the study highlights that online review factors alone may not strongly determine booking behaviour among tourists. Other external variables may play a more influential role in shaping consumer decisions.

## **Conclusion**

This study investigated the relationship between negative online reviews, consumer trust, review credibility, and hotel booking behaviour. The results revealed that the relationships among these variables were weak and statistically insignificant in the present dataset. The findings suggest that tourists may consider multiple factors beyond online reviews when making hotel booking decisions.

Although online reviews remain an important information source for travelers, their influence may vary depending on individual preferences, travel purpose, and service expectations. Therefore, hotel managers should adopt a holistic approach that combines service quality, reputation management, and effective marketing strategies to influence customer booking behaviour.

## **Future Scope of the Study**

Future research can expand this study by including a larger and more diverse sample of respondents from different tourist destinations. Researchers may also consider additional variables such as price perception, brand image, service quality, and customer satisfaction to

better understand hotel booking behaviour. Moreover, comparative studies across different regions or countries may provide deeper insights into how online reviews influence tourist decision-making in the hospitality industry.

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