

# The Impact of Online Negative Hotel Reviews and Merchant Response Strategies on Potential Consumers' Purchase Intentions: A Perceived Trust Perspective

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## Abstract

Based on online negative reviews, the paper explores the influence mechanism of emotional and attributive reviews on potential customers' purchase intentions. Against the background of online hotel booking, using ability, benevolence, and integrity in perceived trust as intermediary variables, we constructed a two-factor group experiment with 2 (types of online negative reviews) × 5 (merchant response strategies). This study was conducted by randomly recruiting participants from a university, utilizing a questionnaire-based experimental approach. Two hundred fifty valid questionnaires were collected for statistical analysis, including *t-test*, *analysis of variance*, and *structural equation model*. This paper reveals the influence of online negative reviews and merchant response strategies on ability, integrity, and benevolence. It verifies the mechanism of three factors and potential customers' purchase intention. Concurrently, this study provides crucial inspiration for hotel managers to focus on addressing the service quality issues in the reviews and develop tailored response strategies to enhance customers' perception and trust.

**Keywords:** online negative hotel reviews, merchant response strategies, perceived trust, purchase intention

## 1. Introduction

The increasing prevalence of online consumption and advanced online payment have progressively redirected consumer shopping behavior towards online. Consumers usually carefully browse the relevant information about goods or services before making consumption decisions (He, 2022). Compared with merchants' graphic introductions, online reviews posted by consumers who have purchased products can reflect more authentic and comprehensive information (Chevalier & Mayzlin, 2006; Floyd et al., 2014), assisting potential consumers in mitigating risks and promoting consumption decisions.

Online reviews include positive and negative reviews, with negative reviews exerting a more compelling and diagnostic influence on consumer intentions than positive reviews (Wu & Chang, 2006; Park & Nicolau, 2015). Due to providing more detailed information about potential problems with products or services, negative reviews facilitate a more comprehensive evaluation of decisions by consumers (Yu et al., 2021). Moreover, negative reviews hurt consumers' trust, especially in hotels (Sparks et al., 2016). An effective merchant response strategy is crucial for maintaining the corporate image (Zheng et al., 2015). Therefore, hotel staff must correctly handle negative reviews and implement appropriate response strategies to improve customers' perceived trust and increase purchase intention.

Studies have confirmed that perceived trust is a fundamental factor affecting consumers' purchase intention (Tao et al., 2013; Wu, 2016; Du et al., 2021). Among the perceived trust, the ability, benevolence, and integrity enable users to build trust in the brand (Bhattacharjee, 2002; Gefen et al., 2003; Park & Tussyadiah, 2020). Surprisingly, few studies have considered these three sub-factors as mediating variables in the context of purchase intention. In addition, online reviews can be divided into emotion-type and attribute-type (Huang et al., 2013). As significant studies focus on the proportion, content quality, quantity, and intensity of reviews, there needs to be a more in-depth examination of negative reviews' emotional and attributive distinctions.

Given the above research gaps, this paper takes a step further by explicitly dividing negative hotel reviews into emotion- and attribute-types. Ability, benevolence, and integrity are mediating variables, and the signaling theory is

applied to online negative reviews and the corresponding merchant response strategies. This study aims to explore the impact of these two signals on the three mediating variables, thereby affecting the purchase intention of potential consumers. The study provides a more refined understanding of the diverse factors influencing consumers' purchase intentions, triggering crucial inspiration for hotel managers to enhance customers' perception and trust.

## 2. Literature Review

### 2.1 Online Negative Reviews and Merchant Response Strategies

#### 2.1.1 Online Negative Reviews

Online negative reviews mainly describe situations where consumers are dissatisfied with product defects or services and complain if the service is not as good as expected (Dellarocas, 2003). Existing definitions of online negative reviews have three similarities in essence: origins are from unsatisfactory products or services (Li & Ren, 2017), the purpose is to vent one's emotions and dissuade others from purchasing a product or service (Luo, 2009; Wangenheim, 2005; Luo, 2009; Chang et al., 2015; Balaji et al., 2016), and the forms are text, pictures, and videos (Huang & Mao, 2019). This paper defines online negative reviews in the hotel field as consumers sharing unsatisfactory hotel experiences through hotel booking platforms to provide references for other consumers.

Previous studies usually start with the characteristics and classification of the reviews themselves. The factors mainly include quantity, quality, timeliness, and length of reviews (Huang & Mao, 2019), while classification is often based on review content (He, 2022). However, in the classification field, there needs to be a more in-depth examination of the emotional and attributive distinctions within negative reviews, especially in the hotel domain. Building on the classification proposed by Park & Lee (2008), which categorizes negative reviews into emotion-type and attribute-type based on objectivity, specificity, and rationality, this paper takes a step further by explicitly dividing negative hotel reviews into emotion-types and attribute-types, seeking to uncover the nuanced nature of negative hotel reviews, providing a more refined understanding of the diverse factors influencing consumers' purchase intentions in the hotel industry.

