

How Do Review Platforms Affect Reviewees?

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On my honor as a University Student, I have neither given nor received unauthorized aid on this assignment as defined by the Honor Guidelines for Thesis-Related Assignments

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Introduction

With internet 2.0, review platforms became increasingly prevalent, allowing people to not only read but also write on arbitrary websites about their experiences and opinions. Reviews on Google Maps, Yelp, Airbnb, TripAdvisor, Amazon, and Facebook significantly impacted consumer behavior and affected business owners in various ways. I wanted to investigate specifically how these review platforms affected the business side.

Background and Significance / Motivation

Businesses are substantially influenced by the reviews on these platforms. Positive reviews on Google Maps, Yelp, and TripAdvisor increases a business's visibility, build customer trust, and lead to higher foot traffic, more sales, and overall growth. Favorable ratings and testimonials on platforms like Airbnb and Amazon promote consumer confidence, driving up bookings and purchases. (Luca, 2016)

On the other hand, a lack of or predominantly negative reviews results in reduced customer interest, declining sales, and ultimately, potential revenue loss. (Edwards, 2021; Luca, 2016)

Furthermore, the psychological impact of reviews on business owners should not be underestimated. While positive feedback motivates owners to continue improving their products and services, negative feedback leads to stress, anxiety, and self-doubt. (Sweeney et al, 2014)

Personally, I hardly visit a restaurant with less than 4 out of 5 stars on a review platform, unless another source tells me otherwise.

Literature Review

Research shows that a one-star increase in a Yelp rating can lead to a 5-9% increase in revenue, and 86% of Americans consult online reviews before selecting a local business. Since the pandemic, consumer interaction with reviews has increased by 50%. (Luca, 2021; Geller, 2022)

Sometimes consumers do not use all available information, are more responsive to visible quality changes, and are more strongly influenced by reviews with more information, such as a higher number of reviews or "elite" reviewer status.

Methods

To gain a deeper understanding of the emotional experiences of business owners and Airbnb hosts in relation to online review platforms, I used a qualitative research approach. I sent open-ended surveys to a dozen of Airbnb hosts, asking their opinions on the Airbnb review system. By focusing on open-ended questions, I can capture a more in-depth exploration of their emotional experiences. To help them against procrastination, I asked them to write as little or as much as they want.

I was about to send all surveys equally to all the owners. But shortly after I sent my survey to the 3rd owner, he called me, and we talked thoroughly about his experiences. This led me to review my surveys before I sent the rest of them in batch.

Discussion / Results

I received multiple feedbacks from various Airbnb hosts.

One host mentioned that short-term rental platforms, such as Airbnb, are “client-centered until it benefits them”. This host experienced biased reviews, with some people leaving reviews without staying at the place. This host also mentioned that the check-in process became more complicated due to Airbnb's protocol. Despite these challenges, the host acknowledged that Airbnb has a good claims system.

Another host highlighted the importance of reviews and ratings, stating that they account for about 40% of the decision-making process for guests. Short negative reviews can be detrimental to a host's reputation. They suggested having an option for people to explain no-shows, and the need to ensure that reviews are honest and accurate.

Several hosts emphasized the importance of reviews to improve their services and ensure guest satisfaction. They viewed all feedback as valuable for identifying areas of improvement. This was a unique perspective. They didn't feel that reviews are detrimental to their business, but rather rely on them for customer insights.

But of course, some hosts expressed discouragement and frustration when they received bad reviews or low ratings. One host wished for a feature to block guests who left negative feedback.

A few hosts noted that the mutual review system on Airbnb is essential for maintaining good behavior from both hosts and guests. They believed that this system created a sense of accountability and pressure to be a good host or guest, which would not exist without the consequences of receiving bad reviews.

Conclusion

The responses from Airbnb hosts revealed a range of experiences and perspectives on the impact of review platforms on their businesses. While some hosts found the review system helpful for improvement, others experienced challenges related to biased reviews and inaccuracies. Overall, the feedback highlighted the importance of honest and accurate reviews in shaping the experiences of hosts and guests alike.

Online consumer reviews, play a significant role in shaping the restaurant industry. With a one-star increase in rating resulting in a 5-9 percent (Luca, 2016) revenue boost, independent establishments benefit most from positive reviews, while chain restaurants remain relatively unaffected. Reviews significantly affects customer behavior and shapes the business.

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