The Influence of Ratings on Choosing Accommodation

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Abstract

Present research is inspired to study the effects and influences of customer ratings and reviews on choosing a hostel accommodation. The hostel industry is one of the fastest growing fields of tourism. Several studies already exist about the influences of ratings, concentrating mainly on hotels. However, using the same results for hostels, might lead to false conclusions. Not only the natures of the two accommodations are different, so as the customers. Hostels target mainly youth travelers, which includes the age group from 20 to 35 years. Youth travelers, often called "Generation Y" have specific expectations, needs, and budget which indicate the importance of study at this field as well. The research studies the youth traveler's booking habits, expectations before arriving to the accommodation, how often they leave reviews and rate hostels, what is the most important aspect when they are choosing the establishment, importance of how high the rating is, whether they read the reviews before booking an accommodation, and what a hostel has to have to give them 100% rating and a good review.

Keywords

Hostel, rating, review, price

In the past few years, the importance of internet related travel planning has grown to the point where most accommodations have their own websites, listed on Online Travel Agencies and have social media profiles. Very important segments of all these websites are the customer ratings and reviews. The high influence of ratings on choosing a hotel accommodation is well-known. Establishments with low ratings or inconvenient reviews have less possibility to sell their products. Higher rating suggests better reputation, hence higher possibility of sales. Further researches are needed on this field, as this phenomenon is significant in the decision-making process for managers, marketing and sales professionals. Understanding the psychological and professional explanations and effects of ratings and reviews is necessary in the tourism and hospitality industry.

However, the relation between hotel bookings and reviews are well-documented, these statistical data not always apply for hostels. Even so, hostel professionals discuss and compare their opinion about the subject on forums¹, comparing hotels and hostels, they discuss, there are some differences what confirm a need for academic and professional studies.

One of the most significant differences is the guests of the two types of accommodations. Hostels attract travelers between 18 and 35 years who have different needs, interests, purposes, and travel budget

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than more measure guests. This age group is defined as “Generation Y”, also known as “Internet Generation” as they have grown up in the period of time when they always have had access to modern technology such as internet, computers, or mobile phones. They rather communicate through e-mail or messaging than personal contact, and the source of information is mainly the internet (Geldens and Zardo 2009). With travel terms, these high-tech and socially connected young travelers are described as flashpackers.

Sixty-five percent (65%) of young travelers use the internet to make a reservation for accommodations. Although, most of the online bookings are still made on computers, because often the applications for electronic devices like smart phones or tablets do not work well, they are slow, letters are too small and users still do not trust enough to provide their credit card information through them. Therefore, during their travels, flashpackers particularly use their devices for collecting information, such as reading reviews and connecting to social media. Relying on data of ITB (International Tourismus Börse), Berlin, World Travel Report (2013), the highest users of social media and review sites are Chinese (95%), Brazilian (84%), North American (65%), and European (61%) youth travelers.

According to the latest statistics, in 2013, 81% of guests claimed that reviews are important in the process of decision-making and 49% agreed they would not book a hostel without any online reviews². The product reviews provide more information for travelers, also other people’s opinion increases or decreases their confidence. Why reviews are more important to the potential customers in the travel industry than in case of another product? In case of travel services, there is a lack of direct experience, in other words, customers can not try the product before they buy it (Senecal and Natal 2004). This could be the reason why travelers who are familiar with review

sites are more interested in negative feedbacks than positives (Ricci and Wietsma 2006).

PSYCHOLOGICAL BACKGROUND: CONFORMITY AND ANONYMITY

Conformity

The definition of conformity is the following: “Conformity is the act of matching attitudes, beliefs, and behaviors to group norms. Norms are implicit, unsaid rules, shared by a group of individuals that guide their interactions with others...” (Smith and Mackie 2004). Conformity is also known as majority influence. The term conformity is often used to indicate an agreement to the majority position, brought about either by a desire to “fit in” or be liked (normative) or a person lacks of knowledge and looks to the group for guidance or because of a desire to be correct (informational), or simply to conform to a social role (identification) (McLeod 2007).