#### 2.1.2 Merchant Response Strategies

Merchant response strategies refer to how businesses handle customer complaints in the event of service failures. Effective response strategies are crucial for maintaining the corporate image, as online negative reviews may harm a business's reputation (Zheng et al., 2015). Compared with no response, merchant response can enhance potential consumers' perception of the company's credibility (Sparks et al., 2016). Therefore, it is essential to explore the moderating effect of merchant response strategies while investigating the impact of negative reviews on potential consumers' purchase intentions.

Merchant response strategies have been typically categorized based on the content. They can be divided into defensive and accommodative strategies (Marcus & Goodman, 1991; Zhang, 2020). The two strategies differ in whether the company takes responsibility for customer complaints (Kim et al., 2003). Accommodative responses involve the company acknowledging the existing problem and taking actions such as apologizing and compensating. In contrast, defensive responses involve the company insisting on irresponsibility for the complainant's issues, blaming the complainant, or even shifting blame to others (Lee & Song, 2010). Further refinement has detailed accommodative response strategies into three categories: "apology, apology + explanation, and apology + explanation + repair." Generally, however, response strategies encompass five types: "no response, rebuttal, apology, apology + explanation, and apology + explanation + repair." However, existing studies on response strategies are less comprehensive and hardly include all response strategies, which is detrimental to developing the correct remedies. Therefore, to increase potential consumers' purchase intentions, businesses need to provide detailed explanations of the problem's causes and offer specific solutions to rectify the shortcomings (Wang, 2021). The paper delves into the particular impact of the five response strategies on potential consumers' purchase intentions.

### 2.2 Purchase Intention and Perceived Trust

#### 2.2.1 Purchase Intention

Purchase intention refers to a consumer's subjective tendency to purchase a specific product or service (Mitchell, 1999). It positively impacts consumers' consciousness and promotes purchasing behavior (Zhang et al., 2016), affecting consumer behavior and merchants' sales (Huang et al., 2019).

Research has involved the mediating variables of purchase intention, including perceived risk, perceived value, perceived usefulness and ease of use, and perceived trust. Among these variables, consumer-perceived risk mediates between online negative reviews and consumer purchase intention (Byun & Hwan-ho, 2016; Ryu & Lee, 2017). At the same time, Weisstein et al. (2017) revealed that perceived value also mediates the proportion of online negative reviews

and the impact of consumer price perceptions and purchase intentions. In addition, online negative reviews' perceived usefulness and ease of use significantly impact purchase intention (Huang & Mao, 2019). Besides, online negative reviews will affect consumers' purchasing intentions by affecting customers' perceived trust (Wu, 2016; Du, 2021). The higher the perceived trust of potential customers, the stronger the purchase intention (Wu et al., 2018).

The current research focuses on perception as a mediating variable and has conducted a relatively complete discussion on purchase intention. However, there is not enough information about the specific perception. For instance, existing reviews superficially stay on the relationship between perceived trust and purchasing intention rather than further exploring the depth of the content of perceived trust. Therefore, the paper explores the impact of perceived trust as a mediating variable on consumers' purchase intention.

### 2.2.2 Perceived Trust

Existing research explores the definition of perceived trust as the willingness of one party to be susceptible to the actions of another party based on the expectation that the other party will perform specific actions that are important to the principal (McAllister, 1995: 712). It refers to a characteristic or attribute of a trustee that consumers perceive (Mayer et al., 1995), and the behavioral subject is the trusted person.

Perceived trust has three sub-factors (Mayer et al., 1995): ability, benevolence, and integrity. Previous researchers have explained the three sub-factors. Ability refers to the degree to which a trustee has sufficient abilities and skills to influence; benevolence refers to the trustee's willingness to provide positive directions beyond profit; integrity refers to the trustee's ethical behavior, trust, and degree of adherence to the trustor (Dong et al., 2019; Park & Tussyadiah, 2020). Specifically, ability represents "behavior can do," such as the trustee (i.e., the hotel) having the ability to solve some problems. Benevolence and integrity are about the "will do" aspect, such as whether the trustee (hotel) chooses to use their abilities or take action to solve the problem (Colquitt et al., 2007; Barki et al., 2015; Reimann et al., 2022). Therefore, hotels can strategically choose whether to express their ability, willingness or a combination of the two to deal with the problems created by negative reviews and increase consumers' purchase intentions.

Existing research has made strides in identifying and illustrating the three pivotal factors contributing to perceived trust. Surprisingly, few studies have considered these factors as mediating variables in the context of purchase intention. Rather than treating these factors in isolation, our study recognizes their potential role as mediating variables that shape the direct relationship between perceived trust and consumer purchase intention.

