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Abstract

Positive online reviews elicit more positive consumer behaviors than negative reviews in the hospitality industry. However, several variables that influence information processing may affect this well-established link. The present study focuses on the moderating roles of brand familiarity and cultural values, as their influence remains unexplained in the previous literature. To better understand the moderating influence of brand familiarity and cultural values on the relationship between positive/negative online reviews and booking intentions, a 2 (positive vs. negative) x 2 (familiar vs. unfamiliar brand) experimental research design was conducted in two countries, Spain and Mexico, that differ mainly in the “indulgence versus restraint” cultural dimension. The results suggest that, in general, positive/negative online reviews generate higher/lower booking intentions for less familiar than for familiar hotels. In addition, culture moderates the effect of familiarity. This interaction effect is more relevant in restrained cultures. Theoretical and managerial implications, based on these results, are discussed.

Keywords: *electronic word-of-mouth, online review, valence, familiarity, booking intentions, indulgence versus restraint*

INTRODUCTION

Internet connectivity has grown rapidly since the late 1990s. Consumers now have unprecedented access to information and they respond by researching products and services, comparing prices, accessing store information and writing reviews, thus creating a new “path to purchase” (Nielsen, 2017). Managers and researchers are interested in how these widespread online reviews affect purchase behaviors. This focus is particularly important in services industries, such as hospitality, due to the intangibility of service (Casaló, Flavián, Guinalú, & Ekinci, 2015b; Nicolau & Sellers, 2010). Consumers in the hospitality industry often search for online reviews to reduce their perception of risk when purchasing services. For example, 79% of hospitality industry consumers use online reviews to research their trips and 60% consult friends as part of their travel planning (Phocuswright, 2017).

The Internet helps consumers obtain unbiased product information from other consumers (Kozinets, 2002). It also allows consumers to offer consumption-related advice through electronic word-of-mouth (eWOM) (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). eWOM is any brief statement made by a consumer about a commercial entity or offering, broadcast in real time to members of the sender’s social network through a specific web-based service (Hennig-Thurau, Wiertz, & Feldhaus, 2015). It can take several forms, for example, e-mail, specialized online review web pages, social network posts, videos, etc.; online reviews are the most extensively used and are the focus of this study.

As a form of eWOM communication, online consumer reviews are an essential source of product-related information. As the reviews have proliferated, consumers have come to incorporate them into their purchase decisions (Cheung, Sia, & Kuan, 2012). These online opinions enable consumers to obtain detailed information that is more trustworthy and credible than data provided by marketers or organizational sources, such as advertising

campaigns (Bansal & Voyer, 2012; Bickart & Schindler, 2001; Gretzel & Yoo, 2008). Thus, products reviewed by consumers have a greater chance of staying in consumers' consideration sets than unreviewed products, regardless of whether the review is positive or negative (Park & Nicolau, 2015). Consequently, online product reviews are a very valuable tool for firms. Companies can monitor consumer attitudes toward their products in real time through these reviews, and adapt their manufacturing, distribution, and marketing strategies accordingly (Dellarocas, Zhang, & Awad, 2007).

Previous studies in hospitality have analyzed, from a consumer perspective, how eWOM affects purchase intentions and behaviors (e.g., Casaló, Flavián, & Guinalú, 2011; Nieto-García, Muñoz-Gallego, & González-Benito, 2017; Vermeulen & Seegers, 2009). The influence of eWOM depends, among other things, on various message features (e.g., Casaló et al., 2011; Nieto-García et al., 2017; Vermeulen & Seegers, 2009), the sender (e.g., her/his expertise; Vermeulen & Seegers, 2009, etc.) and the receiver of the message (e.g., her/his risk aversion; Casaló, Flavián, Guinalú, & Ekinci, 2015a).

Previous research also suggests that brand familiarity influences eWOM processes. For instance, online reviews elicit higher levels of awareness, consideration and attitudes toward unknown than toward known hotels (Vermeulen & Seegers, 2009). Similarly, the effect of eWOM on consumer purchase intentions is higher for hotels with a poor brand image (Casado-Díaz, Pérez-Naranjo, & Sellers-Rubio, 2017). In turn, some authors have found that the impact of key eWOM variables (e.g., the reviewer's expertise) is greater for less well-known hotels (Casaló et al., 2015a), which suggests that familiarity moderates the influence of eWOM related variables on behavior. Despite these advances, the question as to whether brand familiarity really moderates the influence of online reviews (and, if so, how) remains unaddressed. For example, does the influence of eWOM on purchase behaviors vary

with familiarity? Does the effect depend on review valence or, for instance, can familiarity protect companies from negative online reviews? In addressing these questions, account is taken that the effect of brand familiarity might vary due to the receiver's culture. Culture is pivotal in hospitality services, as companies in the sector have to handle customers from many cultures, and cultures can determine purchase behaviors.

The present study has two main objectives. First, to analyze if brand familiarity influences eWOM processes. Second, to evaluate if any moderating effect varies cross-culturally. To do so, self-perception theory (Bem, 1972) and the Hofstede cultural model (Hofstede, Hofstede, & Minkov, 2010), which compares countries based on a series of cultural dimensions (a cultural dimension is "an aspect of a culture that can be measured relative to other cultures" (Hofstede et al., 2010, p.31)), are adopted. The present study focuses on two cultures, the Mexican and the Spanish. These countries mainly differ in terms of indulgence versus restraint, a dimension that strongly affects individuals' information processing. People from indulgent cultures tend to focus more on positive feelings while, in contrast, those from restrained cultures are more pessimistic (Hofstede et al., 2010). This dimension might moderate the effect of brand familiarity on the eWOM process.

The present study contributes to the hospitality literature in several ways. First, the potential moderating effect of brand familiarity on the relationship between online review valence (positive vs. negative) and booking intentions is examined. This increases the understanding of the role of familiarity when consumers make decisions based on eWOM. Second, the moderating effect of indulgence vs. restraint on the aforementioned relationship is examined. This will help in the understanding of whether this cultural dimension mitigates or enhances the moderating role of familiarity and the persuasive effect of cross-cultural positive/negative online reviews based on the receiver's culture.

The structure of this study is as follows. First, the theoretical framework and research hypotheses are presented. Second, the methodology used to test the hypotheses is explained. Third, the findings are presented and discussed. Finally, the theoretical and managerial implications of the research, together with the main limitations and suggestions for further research, are presented.