Anonymity

People in groups tend to lose some of their own self-awareness and self-restraint. They become less of an individual and more anonymous. Their identity is covered, so they tend to do or say things what they would not necessarily do or say out loud. Anonymity is the most common way to leave a review on the internet. Most review websites separate the commenter and what he is saying. This phenomenon is called “online disinhibition effect” (Konnikova 2013). Anonymity has also a positive effect by promoting a greater sense of community identity, users do not have to worry about their personal data which increases creativeness and honesty in either leaving positive or negative reviews. According to a study of the Arisona University (2012): “... anonymity in computer interactions, researchers found that while anonymous comments were more likely to be contrarian and extreme than non-anonymous ones,

they were also far less likely to change a subject” (Konnikova 2013).

MATERIALS AND METHOD

Data Collection and Sample

The survey was created in order to collect data about the influence of ratings on choosing accommodation with specific regard to hostels. It was translated to three languages: English, Spanish, and Hungarian. The survey was available in online and offline format. The questionnaire was created on the website³ which enabled it to be shared on further web pages and social media⁴ also via personal emails. Data of the printed surveys were collected at *Inhispania-Escuela de Español*, Madrid, Casa España Hostel Madrid, Budget Hostel Budapest, Treestyle Hostel Budapest, and Wombats Hostel Budapest.

The survey forms were available during the period from July to September of 2014 in the three mentioned languages. The survey was completed by 234 volunteers from eight different countries: 58 from Hungary, 34 from Australia, 33 from Germany, 33 from the United Kingdom, 27 from Brazil, 21 from the United States, 19 from the Netherlands, and nine from Bulgaria.

Responses were analyzed anonymously, only their country is reported in order to protect the privacy of the participants.

Data Analysis

Rating habits and opinions about reviews. There are three questions in the survey regarding the opinion of the participants about reviews. The first question is intended to study if they read the online hostel reviews before they book the accommodation. The 90% of the complete sample responded “yes” to the question. The responds show the same tendency in all countries.

A very high (85%) rate of all respondent believe reviews and the rating on the online websites are real and they are trustable. Responds were explicitly

tending to the same answer, only in the United Kingdom (27%) and Australia (18%), a small range of responders had some doubts and said that they did not believe online reviews are trustable.

The last question what refers to the opinions and rating habits was intended to study how often participants leave reviews after they stay in an accommodation, additionally rather they rate the establishment if they liked it or if they did not.

Nearly the half of the participants (41%) say that they never leave a review. This tendency occurs in all countries, except in Brazil, where most respondents say they do leave a review (48%). Relatively high rate of responds tend to leave a review only if they liked the place in Hungary (20%), in Australia (24%), in Germany (27%), in Brazil (30%), in the United States (24%), and in Bulgaria (44%). In the United Kingdom and in Netherlands, respondents say that they most likely leave reviews when they disliked the accommodation: 27% in the United Kingdom and 16% in the Netherlands. In the United States, none of the participants would leave a review only if they disliked the establishment. Rate of responses are shown on Figure 1.

Influence of ratings on decision-making. Four further questions of the survey were intended to study how the ratings and reviews make an impact on the choice of accommodation.

The first question was inspired to measure the level of importance of the reviews. A four point Lickert scale was used to ascertain to which degree the respondents think the reviews influence their decision-making process. The four points are ranging from “Not Important” (1) to “Very Important” (4).

Fourty percent (40%) of the total sample say that reviews are important, 29% think they are somehow important, 28% believe they are very important, and only 3% say that reviews do not effect their decision-making process. Figure 2 shows the level of importance in each country. In the Netherlands and Bulgaria, most respondents tend to agree with

Figure 1. Do You Leave Reviews After You Stayed in an Establishment? Source: the author's own research.

Figure 2. The Level of Importance of Reviews in Decision-Making Process. Source: the author's own research.

“Somehow Important” (47% in the Netherlands and 56% in Bulgaria) while less proportion marked “Important” (32% in the Netherlands and 44% in Bulgaria). Most participants find reviews “Important” in the United States (50%), Hungary (46%), and

Germany (42%). In Australia, “Important” and “Very Important” responses are close with 38% and 35%. The highest rates of responses for “Very Important” are in the United Kingdom and Brazil with 55% and 48%. The only country where people marked “Not

Important” with quite high rate is in Netherlands (16%).