### 2.3 Signaling Theory

Signaling theory was initially applied to analyze and study various information asymmetry issues proposed by Spence (1973). This theory includes the essential elements of the signal itself, the sender of the signal, and the receiver (He, 2022). In this study, online negative reviews and merchant responses are regarded as signals, with hotels as the senders of signals and customers as receivers.

When customers lack information about a product or service, they rely on signals to reduce product uncertainty and improve the quality of their purchasing decisions (Bearden & Shimp, 1982). Compared with traditional products or services, personal experience products or services, such as hotels, bring challenges to customers in obtaining information due to the distance in time and space (Connelly et al., 2011). Consumers have to search for more information to complete their purchasing decisions when at an information disadvantage. Customers can evaluate others' opinions of the target hotel through two signals: the hotel's online reviews and merchant responses (Wang et al., 2004; Flanagan & Metzger, 2013), thereby helping themselves to make decisions. To assist consumers in purchasing decisions and facilitate transactions, merchants need to convey positive information and pay attention to responses to negative reviews to send positive signals to customers.

Provided that the previous studies of signaling theory have been sufficient, this paper adopts the signaling theory for online negative reviews and their corresponding merchant response strategies, with hotels and customers as the sender and receiver of the signal, respectively.

### 2.4 An Intermediate Summary

Based on the above reviews of five subject matters, Table 1 organizes and summarizes critical elements, clearly understanding the similarities and differences among various studies.

Table 1. Literature compilation

Subject matter	Related content	References
Online reviews	negative Dissatisfaction, expectations Emotion venting, dissuasion, evaluation	Dellarocas (2003); Li & Ren (2017) Wangenheim (2005); Luo (2009); Chang et al. (2015); Balaji et al. (2016) Huang & Mao (2019)
Merchant strategies	response Forms, characteristics Classification, content. Effectiveness, corporate image Defensive, accommodative, classification	Park & Lee (2008); He (2022) Zheng et al. (2015) Marcus & Goodman (1991); Kim et al. (2003); Lee & Song (2010); Zhang (2020) Wang (2021)
Purchase intention	Explanations, problem solutions Credibility, enhancement Subjective tendency Subjective consciousness, purchasing behavior	Sparks et al. (2016) Mitchell (1999) Zhang et al. (2016); Huang et al. (2019)
Perceived trust	Perceived risk, online negative reviews Perceived value, online negative reviews Perceived usefulness, online negative reviews Perceived trust, online negative reviews Willingness, susceptibility, expectation Characteristic, ability, benevolence, integrity Ability, benevolence, integrity	Byun & Hwan-ho (2016); Ryu & Lee (2017) Weisstein et al. (2017) Huang & Mao (2019) Wu (2016); Wu et al. (2018); Du (2021) McAllister (1995) Mayer et al. (1995) Colquitt et al. (2007); Barki et al. (2015); Dong et al. (2019); Park & Tussyadiah (2020); Reimann et al. (2022)
Signaling theory	Information asymmetry Sender, receiver Uncertainty, purchasing decisions, evaluation Traditional products or services	Spence (1973) He (2022) Bearden & Shimp (1982); Wang et al. (2004); Flanagin & Metzger (2013) Connelly et al. (2011)

As shown in Table 1, the subject matters and the related contents are clearly stated. Based on the table, the following section continues the study's hypotheses, data collection and data identification.

### 3. Methodology

#### 3.1 Theoretical Hypotheses

This study focuses on the effects of online negative reviews and merchant response strategies on perceived trust and how these impacts further influence potential consumers' purchase intentions. Three hypotheses are therefore proposed in this section. They are the relationship between types of negative online reviews and perceived trust, the moderating role of merchant response strategies, and the relationship between perceived trust and purchase intention.

##### 3.1.1 Relationship between Online Negative Reviews and Perceived Trust

Online negative reviews include emotion-type and attribute-type (Park, 2008; Li et al., 2017). Negative reviews' content quality and relevance will negatively affect consumers' perceptions of merchants' abilities, integrity, and benevolence (Liu & Tang, 2016). Therefore, the first research hypotheses of this paper are as follows:

**H1 a:** The type of negative reviews significantly impacts ability, benevolence, and integrity.

**H1 b:** When negative reviews are emotional, potential consumers have more vital perceived trust in the merchant's ability, benevolence, and integrity.

##### 3.1.2 The Regulating Effect of Merchant Response Strategies

Merchant responses encompass five dimensions: "no reply, rebuttal, apology, apology + explanation, and apology + explanation + repair" (Purnawirawan et al., 2012). For negative reviews, implementing corrective actions, such as remedying mistakes, providing material compensation, and preventing recurrence, can elevate perceived trust (Li et al., 2018; Pan & Yuan, 2023). Consequently, the second research hypotheses of this paper are as follows:

**H2 a:** When negative reviews are emotional, compared with other response strategies, "apology + explanation + repair" can improve potential consumers' perception of the merchant's ability, benevolence, and integrity.