LITERATURE REVIEW

Overview

The valence of online reviews is one of the most closely examined aspects in eWOM communication. Valence is the evaluative direction, from positive through negative, of a review about an experience involving products or services. Previous studies have analyzed valence in several hospitality contexts (e.g., hotels (Ye, Law, & Gu, 2009; Sparks & Browning, 2011; Vermeulen & Seegers, 2009), restaurants (Zhang, Ye, Law, & Li, 2010)), and found that both positive and negative online reviews influence consumer behaviors. Positive online reviews elicit more positive behaviors than negative online reviews. For example, Vermeulen & Seegers (2009) reported that positive online reviews improved how potential tourists evaluated hotels prior to making their lodging decisions. Moreover, positive online reviews are found to affect behavioral intentions (Amaro & Duarte, 2015), willingness to book online (Sparks & Browning, 2011), trust perceptions (Abubakar, Ilkan, Meshall Al-Tal, & Eluwole, 2017; Sparks & Browning, 2011) and attitudes (Casaló et al., 2011). However, Papathanassis & Knolle, (2011) report that negative online reviews have a stronger impact than positive online reviews in the decision-making process as regards vacations. Similarly, Casaló et al. (2015b) found that negative reviews have a greater effect on travelers'

behavior than positive reviews. These findings are in line with prospect theory (Kahneman & Tversky, 1979), as consumers try to avoid losses more than to obtain gains.

The present study focuses on the impact of valence on booking intentions. Intentions capture how hard people are willing to try, or how much effort they are planning to exert to perform a behavior (Ajzen, 1991). The hospitality literature acknowledges that eWOM communications influence consumer intentions to perform various behaviors, such as revisiting a place (Abubakar et al., 2017), following advice (Casaló et al., 2011), paying a given amount of money for a lodging (Nieto-García et al., 2017), and booking a hotel room (Sparks & Browning, 2011). Furthermore, the present study analyses whether the influence of valence is moderated by brand familiarity and culture. As few studies analyze these relationships, a gap exists. Brand familiarity is the degree to which a person can remember a brand. This variable reflects the consumer's experience with a brand (Alba & Hutchinson, 1987), obtained directly or indirectly. For instance, it includes the use of a product or service and also information obtained from other users of the same product (Campbell & Keller, 2003), for example, from online reviews. Previous hospitality studies using related variables [e.g., brand knowledge (Casaló et al., 2015a; Vermeulen & Seegers, 2009), brand reputation and brand experience (Ahn & Back, 2018; Khan & Fatma, 2017), and brand image (Casado-Díaz et al., 2017)] found that brand familiarity affects the eWOM process. However, other previous studies have suggested that brand familiarity has both a direct link to, and a moderating role on, consumer behavior. For instance, Casaló et al., (2015a) showed that brand knowledge moderates the effect of other variables in the eWOM process; specifically, including a photograph in a review and details of the reviewer's expertise generate more positive customer reactions toward less well-known hotel brands. Despite this previous research, the influence of familiarity itself on the eWOM process has not, as yet, been directly

analyzed, and its impact, therefore, remains unclear. In this respect, the authors posit that familiarity moderates the effect of online reviews on consumer booking intentions rather than being an antecedent of those intentions.

Another important aspect that moderates behaviors elicited by eWOM communications, and presumably the role of familiarity in the process, is the culture of the message reader. Culture is “the collective programming of the mind that distinguishes the members of one group or category of people from another” (Hofstede, 2001, p.9). Previous studies have analyzed the components of culture using several frameworks (de Mooij & Hofstede, 2011); however, the Hofstede cultural model is the most commonly used to explain cultural differences. The model has six dimensions (Hofstede, Hofstede, & Minkov, 2010): (1) power distance index (the degree to which people accept their position in society); (2) individualism versus collectivism (whether one’s self-image is defined in terms of *I* or *we*); (3) masculinity versus femininity (the preponderance of values such as achievement, heroism, assertiveness and material rewards for success vs. cooperation, modesty, caring for the weak and quality of life); (4) uncertainty avoidance (the degree to which people feel comfortable with the unknown); (5) long term versus short term orientation (the degree to which people care more about thrift, modern education, and the future, vs traditions and norms); and (6) indulgence versus restraint (hereafter IVR, the preponderance of leisure, optimism, and positive emotions vs. control, pessimism and negative emotions).

Previous hospitality studies using the Hofstede cultural model have focused mainly on the Individualism vs. Collectivism dimension. For example, Kong & Jogaratnam, (2007) found that customer perceptions of service encounters in restaurants differ between the USA and the Republic of Korea (Individualism vs. Collectivism). Korean consumers expect

higher levels of courtesy, civility and concern. In contrast, USA consumers are more aware of customization and individual recognition. Similarly, Fan, Shen, Wu, Mattila, & Bilgihan (2018) assessed the different consumption intentions in restaurants in the USA and China (Individualism vs. Collectivism). They found that American consumers followed online recommendations regardless of the source, while Chinese consumers relied more on known sources. Wen, Hu, & Kim (2018) used the Hofstede dimensions to assess intention to create eWOM. They found that individualism, power distance and indulgence are antecedents of two positive emotions, pleasure and pride, which lead to intention to create eWOM.

Following these studies, the authors adopt the Hofstede cultural model (2001), focusing on IVR –an underresearched dimension in the eWOM context. People in indulgent countries attach more value to happiness and are more optimistic than those from restrained countries (Hofstede et al., 2010) and, due to this cultural dimension, individuals may react differently to the same information (Kong & Jogaratnam, 2007). However, as the IVR dimension has only recently been incorporated into this model, the hospitality literature has not, as yet, examined its impact on eWOM. The link between IVR and eWOM is, therefore, an important unbridged gap (Wen et al., 2018), due to the potential influence of IVR on information processing.

Figure 1 shows the research model, which comprises four variables of eWOM communication. The valence of the online review (positive vs. negative) and booking intentions are the main independent and dependent variables, respectively, of the eWOM process (Nieto-García et al., 2017; Sparks & Browning, 2011). In addition, brand familiarity and culture moderate the process (Casaló et al., 2015a; Vermeulen & Seegers, 2009; de Mooij & Hofstede, 2011; Hofstede, 2001). The authors investigate whether: (1) booking intentions differ depending on valence (positive vs. negative); (2) brand familiarity moderates the

influence of review valence on booking intentions; (3) culture has a direct effect on booking intentions; and (4) culture modifies the effect of brand familiarity on the eWOM process.

Hypotheses formulation

The hospitality literature has examined the effect of online review valence in several lodging and travel contexts, such as hotels (Sparks & Browning, 2011; Vermeulen & Seegers, 2009), restaurants (Park & Nicolau, 2015) and online travel communities (Casaló et al., 2011). In particular, previous hospitality studies have found that the valence of an online review has a direct effect on consumers' responses, such as willingness to pay (Nieto-García et al., 2017), booking intentions (Sparks & Browning, 2011) and attitudes (Vermeulen & Seegers, 2009). In summary, positive reviews elicit more positive responses from consumers than negative reviews (Vermeulen & Seegers, 2009). Consistent with this previous research, the following effect of online review valence on booking intentions is posited:

H1: Positive online reviews elicit higher booking intentions than negative online reviews.