Most of the respondents (45%) agree that the lowest rating they would book an accommodation would be 70%. Figure 3 shows that the highest rate of participants voted for 70% in Hungary (38%), in Australia (67%), in the United Kingdom (61%), in the United States (42%), in the Netherlands (48%), and in Bulgaria (67%). Nearly the same range of participants choose 80% as the lowest acceptable rating for a hostel in Hungary (36%) and in the United States (38%). In Brazil, the majority (59%) of the respondents believe 80% is the lowest rating they would book a hostel with. The highest rate (31%) of German respondents say 60% is the acceptance limit, however, 27% of participants marked each 70% and 80% as the limit. Furthermore, 24% of Australian, 26% of Dutch, and 33% of Bulgarian respondents choose 60% as their acceptance limit. The highest rate of responds for 50% limit came from Hungary and Germany, both 12% of the participants.

Seventy-seven percent (77%) of the total sample answered they would rather choose a cheap hostel with lower rating (80%), than a more expensive one with a higher rating (90%). The highest rate of responds came from the Netherlands, where 95% would choose the lower rating and price combination. Brazilian responds are the highest (33%) for higher rating and price.

Ultimately, the responses of the last question about the effect of ratings and reviews show that 59% of the complete sample would not book a hostel with many negative reviews even if they liked the profile and description of the accommodation before they checked out the reviews. All countries’ responds show the same tendency except for Bulgaria, where 67% of respondents would still choose the accommodation they liked before reading other guest’s opinions.

Expectations and needs. According to the 42% of the sample, the price of the hostel is the most important factor when they choose an accommodation.

There is the same tendency of responses in all countries. Twenty-eight percent (28%) of the total sample chooses the location as the second most important factor. The third factor is the ratings and reviews (13%). This factor is especially important in Brazil where 25% of participants have chosen it, which makes Brazil the only country where ratings and reviews were selected as the second most important factor not the location. Other factors seem to be less important in the decision-making process: atmosphere (8%), cleanliness (5%), friendly staff (1%), comfort (1%), facilities (1%), and safety (1%).

After measuring what participants look for when they book a hostel, the next question intends to explore what customers appreciate the most to rate the accommodation as 100%. The first three most important values are: cleanliness (24%), location (23%), and friendly staff (21%). Other responses with small percentage are the followings: good atmosphere, facilities, service, comfort, great food, style, good marketing, if it does not have bugs, if the hostel is better than its negative reviews, it is impossible to give 100% for a hostel, air-conditioning, good customer service, only if the hostel is perfect, quality, breakfast, leave an impression, good memories, bar, friendly place, activities, offer what they advertise online, e.g., free beer, private bathrooms, like Wombats Hostel Budapest.

Price was very important before making the booking, however, according to all participants, price is not the most important value to give maximum rating to the hostel (5% of the complete sample say price would be the most important value). In most of the countries, the first three values represent the highest range of responses, however, there are some countries where other factors are important too. The responds of Australia (18%) and the United Kingdom (16%) mentioned facilities, mostly Wi-Fi or internet access. Good atmosphere was important in Germany (10%), Brazil (13%), the United States (16%), and Bulgaria (15%). Brazilian responders mentioned with

Figure 3. The Lowest Rating What Is Still Accepted to Book a Hostel With. Source: the author's own research.

Figure 4. Comparison of Values Before and After Booking. Source: the author's own research.

quite high range safety (17%) and 7% of Dutch responders marked breakfast as important value. Regarding the price, highest range of responds came from Bulgaria (10%) and Germany (7%).

Figure 4 shows the comparison the most important values in the two questions. In general, there are three highly important values before customers make the booking: Those are the price (42%), the location

(28%), and the reviews (13%). Location (27%) was also important when customers rate the hostels, but other values are significant as well: cleanliness (24%), friendly staff (21%), facilities (9%), good atmosphere (10%), and safety (6%). Price and reviews are not the main factors what customers consider when they rate a hostel.