**H2 b:** When negative reviews are attributive, compared with other response strategies, "apology + explanation + repair" can improve potential consumers' perception of the merchant's ability, benevolence, and integrity.

##### 3.1.3 Relationship between Ability, Benevolence, and Integrity and Purchase Intention

Consumers' perceived trust in travel e-commerce platforms impacts hotel booking intentions (Liu et al., 2016). Ability in perceived trust is among the most critical factors (Reimann et al., 2022). Therefore, the third research hypotheses of

this paper are as follows:

**H3 a:** Ability, benevolence, and integrity positively and significantly impact purchase intention.

**H3 b:** Perceived ability increases potential consumers’ purchase intention more than perceived benevolence and integrity.

In summary, the theoretical model of this paper is shown in Figure 1.

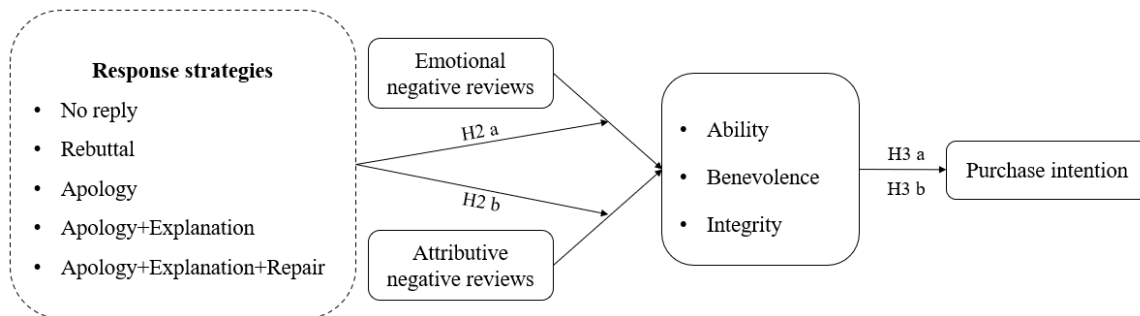


Figure 1. Theoretical model

### 3.2 Data Collection

#### 3.2.1 Measurement of Variables

In order to maximize the validity of experimental data and conclusions, variables were measured using well-established scales developed by scholars, which were adapted to the specific experimental scenarios of this study. Moreover, the relevant scales were rewritten according to the particular experimental scenarios of this study. At the same time, a 7-point Likert scale is used for scoring. The closer the score is to 7, the more one agrees with the description of each item in the scale, and vice versa. This scale comprises ten items. The scale consists of 10 items, and details regarding specific names, related items, and references for all variables are shown in Table 2.

Table 2. Measurement scale

Measured variables	Item number	Measurement items	Scale source
Type of negative reviews	A 1	The review describes the hotel’s cleanliness, service, and other related issues in detail.	Park & Lee (2008); Du (2021)
	A 2	The description of the review is objective.	
	A 3	The content of the review is described rationally.	
Response strategy	B 1	Which response strategy does the merchant’s response belong to.	Lee et al. (2008); He (2022)
Perceived trust	C 1	The hotel can promptly solve possible issues with staff service, cleanliness, and other issues.	Mayer (1995); Harrison et al. (2006); Yhee et al. (2023)
	C 2	The hotel considers the interests of its customers, not just the hotel.	
	C 3	The hotel shows the highest apology when there are problems with staff service, cleanliness, and other issues.	
Purchase intention	D 1	This hotel will be considered for booking if needed soon.	Everard (2005); Korzaan (2016); Luo (2019)
	D 2	This hotel will be included in the final comparison and consideration.	
	D 3	This hotel will be recommended to friends.	

As delineated in Table 2, the measured variables encompass online negative reviews, response strategies, perceived trust, and purchase intention. Notably, the response strategy comprises a singular item, while the remaining variables consist of three items each. Within the domain of perceived trust, the three items pertain to ability, benevolence, and integrity, respectively.

#### 3.2.2 Experimental Design

The experimental scenario of this paper focuses on online hotel booking (Kim et al., 2019; He, 2022). The experimental design comprises two factors: types of negative reviews and merchant response strategies. Negative reviews are categorized into emotional and attributive (Wu et al., 2020). Referring to Purnawirawan (2012), merchant response strategies are classified as “no reply, rebuttal, apology, apology + explanation, apology + explanation + repair.” A two-factor inter-group experiment of 2 (type of negative reviews) × 5 (merchant response strategy) was devised to explore the interaction between factors, resulting in 10 questionnaires or experimental groups. This plan requires 25 samples in each experimental group, totaling 250. The subjects will respond to an exploratory questionnaire randomly.