The next hypothesis is based on self-perception theory (Bem, 1972). This theory proposes that people build their attitudes, emotions, or inner states, from first-hand information, such as their previous behaviors or experiences. When this first-hand information is weak, ambiguous or unobservable, people take into account second-hand information, such other people's behaviors, or experiences (Bem, 1972). In terms of e-WOM, the theory suggests that the effect of online reviews (second-hand information) on purchasing behaviors might be higher when first-hand information about the product or service is weaker (that is, when the product or service is less familiar), and vice versa.

Thus, consistent with self-perception theory (Bem, 1972) and previous research into review valence (e.g., Vermeulen & Seegers, 2009; Casaló et al., 2015a), it is expected that

brand familiarity will moderate the relationship between the valence of an online review and booking intentions. People have more first-hand information about hotels they know than about unknown hotels (Vermeulen & Seegers, 2009). First-hand information based on one's own experience is more credible than second-hand information (Fazio, Zanna, & Cooper, 1978). Indeed, the persuasiveness of new information is lower when first-hand information is available (Bansal & Voyer, 2012). Thus, booking intentions for familiar hotels will not greatly vary because of online reviews (Vermeulen & Seegers, 2009). In turn, the absence of information about unknown companies leads people to attach more importance to second-hand information in their decision making (Casaló et al., 2015b). Hence, positive (negative) reviews should provoke higher (lower) purchase intentions for unfamiliar brands than for familiar brands, due to the weakness or the absence of first-hand information. Hence, it is expected that:

H2: Online reviews elicit more extreme booking intentions for unfamiliar hotels than for familiar hotels.

The Hofstede cultural model suggests that the cultural values of a society determine how its members think, feel, and act (Hofstede, 2001; Hofstede et al., 2010). Cultural values influence eWOM communications. For instance, the eWOM in Social Networking Sites acts in different ways in the USA and China. Chinese users (more collectivist) trust eWOM from their contacts more than do US users (more individualist), probably due to their proneness to build smaller but more tightly-knit networks (Chu & Choi, 2011). Social media use—a natural source of eWOM— in purchase decisions is higher in collectivist than in individualist countries (Goodrich & Mooij, 2014). The authors argue that IVR may also influence the outcome of eWOM processes. People in indulgent countries are usually happier, more optimistic and more positive than in restrained nations (Hofstede et al., 2010). Thus, it is

expected that online reviews from people from indulgent countries will produce higher booking intentions, regardless of the review valence. Hence, the following hypothesis is proposed:

H3: Online reviews yield higher booking intentions from people from indulgent countries than people from restrained countries.

In addition, IVR might alter the moderating effect of brand familiarity posited in H2. People in restrained countries are typically pessimistic and negative and are less likely to remember positive emotions (Hofstede et al., 2010). They commonly perceive a lack of control in daily situations to the extent that they believe that their decisions will have no real effect on what happens to them. (Hofstede et al., 2010). In these circumstances, IVR might affect people's information needs before they make decisions. People in restrained countries are less confident about their own decisions and, as a consequence, they look more for external information to reduce risk. In other words, people in restrained countries take more account of second-hand information (e.g., online reviews) when first-hand information is scarce (unfamiliar situations). Therefore, the effect posited in H2 might be stronger in restrained countries, which would enhance the persuasiveness of online reviews. Thus, it is posited that higher/lower booking intentions resulting from positive/negative reviews of unfamiliar hotels will be more extreme in restrained cultures:

H4: The moderating effect of brand familiarity on the relationship between online reviews and booking intentions will be higher in restrained countries.

METHODOLOGY

To test the research hypotheses, a 2 (positive vs. negative) x 2 (familiar vs. unfamiliar brand) experimental research design was developed and applied in two countries, Spain and

Mexico, that differ mainly in the IVR cultural dimension. Each scenario featured an image of a real hotel, a brief description of the hotel and an online review. The same image and description were employed across the scenarios. The description indicated that the hotel was part of a worldwide chain. To increase the experiment's external validity, the hotel image was taken from Booking.com and the description of the hotel was adapted from an actual hotel website. In addition, the online reviews were based on real comments posted on Booking.com. Booking.com is a leading online multinational travel agency. Its market share in Europe reached almost two thirds of the total in 2017 (Hotrec, 2018).

The valence and familiarity variables in the experiment were manipulated. First, the online review contained either a positive or a negative opinion about the hotel. The same positive or negative opinions were used in all the scenarios. Second, the hotel name was of either a familiar or an unfamiliar hotel chain. For the former, the well-known Hilton hotel chain was chosen. For the latter, a fictitious name was used (Greenwood Hotel). Finally, each scenario was presented to respondents in two countries, Mexico and Spain, which were selected as examples of indulgent and restrained cultures. The former has a score of 97 in IVR, while the latter only 44 (Hofstede, 2001). These countries have similar scores in other dimensions, except for masculinity/femininity (69 in Mexico and 42 in Spain). Nevertheless, the authors considered that this difference does not compromise the country selection: this particular dimension does not affect the processing of external information (Schumann et al., 2010).

The respondents' booking intentions were measured for each scenario. Scales were adapted from Amaro and Duarte (2015) and Reimer & Benkenstein (2016). The respondents assessed the following items using a 7-point Likert-type scale (from 1-completely disagree to 7-completely agree): if you were to make a reservation at an hotel; (1) the probability of

making a reservation at this one would be high; (2) I would consider making a reservation at this hotel; (3) it is probable that I would make a reservation at this hotel; (4) I would give this hotel a try; (5) I would select this hotel.

Data was collected from a sample of 297 Spanish and Mexican respondents. Toluna, a market research company (<https://es.us.toluna.com/#/>), assisted in the process. The company randomly assigned the 8 groups of participants (4 in Spain, 4 in Mexico) to the 4 different scenarios (combination of positive/negative review and high/low familiarity hotel). Each group contained at least 30 participants from each country (Table 1), which exceeds the minimum of 20 observations per scenario suggested in the previous experimental design literature (e.g., Seltman, 2018). The sample was representative of both countries in terms of gender and age (Table 2) – the demographics are similar to those of Internet users in Mexico and Spain (Asociaciondeinternet.mx, 2018; ONTSI, 2018).

The measurement of Cronbach's alpha confirmed the reliability of the booking intentions scale (0.97, exceeding the threshold of 0.7 suggested by Nunnally, 1978). In addition, to ensure that the experimental design was appropriate to address the research hypotheses, several manipulation checks, which are described below, were undertaken.

