What Makes Potential Tourists Trust the Managerial Response of the Hotel? - The Three-Way Interaction of Ability, Benevolence, and Integrity

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Abstract. Potential customers are likely to rely on online reviews as e-WOM. While review from negative consumer has an impact on customers' decision-making, the response of hotel to negative review is also perceived as a signal of restoring trust. Although three dimensions of trust (ability, benevolence, and integrity) have significant effects on the overall trust of consumers, it is still an open issue how the three variables interact. To fill this gap, current study investigates a three-way interaction effect of the dimension of trusting belief in managerial responses by experimental analyses. The results suggest that the hotel's ability to handle the issue is the most important consideration for hotel management. Attitude toward hotels is high even if only one of benevolence and integrity is high under conditions of high ability. In contrast, attitude is only high when both other dimensions are high simultaneously. This study has implications for understanding the distinct effect of each dimension of trusting belief in online review systems and providing insights into effective managerial response strategies from the perspective of trust.

Keywords: Negative online reviews · Managerial response · Trusting belief · Ability · Benevolence · Integrity

1 Introduction

Electronic word-of-mouth (e-WOM) has become a major information source for decision-making with the development of the internet [1]. Because of the intangible nature of experience goods [2], potential tourists make inferences about the quality of such goods before consumption [3]. Considering to easy accessibility of potential consumers to online review sites, online reviews have extreme power in tourism-related

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decision-making [4]. However, from the perspective of hotels, negative customer experiences or evaluations in online review impact not only the image and reputation but also performance by remaining on sites for a long time [5]. Therefore, negative reviews are related to one of the challenges that hotels have to seek an effective way to manage [6]. Managerial response strategies carry weight in the building of the hotel's trustworthiness to potential consumers [7–10]. While some literature on hotels' managerial responses is emerging in perspectives of service recovery of the visited consumers [9, 11, 12], the tourism literature lacks an understanding of the impact on managerial response as a signal able to restore trust to potential consumers.

The purpose of this paper is to understand how hotel management attenuates the negative effect of unfavorable reviews by rebuilding trust with an managerial response [7, 12]. Although trust can lead to forming trust and a positive attitude toward hotels [13, 14], significant questions remain unanswered pertaining to which is effective in forming trust among trusting belief. Therefore, we investigate a three-way interaction effect of the ability, benevolence, and integrity on the attitude toward the hotels of potential consumers who read the negative online review of the hotels. Through this study, we contribute to identifying what dimensions may help restore trust in the context of online reviews. The results of this study also yield practical implications for industry leaders and hotel managers who must address managing negative online reviews.

2 Theoretical Background and Research Model

Due to information asymmetry, online consumers seek a trust signal to reduce the uncertainty of risk [15]. Since trust occurs in the mutual relationship, consumers perceive the characteristic or attribute of trustees which is defined as trusting belief [16–18]. Given that managerial response shows the intercommunication, it has a strong power over potential consumers' perception, working as a trust signal [9, 12]. Prior research has suggested that trusting beliefs from the managerial response are antecedents of customers' decision making [18, 19]. Trusting belief is a multifaceted concept consisting of three dimensions: ability, benevolence, and integrity. Even though attributes are interrelated to each other [16], it is necessary to judge the dimensions at each level for understanding effective management strategies [20]. Research considering how managerial response should be organized with the perspective of trust re-building is insufficient [21]. Therefore, we identify to examine the influence of three dimensions of trusting belief in managerial response on potential customers' attitudes.

To date, while the ability has distinct effect on trustworthiness capturing the capability of the trustee, benevolence and integrity has been studied as redundant concept and do not have a significant impact on behavior outcome [12]. Therefore, in this study, we are intended to figure out the effect of benevolence and integrity of managerial response on customer intentions respectively. We hypothesized like below with ability moderation;

H1: Ability moderates the effect of benevolence on attitude such that, under high (vs. low) ability, the effect of a stronger (vs. weaker) benevolence is higher on attitude of potential tourists.

H2: Ability moderates the effect of integrity on attitude such that, under high (vs. low) ability, the effect of a stronger (vs. weaker) integrity is higher on attitude of potential tourists.