In order to ensure the questionnaire's reliability and validity align with stipulated standards, this study meticulously referenced an extensive array of measurement scales employed by domestic and international scholars. Appropriate adjustments were made, considering the research's specific context. The questionnaire mainly consists of three parts. The initial segment pertains to inquiries related to subject screening. (Zhao, 2023). Participants were chosen from a cohort with prior experience booking online hotels and browsing reviews on hotel booking platforms. Specifically, respondents demonstrated concerns about the content of hotels' responses, a prerequisite for questionnaire completion. The second section is the core scenario experiment (Qian & Li, 2022). Participants will read the experimental scenario detailing hotel booking, negative review materials, and merchant response information. Then, they will answer questions related to material manipulation. In addition, subjects must answer questions about perceived trust and purchase intention (Li, 2018). The final section encompasses demographic information items such as the gender of the experimental participants (Kikumori & Ishii, 2023).

### 3.3 Data Identification

The formal survey was conducted from the end of October to the end of November 2023, using a questionnaire format. Participants were randomly recruited from a university in Guangdong, including students and teachers who had online hotel booking experiences, had previously browsed reviews from other users on hotel booking platforms, and showed interest in hotel response content. Ten survey questionnaires were randomly assigned to eligible participants via Sojump, a professional online questionnaire survey, evaluation, and voting platform.

#### 3.3.1 Descriptive Statistics

A total of 307 questionnaires were collected during the experiment. Through the rationality filtering of the questionnaires, 25 copies were retained in each group of experiments, with a total of 250 valid questionnaires. The recovery rate was 81.43%. The demographic characteristics of the adequate sample are analyzed as follows. Most of the subjects were 18-25 years old, accounting for 92.4%, indicating that the subjects were mostly young. Judging from the educational attainment, most of the subjects had a bachelor's degree, accounting for 88.4%. Notably, all participants book and stay in hotels yearly, highlighting their substantial experience in this domain. Consequently, the subjects' essential information characteristics meet this study's needs.

#### 3.3.2 Reliability Analysis

Reliability analysis is used to measure the reliability and validity of data. Specifically, for the Likert scale utilized in the questionnaire, *Cronbach's Alpha* value serves as a critical metric for assessing the scale's reliability (Wu, 2010). The acceptable range for *Cronbach's Alpha* value is 0.65 to 0.7 (Liu, 2014; Zhang, 2020), with values between 0.7 and 0.8 indicating good reliability and values between 0.8 and 0.9, signifying high reliability. The reliability analysis of the relevant variables in this research was conducted using *SPSS 26.0* software, and the processed questionnaire data are presented in Table 3.

Table 3. Reliability analysis results of the type of negative reviews, perceived trust, and purchase intention

Variable	Question	Number of questions	Alpha after deleting the item	Cronbach's Alpha
Type of negative reviews	A 1	3	0.813	0.897
	A 2		0.806	
	A 3		0.823	
Perceived trust	B 1	3	0.864	0.869
	B 2		0.742	
	B 3		0.822	
Purchase Intention	C 1	3	0.856	0.903
	C 2		0.876	
	C 3		0.852	

According to Table 3 above, *Cronbach's Alpha* of type of negative reviews, perceived trust, and purchase intention are 0.897, 0.869, and 0.903, respectively. All these coefficients surpass the threshold of 0.8. Moreover, deleting a particular indicator from each variable does not significantly increase the corresponding reliability coefficient. Therefore, the relevant experimental data of this study are highly credible, meet the standards, and can be used to conduct subsequent research and analysis.

#### 3.3.3 Validity Analysis

Validity analysis, a crucial aspect of this study, is employed to assess the accuracy and validity of the questionnaire data. This analysis comprises two main components: content validity and structural validity (Wang, 2022). Content validity evaluates scale items' clarity and alignment with the research objectives. Given that the scale in this study is constructed based on prior literature, it exhibits relatively good content validity. On the other hand, structural validity assesses the extent to which the questionnaire scale reflects the theoretical model's interpretation. Exploratory factor analysis is

commonly employed for this purpose. The established criteria include the factor loading value being higher than 0.7, the average extracted variance (AVE) being higher than 0.5, and the composite factor reliability (C.R.) being higher than 0.7 (Tang, 2022). A questionnaire meeting these standards demonstrates good convergent validity, confirming its reliability and appropriateness for further analysis in the research context.