Manipulation checks

Assessments were made of: (1) whether the scenarios were credible and realistic; (2) if the respondents correctly perceived the review valence as positive or negative; and (3) whether the respondents correctly perceived the reviewed hotels as familiar or unfamiliar.

Measurements were made of the scenarios' realism and credibility through three items adapted from Bagozzi, Belanche, Casaló, & Flavián (2016). These items were: "The scenario is realistic", "The scenario is credible" (both measured using a 7-point Likert scale); and "How likely is it that would you find an opinion similar to the one shown here?" (from

1, “very unlikely” to 7, “very likely”). The items provided a reliable measure of realism and credibility (Cronbach’s $\alpha = .846$), which were computed as the average of the three items. The results confirmed the suitability of the scenarios. The mean of the measure was 5.23 (standard deviation = 1.21), which is significantly greater than 4 –the central point of the scale– ($t = 73.87$, $p < .01$).

The manipulation of the review valence was tested using one item: “The opinion about this hotel is...”. The answers ranged from 1, “Very negative” to 7, “Very positive”. The positive reviews obtained a mean value of 6.09 (SD=0.91), while the negative reviews reached a mean value of 2.53 (SD=2.13). Hence, the respondents perceived the positive reviews as much more positive than the negative reviews ($t=18.362$, $p<0.01$), confirming successful manipulation.

Finally, the manipulation of hotel familiarity was assessed. The item used was “The hotel that you read an opinion about is...”, with answers ranging from 1, “Highly unfamiliar” to 7 “Highly familiar”. The results of the independent sample t-test ($t=6.357$; $p<0.01$) confirmed a successful manipulation. The familiar hotel reached a mean value of 5.16 (SD=1.66), while the unfamiliar hotel obtained a mean value of 3.95 (SD=1.61). Thus, the respondents perceived the familiar hotel as much more familiar than the unfamiliar hotel.

RESULTS

The hypotheses were tested through an ANOVA using SPSS, v23.0 statistical software. The dependent variable is booking intentions. The independent variables are valence (positive vs. negative), familiarity (familiar vs. unfamiliar) and IVR (Spain vs. Mexico).

H1 assesses the effect of review valence on booking intentions. The participants exposed to the positive review reported higher booking intentions ($M=5.67$; $SD=1.05$) than

those exposed to the negative opinion ($M=3.71$; $SD=1.70$). These differences are significant ($F=150.40$; $p<0.01$), supporting H1 (see Table 3).

H2 proposes that brand familiarity moderates the effect of review valence on booking intentions. The results also support H2 (see Table 3). Hotel familiarity moderated the effect of review valence (Figure 2). The unfamiliar hotels attracted more extreme booking intentions than familiar hotels ($F=12.75$; $p<0.01$). In other words, positive reviews generate higher booking intentions for unfamiliar hotels ($M=5.85$; $SD=.9193$) than for familiar hotels ($M=5.48$; $SD=1.14$). In addition, negative reviews generate lower booking intentions for unfamiliar hotels ($M=3.40$; $SD=1.62$) than for familiar hotels ($M=4.04$; $SD=1.72$).

H3 and H4 analyze the impact of IVR on the eWOM process. H3 posits that people from indulgent countries react more positively to eWOM, regardless of its valence. The results support H3 (Figure 3). The booking intentions of respondents from Mexico were always higher than those of Spanish respondents ($F=11.254$; $p<0.01$; Mexico, $M=4.86$, $SD=1.60$; Spain $M=4.36$, $SD=1.85$). These higher booking intentions occur for both valence manipulations (see Table 4).

H4 proposes that IVR alters the moderating effect of familiarity on eWOM processes. The results also confirm H4 (Figures 4 and 5), indicating that the moderating influence of familiarity is stronger in restrained countries ($F=5.038$; $p<0.05$) (Table 4). To better understand this finding, a further comparison was made of the results from each type of country. The moderating effect of familiarity does not exist in Mexico, the indulgent country ($F=1.146$; $p>0.1$). In contrast, the interaction between familiarity and valence is significant in Spain, the restrained country ($F=12.99$; $p<0.00$). Moreover, the effect size (ω^2) of online review valence in Spain is much higher for negative (.126) than positive reviews (.068).

Although both ω^2 are of medium effect size, the negative online review value is very close to the threshold from which effect sizes are considered large (.140) (Kirk, 2007). The impact of online reviews on booking intentions for unfamiliar hotels in restrained countries is stronger for negative reviews.

CONCLUSIONS AND DISCUSSION

Summary of results

This study analyses the impact of review valence on booking intentions; the results confirm previous research (e.g., Casaló et al., 2015a; Sparks & Browning, 2011; Vermeulen & Seegers, 2009) that showed that higher positive valence elicits higher purchase intentions. The authors take this common finding forward by analyzing whether familiarity and culture modify this relationship. Thus, the present study enhances current knowledge about the influence of familiarity and culture on eWOM processes (Fan et al., 2018; Vermeulen & Seegers, 2009).

In particular, this study analyzes the role of familiarity and the IVR cultural dimension on eWOM processes in the hotel industry. First, it was found that brand familiarity moderates the effect of online hotel reviews on purchase intentions. Positive (negative) online reviews generate higher (lower) booking intentions (confirming H1). These booking intentions (positive or negative) are more extreme for unfamiliar hotels, regardless of review valence (confirming H2). In addition, it was also found that indulgent countries show higher booking intentions than restrained countries, regardless of the valence of the online review (confirming H3). Finally, the moderating effect of familiarity varies according to the IVR cultural dimension (confirming H4); it is greater in restrained countries.

Theoretical contributions

As noted previously, the H1 finding about the differential impact of positive vs. negative online reviews is consistent with previous research about online review valence (e.g., Casaló et al., 2015a; Sparks & Browning, 2011; Vermeulen & Seegers, 2009). The roles of familiarity and IVR were examined to extend the current knowledge about the relationship between valence and behavioral intentions. Hence, this study makes two theoretical contributions to the knowledge about eWOM processes. First, we found that hotel familiarity moderates the effect of online review valence on booking intentions. Booking intentions are more extreme for unfamiliar hotels. This finding is in line with self-perception theory (Bem, 1972), which posits that people look for second-hand information when first-hand information is scarce. Second, the results indicate that this effect is influenced by the eWOM receiver's culture, specifically by its IVR level. People in restrained countries are more persuaded by external information when they encounter unfamiliar hospitality services. Furthermore, people from restrained cultures seem to take more account of negative information.