Although there is research evidence that ability, benevolence, and integrity have significant effects on overall trust [14], it is still an open issue how these three variables interact. When a trustee is perceived to be high on all three dimensions, trust for the trustee should be high [16]. But it is difficult to be sure whether all three attributes must be present at a high level to engender trust or would high levels of one or two of these attributes be sufficient. Therefore, we propose the hypothesis as follows:

H3: The ability in managerial response moderates the two-way interaction between benevolence and integrity in managerial response, such that the moderating effect of integrity differs for high ability and low ability of managerial response.

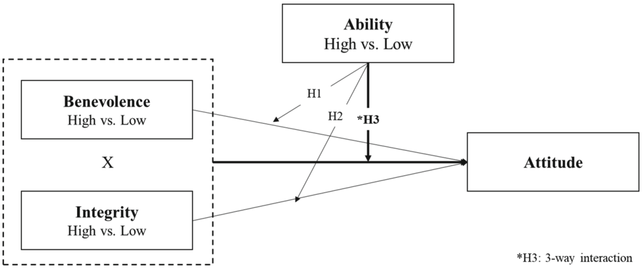

Fig. 1. Research model

Figure 1 illustrates the conceptual model and all hypotheses which were tested in three experimental studies respectively. It is expected that the experiment studies provide strong empirical evidence for causality, showing cause-and-effect relationships because the independent variables are exogenously manipulated [22, 23].

3 Methods and Results

WE conducted three studies to examine the hypotheses with a total participant of 913 online panels (study 1 = 242, study 2 = 254, study 3 = 417). All participants were asked to imagine that they read an online review to book a hotel room for their upcoming trip. Researchers developed a scenario mainly based on prior studies by Sparks et al. [6] and Surachartkumtonkun et al. [24]. Participants were randomly assigned to each experimental condition (Study 1: ability x benevolence/Study 2: ability × integrity/Study 3: ability x benevolence x integrity).

In study 1, we conducted a 2 (benevolence: high vs. low) × 2 (ability: high vs. low) ANOVA on the attitude to test H1. We found a significant interaction effect of two experimental factors on attitude toward hotel (F (1, 240) = 4.497, p = .035, η2 = .019), supporting H1. In the low benevolence condition, participants' attitude toward hotel was higher when level of ability is high (M_high ability = 4.10, SD = 1.85) than level of ability is low (M_low ability = 3.47, SD = 1.68, contrast F (1, 240) = 4.680, p = .032, η2 = .019). Study 2 provided the empirical evidence for testing H2. A 2 (integrity: high vs. low) × 2 (ability: high vs. low) ANOVA was conducted. The findings indicated that only the main effect of ability was significant. In particular, the attitude toward hotel was higher for the participants in high level ability group (M_high ability = 4.05, SD = 1.76) than for those in low level ability group (M_low ability = 3.49, SD = 1.53; F (1, 252) = 7.424, p = .007, η2 = .029).

Lastly, 2 (benevolence: high vs. low) × 2 (integrity: high vs. low) × 2 (ability: high vs. low) ANOVA on the attitude toward hotel was conducted. The results showed that the three-way interaction term between those dimensions had a significant effect on attitude toward hotel (F (1, 414) = 6.805, p = .009, η2 = .016), supporting H3. In high ability conditions, the difference between high and low integrity was found to be only significant in low benevolence group (p = .003), but not in the high benevolence group (p = .518). In contrast, in the low ability conditions, the difference between high and low integrity was found to be only significant for the participants in high benevolence group (p = .004), but not in the low benevolence group (p = .203).

4 Conclusions

This study explored a three-way interaction among trusting belief variables in predicting attitudes toward hotels in the context of the webcare strategy. The results suggest that under conditions of high ability, attitude toward hotels is high even if only one of benevolence and integrity is high. However, under conditions of low ability, attitude toward the hotel is only high when both benevolence and integrity are high indicating that the two variables act as substitutes for each other. In short, hotels should manage negative online reviews in order for potential tourists to perceive the hotel's ability to handle the issues of complaints through managerial response. Theoretically, these findings expand the role of managerial response in improving the attitude of potential tourists in the perspective of trust and thus enhance scholars' understanding of what dimension is most effective in forming trust among ability, benevolence, and integrity. Practically, the implications are drawn from this research regarding the effect of managerial response on forming a positive attitude toward hotels to better determine strategies to manage negative online reviews. Specifically, we suggest that ability to solve the problem is the most important factor to change the attitude of potential tourists.

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