Before engaging in a factor analysis of structural validity, it is imperative to ascertain the adherence of the questionnaire data to established factor analysis standards. There are two primary criteria for judgment: *Kaiser-Meyer-Olkin (KMO)* value and *Bartlett's test of sphericity*. Under normal circumstances, the *KMO* value cannot be less than 0.7. The magnitude of this value is directly proportional to the suitability of the data for factor analysis. (Wang, 2021). Furthermore, *Bartlett's test of sphericity* necessitates a passing test result with a significance level of  $P < 0.01$ , indicating that the pertinent data conforms to a spherical distribution, thereby warranting its utility for factor analysis. Table 4 presents the *KMO* values and results of Bartlett's test of sphericity, revealing that all *KMO* values surpass the threshold of 0.7. Simultaneously, the associated data from the sphericity test demonstrates significant results, signifying that the data aligns with the requisite standards for conducting factor analysis.

Table 4. *KMO* and *Bartlett's test of sphericity* results

	The appropriateness quantity of the <i>KMO</i> value	Bartlett's test of sphericity		
		Approximate chi-square	Freedom degree	Significance (P)
Type of negative reviews	0.712	506.349	3	0.000
Perceived trust	0.710	398.420	3	0.000
Purchase intention	0.753	474.460	3	0.000

Exploratory factor analysis was conducted on the entirety of the sample data, elucidating the emergence of three distinct factors: online negative reviews, perceived trust, and purchase intention.

Table 5. Factor analysis results of the type of negative reviews, perceived trust, and purchase intention

Variable	Measurement items	Loadings	C.R.	AVE	Cumulative explained variance contribution
Type of negative reviews	A 1	0.937	0.750	0.906	83.047
	A 2	0.935			
	A 3	0.847			
Perceived trust	B 1	0.904	0.750	0.872	79.900
	B 2	0.875			
	B 3	0.838			
Purchase intention	C 1	0.921	0.750	0.899	83.824
	C 2	0.894			
	C 3	0.882			

The outcomes are meticulously detailed in Table 5. The factor loadings for online negative reviews, perceived trust, and purchase intention uniformly exceed 0.8. Additionally, the *C.R.* values eclipse 0.7, and the *AVE* values surpass 0.8, meeting the stipulated standards. This corroborates the assertion that various facets exhibit commendable construct validity, namely types of negative reviews, perceived trust, and purchase intention.

#### 4. Results and Analysis of Hypothesis Testing

##### 4.1 Relationship between Negative Reviews and Perceived Trust

Given that the negative reviews are categorical data, and ability, benevolence, and integrity in perceived trust are quantitative data, typically tested through *analysis of variance* or *t-test*, this paper opts for the *t-test* methodology. This approach is chosen to test whether there is a noteworthy disparity in consumers' perceptions of ability, benevolence, and integrity when browsing negative emotion-type and attribute-type reviews.

Table 6. T-test results of types of negative reviews

Variable	Type of negative reviews	Mean	Standard deviation	<i>t</i>	<i>P</i>
Ability	Emotion-type	4.82	1.086	-0.911	0.363
	Attribute-type	4.95	1.135		
Benevolence	Emotion-type	4.74	1.265	2.093	0.037
	Attribute-type	4.37	1.506		
Integrity	Emotion-type	4.69	1.353	2.158	0.032
	Attribute-type	4.29	1.570		

The impact of negative reviews on perceived trust in terms of benevolence and integrity is evident ( $P = 0.037$ ,  $P = 0.032$ ). Conversely, the type of negative reviews does not significantly affect perceived ability ( $P = 0.363$ ), leading to the partial establishment of hypothesis H1a. Notably, the exploration of customers' perceptions of merchants reveals an augmentation in benevolence and integrity following the perusal of negative reviews, aligning with previous research

findings (Barki et al., 2015; Reimann et al., 2022) and corroborated by the current study's experimental results. When analyzing emotional negative reviews specifically, customers exhibit heightened perceptions of the merchant's benevolence and integrity ( $M = 4.74 > 4.37$ ,  $M = 4.69 > 4.29$ ), substantiating a partial establishment of hypothesis H1b.

#### 4.2 Test of the Moderating Effect of Merchant Response Strategies

In this study, the independent variable of the types of negative reviews is categorized into two kinds (emotion-type and attribute-type). The mediating variable is perceived trust (ability, benevolence, integrity). Additionally, the moderating variable, the merchant response strategy, is classified into five types (no reply, rebuttal, apology, apology+ explanation, apology + explanation + repair). This paper will use *two-factor* and *one-way analysis of variance* to test the effect of merchant response strategies and identify potential significant differences between response strategies.