As to the first theoretical contribution, as proposed in H2, it was found that familiarity moderated the impact of online review valence on booking intentions, which were shown to be more extreme for unfamiliar hotels. This finding is consistent with earlier studies, as intentions elicited by online reviews (positive/negative) are more extreme (higher/lower) for unfamiliar than for familiar services (e.g., Vermeulen & Seegers (2009) achieved similar results examining hotel knowledge). In other words, the effect of eWOM is stronger for unfamiliar hotels. On the one hand, unfamiliar hotels benefit more than familiar hotels when they receive positive online reviews, as booking intentions are comparatively more enhanced. On the other hand, negative online reviews affect unfamiliar hotels more than familiar hotels

in terms of lower booking intentions. This result confirms the appropriateness of self-perception theory (Bem, 1972), which suggests that people lacking first-hand information (in this case, about hospitality services) employ second hand information (namely online reviews) more intensively to develop their behaviors (booking intentions), to analyze eWOM processes.

As to the second theoretical contribution, the results show that IVR is an important cultural dimension for the analysis of the impact of online reviews on booking intentions. Hence, this study confirms the applicability of the IVR dimension of the Hofstede cultural model to eWOM processes. While previous studies found that indulgence works as a precursor of the intention to create eWOM (Wen et al., 2018), the present study also analyzes its impact on eWOM consequences. Thus, the authors bridge the gap in knowledge of how the IVR dimension affects eWOM readers. As proposed in H4, we found that IVR alters the moderating effect of brand familiarity on booking intentions evoked by online reviews (H2). It was found that eWOM produces more extreme booking intentions in restrained cultures. This finding is in line with Hofstede's cultural model (Hofstede et al., 2010) and self-perception theory (Bem, 1972). People from restrained cultures attach more importance to second-hand information (such as eWOM), especially when considering unfamiliar hotels. This can be explained by the fact that, in restrained countries, people are more pessimistic and afraid of losses (Hofstede et al., 2010). The findings also show that negative online reviews are taken into account more with unfamiliar hotels in restrained countries. This finding may also be in line with prospect theory (Kahneman & Tversky, 1979), as people in restrained countries look more to avoid losses than to obtain gains. Finally, as proposed in H3, it was found that IVR has a direct effect on booking intentions. Online reviews yield higher booking intentions in indulgent countries than in restrained countries. This finding is

in line with Hofstede's cultural model; indulgent cultures are happier, more optimistic, more positive and more oriented toward leisure activities than restrained cultures (Hofstede et al., 2010).

Managerial contributions

The present study offers interesting implications for hotels managers. First, managers of all kinds of hotels (unfamiliar and familiar) should be aware of customer satisfaction, which is directly linked to review valence (Swanson & Hsu, 2009). As discussed in the results section, positive online reviews, in general, elicit higher booking intentions than negative online reviews. Thus, a strong focus on customer satisfaction is likely to be rewarded by an increase in the clients' generation of positive online reviews.

Second, managers must be aware that online reviews vary depending on the hotel brand's familiarity. On the one hand, potential customers of more familiar hotels –for example, well-known hotel chains or other reputable enterprises– rely more on their own experience (first-hand information) about the establishment. Managers from highly familiar hotels must try to maintain this level of familiarity to diminish the persuasiveness of negative online reviews. Familiarity, thus, may protect companies from negative online reviews by making them less vulnerable to deleterious comments. Furthermore, managers of familiar hotels should use a range of marketing tools (e.g., television, radio, magazines), rather than just online reviews, to promote their hotels, in order to increase their familiarity and strengthen its protective effect.

On the other hand, low familiarity companies do not enjoy the protective effect of familiarity. Hence, the results underline that the unquestionable importance of online reviews in the hospitality industry (Casaló et al., 2015a; Vermeulen & Seegers, 2009) is even higher for less familiar brands. Firms with less familiar brands should actively encourage positive

online reviews. They should identify highly satisfied customers at the checkout stage and suggest that they post a positive review, given the importance of reviews for future customers and even for the company itself (Bronner & de Hoog, 2011; Yacouel & Fleischer, 2012). To further enhance eWOM, hotels might also remind clients that posting reviews, thereby demonstrating their expertise, on their social networks or online travel agency will increase their reputations with other users (Romero, 2017, 2018). Furthermore, these firms should monitor negative reviews and react accordingly. If they detect dissatisfied customers, managers from low familiarity hotels should try to neutralize their anger to prevent negative reviews and, if possible, even turn their anger into positive feelings. This is in line with the service recovery paradox; that is, consumers express more positive emotions about a company after it solves their problems than they expressed about the company before the problem arose (e.g., van der Heijden, Schepers, Nijssen, & Ordanini, 2013). If the negative reviews persist, the companies should disclose their attempts to solve the cause of the reviews and their consequences, which should make them appear more reliable (Casaló et al., 2015a).

Third, we raise specific implications for hotel managers based on the relationships between familiarity, culture and eWOM valence. Customers of the hospitality industries come from different cultures. Depending on the target market –or the customers’ origins– and brand familiarity, positive/negative online reviews may elicit different consumer responses. In general, positive online reviews enhance booking intentions to a greater extent for unfamiliar than familiar hotels in both restrained and indulgent cultures. However, the results showed that positive online reviews for unfamiliar hotels and customers from indulgent countries elicit higher booking intentions. Managers from unfamiliar hotels with a majority of clients from indulgent cultures should, thus, offer leisure activities (e.g., excursions, parties, special meals, etc.), as these kinds of activities might increase customer

satisfaction due to their cultural values, which may result in more positive online reviews and enhanced booking intentions. In turn, customers from restrained cultures are less comfortable in unfamiliar situations than customers from indulgent cultures. Therefore, the results show that negative –rather than positive– online reviews have a bigger impact on consumers from restrained countries. This finding is in line with Hofstede’s model (2010), as people from restrained countries are more concerned about negative outcomes. Thus, managers of unfamiliar hotels with a majority of consumers from restrained cultures should monitor the valence of their reviews and be ready to neutralize the negative ones as soon as they appear.

Finally, in general, online reviews, regardless of valence, yield higher booking intentions from people from indulgent than restrained cultures. Managers of hotels with clients from indulgent countries should encourage them to write online reviews. The impact of negative online reviews, although important, might be less relevant for these managers and, hence, there may be less need to respond to them urgently, due to the optimism inherent to indulgent cultures. These indulgent culture characteristics might dilute the negative effect of online reviews.