SUMMARY

The research presents how the ratings and reviews influence the decision-making process on choosing accommodation. As other studies and statistical data also suggest, most people do read the reviews and the rating of any accommodation what makes a significant impact on whether they choose the product. Most participants of present study believe the reviews are trustable, however, the majority of them never leave any reviews, they only read other people's comments. There is also a small range of responses suggesting reviews are not trustable according to the participants of the United Kingdom and Australia. Anonymity allows people to express their opinion without any consequences, therefore that is the reason reviews indicate trust, probably that is why most people think reviews are real and trustable. Most online rating websites facilitate customers to leave a review by offering some compensation like possibility to win a free night in any hostels. This simple marketing strategy could imply some doubts about how real the reviews are.

According to the 56% of the participants of the study, guest reviews would influence their decision-making process in a way that they would not book an accommodation if they read some negative feedback, even though they liked the description, profile, and pictures of the property before. With psychological terms, this phenomenon is called conformity. Most people has no experience or knowledge of the actual accommodation, therefore, they tend to modify their opinion if the group—in this

case, the group of previous guests says otherwise. This is called informational conformity.

There are some differences about habits of rating in some countries. In the United Kingdom, people who leave a review prefer to do so when they disliked the accommodation. The majority of Brazilian responders do leave a comment on the establishment regardless of whether it is positive or negative. The average of all participants agrees with online reviews are important when they choose an accommodation, but there are some differences of the degree of importance in some countries. The sequence starting from less importance to high level of importance is the following: Netherlands, Bulgaria, Australia, United States, Germany, Hungary, Brazil, and the United Kingdom. The level of importance of reviews also corresponds with the range of lowest rating participants still find acceptable to book a hostel. The majority believe 70% is the limit although there is also a high range of responds for 80% as the lowest rate among Hungarian, Brazilian, and North American responders. Most participants from the Netherlands and Germany accept lower rating to book an accommodation (60% or lower).

The most important value of a hostel before customers' booking it is explicitly its price. Location and reviews are playing an important role of the decision-making process of making a reservation as well. In the other hand, the price is no longer important when customers leave a review of an establishment. Most important factors are the hostel's location, cleanliness, friendly staff as well as other values like facilities, atmosphere, and safety.

The order of importance of customers and hostel professionals seems quite different. According to the experience of hostel managers and owners, the most important values an ideal hostel has to have are the followings: security lockers, kitchen, activity coordinator, TV, 24 hour talking area, and cleanliness⁵. Present study shows that customers are simpler. On the top of their lists are cleanliness, location, and

friendly staff.

“Good price” is a subjective term that is why one of the most informative aspects what customers rate is the “value” of the property. The “value” supposed to show the relation between price and what the accommodation has to offer. In other words, if the “value” of the property is rated high, that means the customers are satisfied with what they received for the amount of money they paid. Comparing this fact with the result of present study, raises the question whether the “value” in the ratings truly shows the price-product relation or only the level of the establishment’s values, namely what accommodations offer and if those meet the needs of the customers. Furthermore, if the price is not one of the most important aspect when customers comment, is “value” as informative and accurate as it supposed to be?

CONCLUSIONS

The youth travel sector has been underestimated because of the cheap prices and low spending. Although, in the past few years, there was a 20% growth of spending in this field which indicates that some travelers are willing to pay a little more for the accommodations as well (ITB, Berlin, World Travel Report 2013). As this study shows, in spite of the growth of spending, low prices are still the most wanted factors before making a booking, but expectations for the same low prices are getting higher. This phenomenon challenges most of the professionals in the field. These and other similar results explain why one of the hottest topics of the World Monitor Forum (Pisa, 2013) was “Low cost beds is the new trend?”. According to David Chapman, Director of World Youth Student and Educational Travel Confederation: “Nowadays, the difference between a hotel and a hostel is the ‘s’ as ‘social aspect’ which implies the increasing value of hostels, keeping one of the most important aspects, the social atmosphere”.

Consequently, prices as well as services of hostels

and hotels are getting closer which imply both have to face new competitors, causing even higher competition in the tourism industry.

Notes

1. Retrieved <http://www.hostelmanagement.com>.
2. Retrieved <http://www.statisticbrain.com>.
3. Retrieved <http://www.surveymonkey.com>.
4. Retrieved <http://www.facebook.com>.
5. Retrieved <http://www.hostelmanagement.org/forum>.

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