Table 7. Two-factor analysis of variance on the interaction between types of negative review and merchant response strategy

Source	Dependent variable	Sum of square	Degrees of freedom	Mean square	F	P
Type of negative reviews	Ability	1.024	1	1.024	0.878	0.350
	Benevolence	8.464	1	8.464	4.618	0.033
	Integrity	10.000	1	10.000	5.037	0.026
Merchant response	Ability	11.656	4	2.914	2.498	0.043
	Benevolence	11.656	4	2.914	1.590	0.178
	Integrity	17.800	4	4.450	2.241	0.065
Merchant response X	Ability	14.184	4	3.546	3.039	0.018
Type of negative reviews	Benevolence	27.864	4	6.966	3.801	0.005
	Integrity	38.184	4	9.546	4.808	0.001

Through a *two-factor analysis of variance*, the results in Table 7 show that the type of negative reviews significantly impacts potential consumers' perception of merchants' benevolence and integrity ( $P = 0.033$ ,  $0.026$ ). However, this effect is not mirrored in potential consumers' perception of the merchant's ability ( $P = 0.350 > 0.05$ ). Therefore, hypothesis H1a is partially established and is reaffirmed by the analysis.

The interaction effect is pronounced when the significance of the two-factor independent variable on the dependent variable is  $P < 0.05$  (Huang, 2014). A detailed examination of the collected data in the above table reveals that  $P$  values of 0.018, 0.005, and 0.001 all fall below the 0.05 threshold, which implies a significant moderation by the merchant's response to the type of negative reviews and potential consumers' perception of the merchant's ability, benevolence, and integrity.

Based on proving that there is indeed an interactive effect between types of negative reviews and merchant responses on consumers' perceived trust and purchase intention, the matching strength was checked through the relative magnitude of the mean value (Liu, 2018). Therefore, the mean value is further utilized to examine the matching strength between the type of negative reviews and merchant response strategies, thereby verifying H2 a and H2 b.

Table 8. Mean interaction between type of negative reviews and merchant reply strategy

Status description		Mean		
Type of negative reviews	Response strategy	Ability	Benevolence	Integrity
Emotion-type	No reply	5.000	5.000	4.880
	Rebuttal	4.440	4.160	3.920
	Apology	4.640	4.480	4.480
	Apology + Explanation	4.880	4.720	4.920
	Apology + Explanation + Repair	5.160	5.320	5.240
Attribute-type	No reply	4.440	3.800	3.640
	Rebuttal	4.640	4.160	4.040
	Apology	5.440	4.320	4.560
	Apology + Explanation	4.960	4.600	4.120
	Apology + Explanation + Repair	5.280	4.960	5.080

According to the findings presented in Table 8, in instances where online negative reviews exhibit emotional characteristics, the "apology + explanation + repair" response strategy outperforms alternatives such as "no reply, rebuttal, apology, and apology + explanation" in enhancing potential consumers' perception of the merchant's ability, benevolence, and integrity ( $M = 5.160$ ,  $5.320$ ,  $5.240$ ) According to the findings presented in Table 8, in instances where online negative reviews exhibit emotional characteristics, the "apology + explanation + repair" response strategy outperforms alternatives such as "no reply, rebuttal, apology, and apology + explanation" in enhancing potential consumers' perception of the merchant's ability, benevolence, and integrity. This experimental result is consistent with



Du's (2021) finding that the “apology + explanation + repair” strategy more effectively enhances potential customers’ perceived trust compared to other response strategies. Therefore, hypothesis H2a is established.

For online negative reviews characterized as attribute-type, compared to other response strategies, the “apology + explanation + repair” strategy demonstrates superior efficacy in improving potential consumers’ perception of merchants’ benevolence and integrity ( $M = 4.960, 5.08$ ), thereby contributing to increased customer-perceived trust. However, in contrast, the merchant’s apology strategy is more effective in enhancing potential consumers’ perception of the merchant’s ability ( $M = 5.440$ ), consequently increasing perceived trust. Therefore, hypothesis H2 b is partly established.

4.3 Test of the Impact of Perceptions of Ability, Benevolence, and Integrity on Purchase Intention

Structural equation modeling (SEM) was created in AMOS 23.0<sup>1</sup> to test the other hypotheses (Zhang, 2021). The SEM tested the relationship between perceived trust in ability, benevolence, and integrity on purchase intention. The results of model fitting are shown in Figure 2.