Limitations and further research

This study has some limitations that should be acknowledged to better assess its results. First, the online reviews are of large enterprises. This might influence the results, by increasing respondents’ purchase intentions. In addition, small and medium enterprises might have special features (e.g., a lower service standard) that alter the role of familiarity and, even more, the importance attributed to positive vs. negative comments. Thus, future studies should assess whether these roles vary with company size. Second, the Hilton hotel chain was used for the high familiarity condition. Brand associations and the respondents’ previous experience with this chain might influence their purchase intentions answers. Therefore, the

results should be treated with caution. Finally, the findings are limited to the hotel industry and to Mexican and Spanish cultures. To generalize the results to other hospitality services and countries will require the replication of the study in other contexts. This could constitute an interesting avenue for further research. In addition, future research might evaluate the consistency of the findings across several familiar brands. Where diverging results are achieved, further research might examine how brand characteristics moderate the role of familiarity in the eWOM process.

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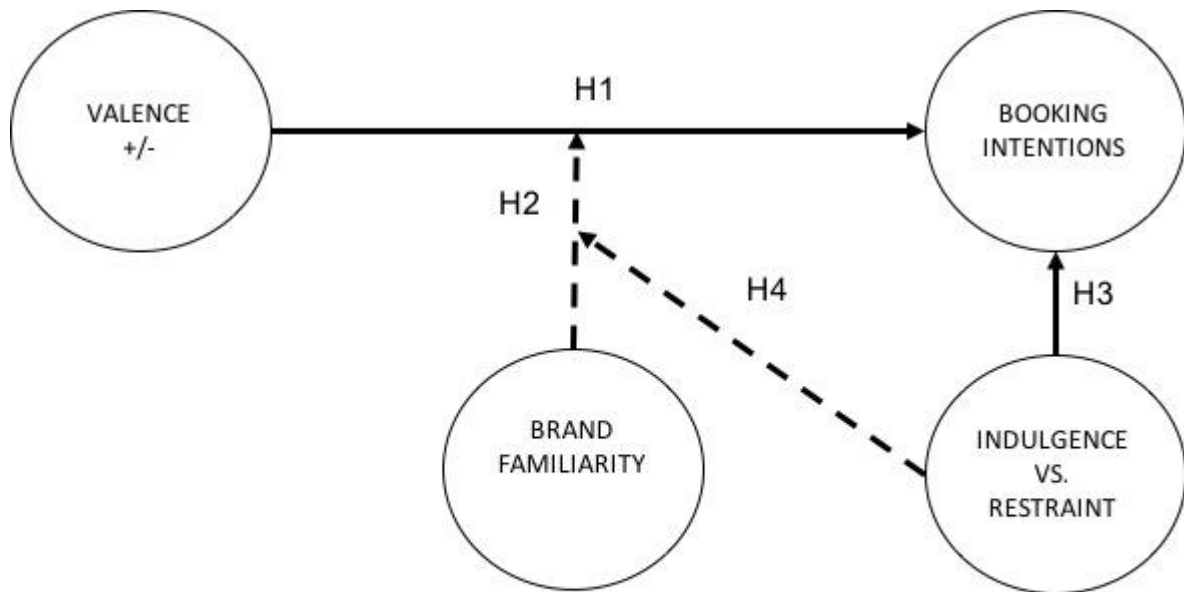
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Figure 1. Research model.



Note: H2 and H4 are moderating effects

Figure 2. Interaction effect. Overall booking intentions.

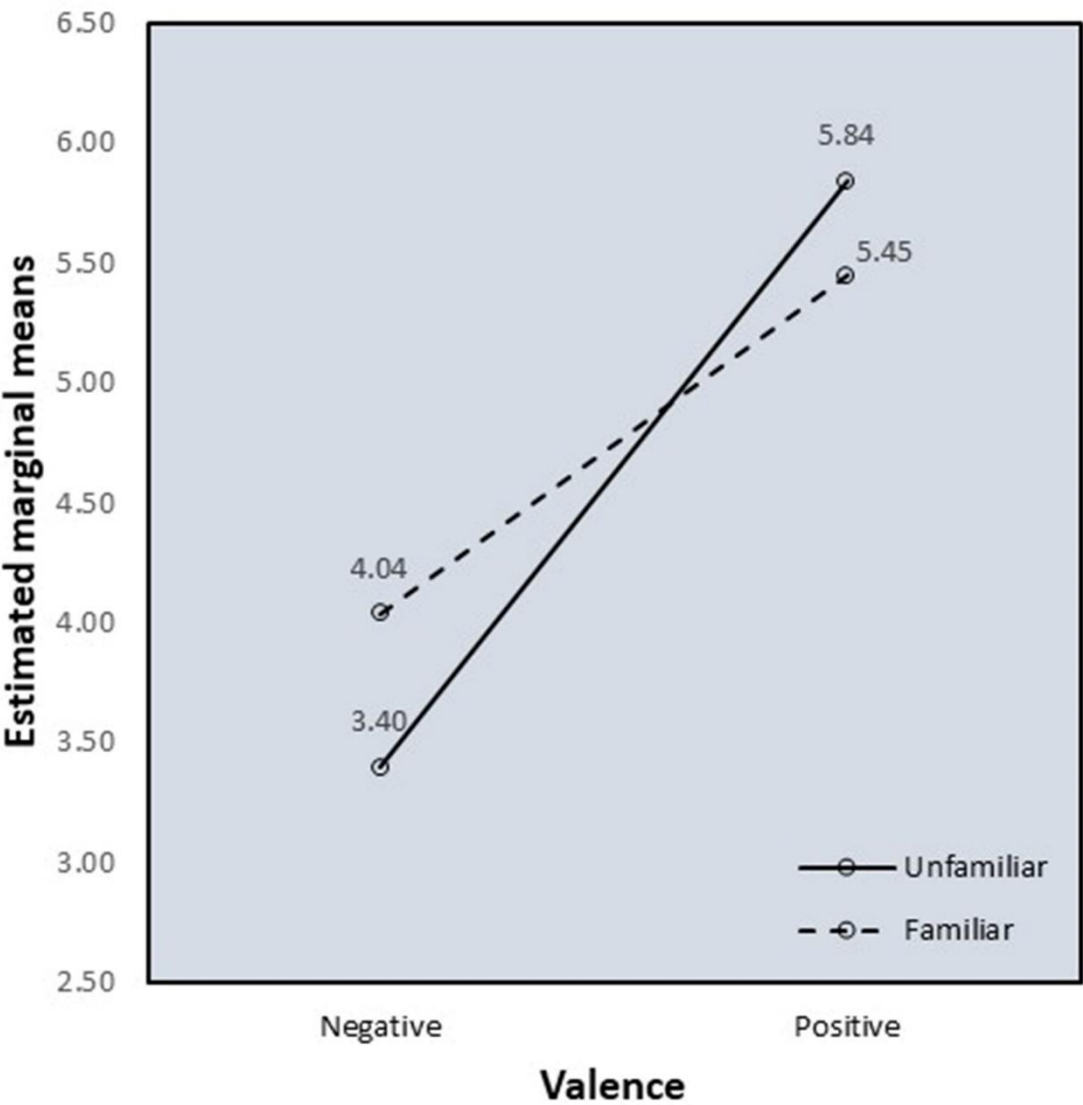


Figure 3. Direct effect. Booking intentions by country.

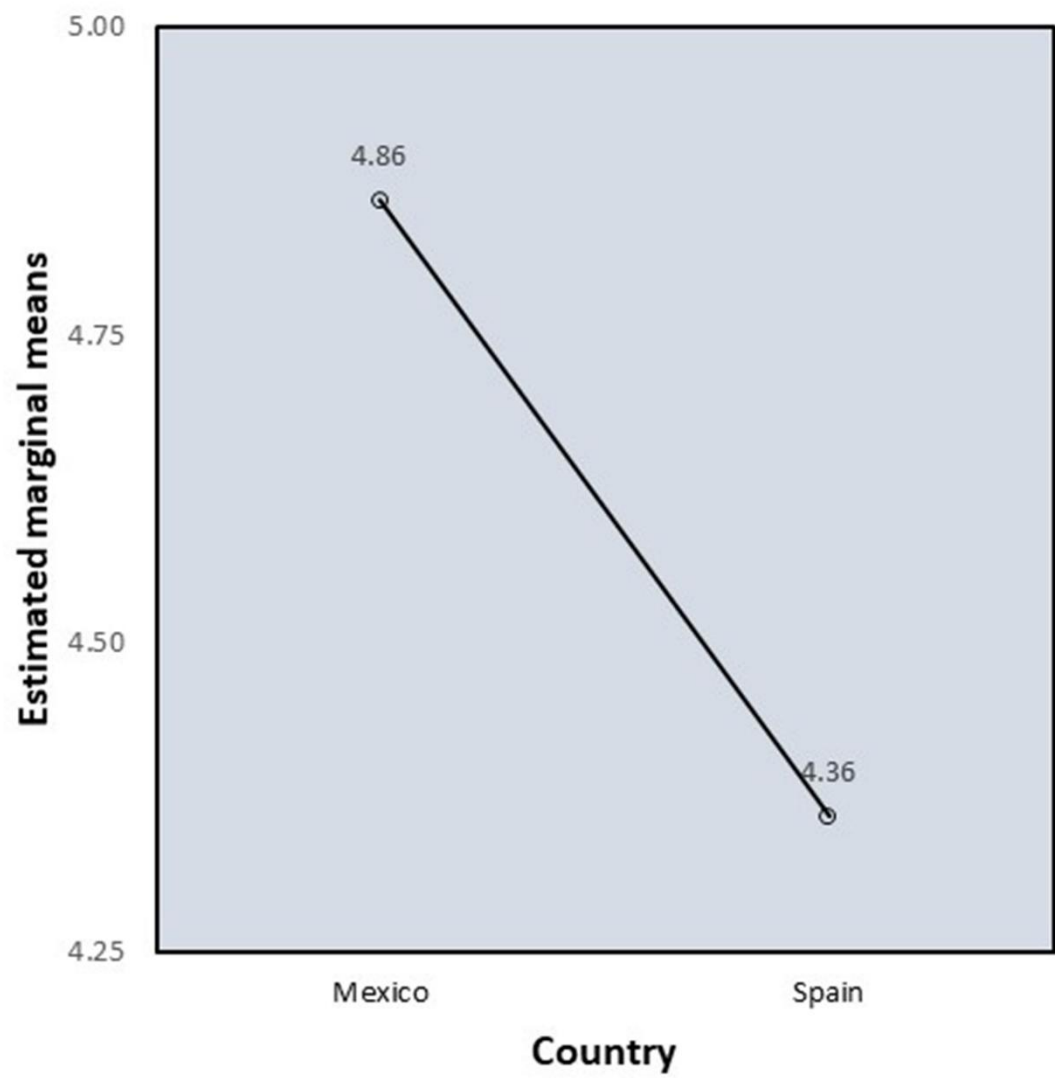


Figure 5. Interaction effect. Means of booking intentions in México.

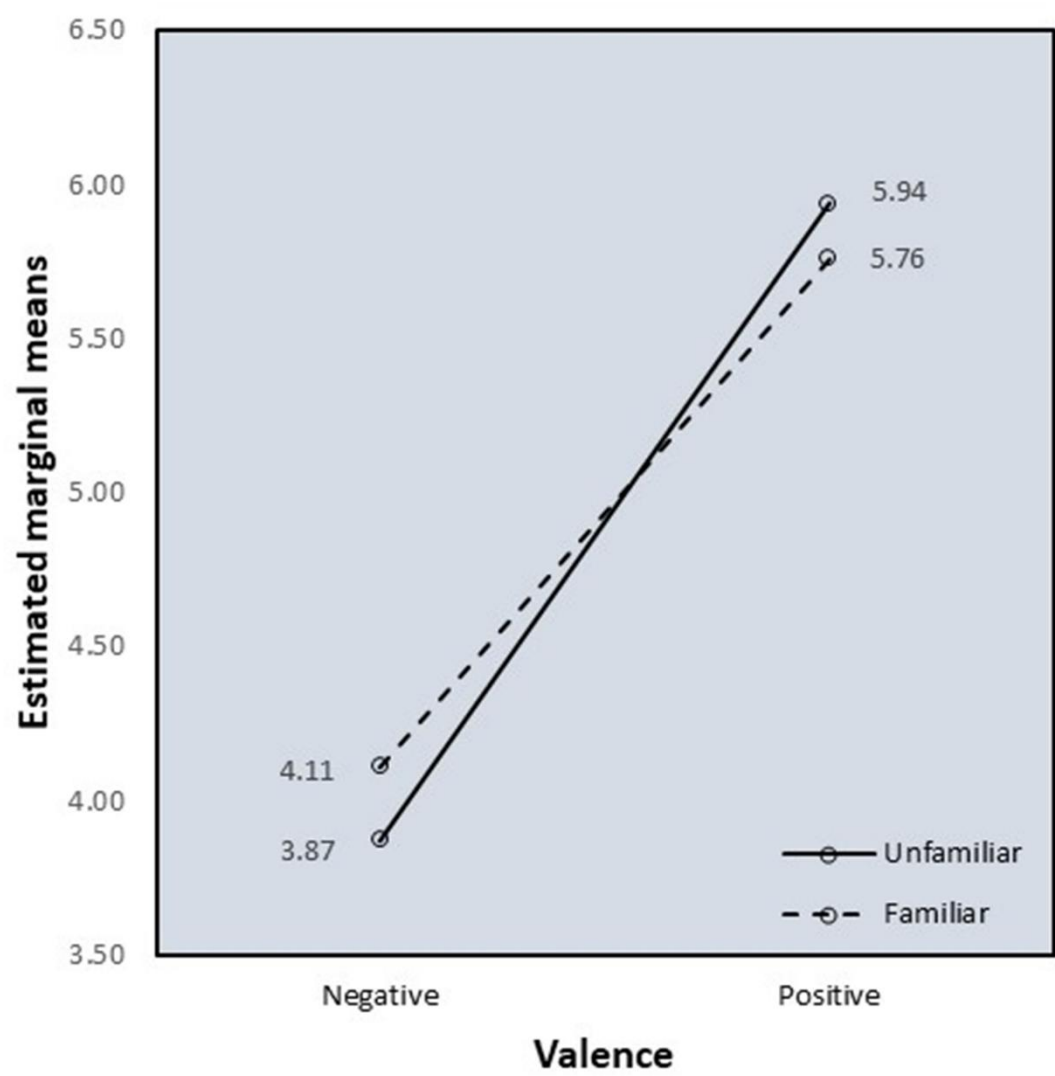


Figure 6. Interaction effect. Means of booking intentions in Spain.

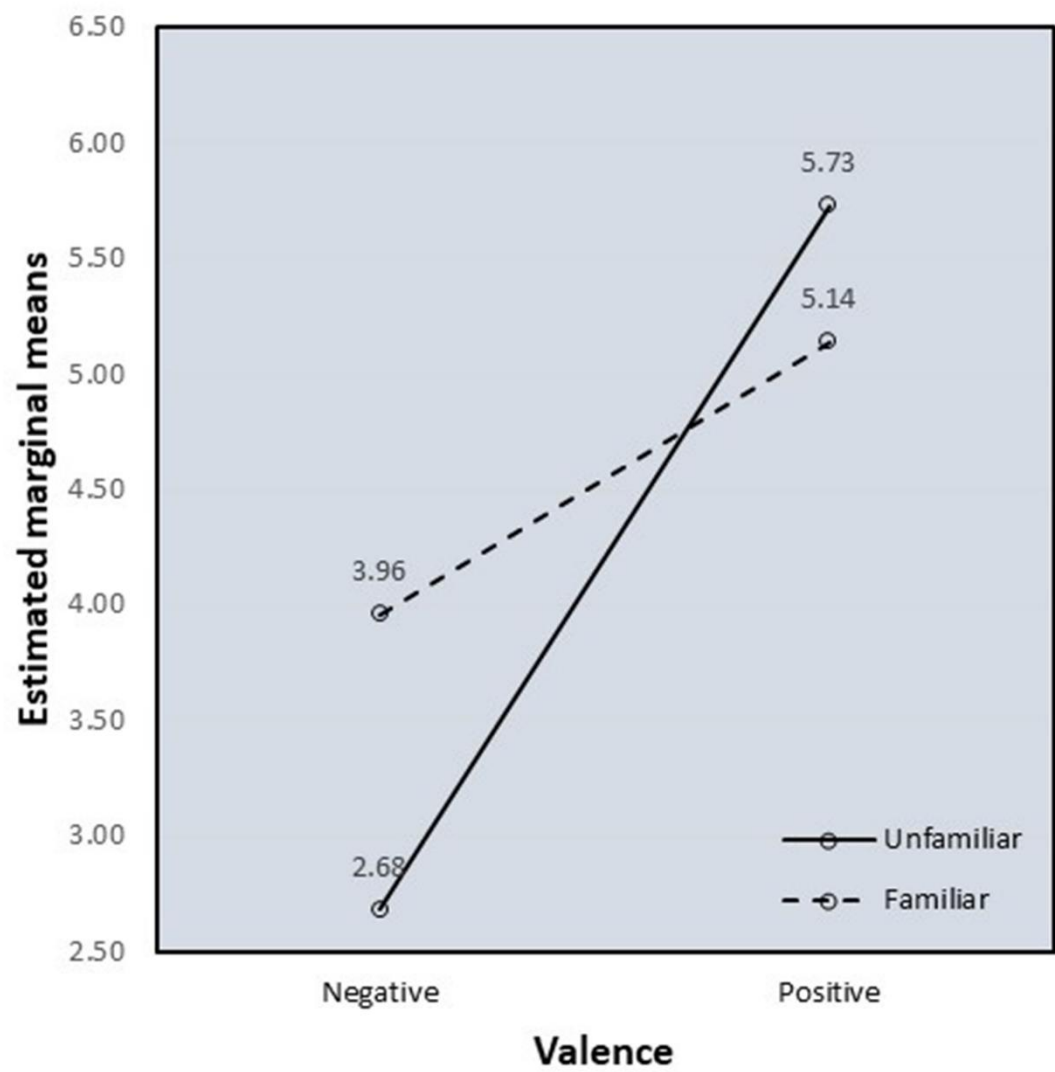


Table 1. Scenario's distribution

		Brand					
		Familiar			Unfamiliar		
		Spain	Mexico	Total	Spain	Mexico	Total
Review valence	Positive	31	41	72	30	40	70
	Negative	33	43	76	31	48	79
	Total	64	84	148	61	88	149

Table 2. Sample demographics.

Spain	Current	Spanish	Mexico	Current Research	Mexican
	Research	Internet		Project	Internet
	Project	Users			Users ^a
Sample	125		Sample	172	
size			Size		
Age			Age		
15-24	15.2%	13%	<24	34,88%	41.7%
25-34	16.8%	16%	25-34	31.96%	22.6%
35-49	34.4%	33%	35-44	20.93%	16.7%
50-64	25.6%	24%	45-54	8.7%	10.7%
>65	8%	13%	>55	3.48%	8.3%
Gender					
Male	48.8%	50.54%	Male	35.5%	51%
Female	51.2%	49.46%	Female	64.5%	49%

Table 3. Main effect of the online review valence on booking intentions and the moderating effect of brand familiarity.

Booking Intentions	Positive	Negative	F-Score	P	Result
Overall	5.67	3.72	150.41	<0.01***	H1
					Supported
Familiar	5.48	4.04	12.751	<0.01**	H2
Unfamiliar	5.84	3.40			Supported

Note: (***) significant at a 99%

Table 4. Main effect of the online review valence and the double moderator effect on intentions.

Booking Intentions	Spain	Mexico	F-Score	P	Result
Overall	4.36	4.86	11.254	<0.01***	H3
					Supported
	Valence	Valence			
	Positive/Negative	Positive/Negative			
Familiar	5.14/3.96	5.76/4.11	5.038	<0.05**	H4
Unfamiliar	5.73/2.68	5.94/3.87			Supported

Note: (**) significant at a 95%; (***) significant at a 99%