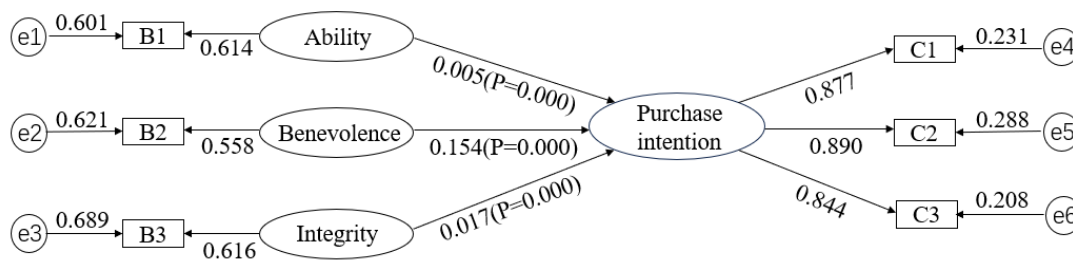


Figure 2. Structural equation model analysis results

Customers’ perception of merchant competence is crucial in reducing uncertainty and fostering trust (Stinglhamber, 2020), ultimately enhancing customers’ purchase intention. The experimental results of this study support this correlation. This study proves that ability has a significant positive impact on potential customers’ purchase intention, with a standardized path coefficient of 0.005 ( $P = 0.001$ ), which indicates that the more potential customers tend to believe that the merchant is more capable of handling service, cleanliness, and other issues, the higher their purchase intention will be. Meanwhile, benevolence in perceived trust significantly impacts potential customers’ purchase intention, with a standardized path coefficient of 0.154 ( $P = 0.001$ ). Additionally, integrity exhibits a significant positive influence on potential customers’ purchase intention, with a standardized path coefficient of 0.017 ( $P = 0.001$ ). Consequently, hypothesis H3a is established. Notably, while previous research suggested that benevolence might weaken purchase intentions (Rampl et al., 2012), this study reveals that benevolence in perceived trust exerts a more substantial effect on purchase intention than both ability and integrity ( $0.154 > 0.017 > 0.05$ ). Therefore, hypothesis H3 b is not established.

Table 9. Model fitting indexes

Fit index	GFI	NFI	NNFI	CFI	IFI	SRMR
Numerical value	0.981	0.985	0.939	0.988	0.988	0.028
Standard	> 0.9	> 0.9	> 0.9	> 0.9	> 0.9	< 0.1

The ratio of the chi-square to the model’s degrees of freedom is 2.79, falling below the threshold of 3. As indicated in Table 9, all fitting indices have successfully passed the test, meeting the established standards. This outcome signifies that the model exhibits a commendable degree of fit.

4.4 Results of Hypothesis Test

The study focuses on the scenario of online hotel booking, utilizing the constructed research model and assumptions about the relationships between relevant variables. After collecting and analyzing data, the research concludes with a summary of hypothesis testing results in Table 10.

<sup>1</sup>Analysis of Moment Structure (AMOS) is developed by SPSS, Inc. It is a software that deals with Structure Equation Modeling (SEM) and explores the relationship between variables

Table 10. Summary of hypothesis testing results

Assumption number	Research hypothesis	Result
H1 a	The type of negative reviews significantly impacts competence, benevolence, and integrity.	Partially established
H1 b	When negative reviews are emotional, potential consumers have more vital perceived trust in the merchant's ability, benevolence, and integrity.	Partially established
H2 a	When negative reviews are emotional, compared with other response strategies, "apology + explanation + repair" can improve potential consumers' perception of the merchant's ability, benevolence, and integrity.	Established
H2 b	When negative reviews are attributive, compared with other response strategies, "apology + explanation + repair" can improve potential consumers' perception of the merchant's ability, benevolence, and integrity.	Partially established
H3 a	Ability, benevolence, and integrity positively and significantly impact purchase intention.	Established
H3 b	Perceived ability increases potential consumers' purchase intention more than perceived benevolence and integrity.	Not established

First, as far as H1 a is concerned, the findings present partial establishment. Types of negative reviews do have an impact on perceived benevolence and integrity but do not show a significant effect on merchants' perceived ability. This may be because potential consumers focus more on the merchant's service attitude when browsing negative reviews (Shao, 2017) rather than the technical aspects of the product or service. Second, H1 b also presents a partial establishment, which suggests that in the context of emotional negative reviews, potential consumers are more likely to perceive the benevolence and integrity of the merchant.

For H2 a and H2 b, the study delved into the effects of different response strategies on the strength of potential consumers' perceptions of merchants' ability, benevolence, and integrity. The results show that in the context of emotion-based negative reviews, the "apology + explanation + repair" strategy can be more effective in increasing potential consumers' perceived strength of the merchant's ability, benevolence, and integrity. However, for attribute-based negative reviews, apology alone is more effective in increasing potential consumers' perceived strength of ability towards the merchant. When responding to attributive negative reviews, directly acknowledging the mistake and apologizing may increase potential consumers' perceived trust (He et al., 2023), especially the perceived ability of the merchant.

The research hypothesis H3 further emphasizes the positive impact of perceived trust in ability, benevolence, and integrity on potential consumers' purchase intention. This is consistent with the findings of Zhang et al. (2016). Finally, H3 b of the study was not established. Specifically, the study found that among the factors of perceived trust, the influence of benevolence exceeded the impact of ability and integrity on purchase intention. This may imply that treating consumers with kindness and benevolence may be more critical than mere ability and integrity in building trust.

## 5. Conclusion

### 5.1 Main Findings

This paper uses online negative reviews to conduct an in-depth study of the impact mechanism of emotional and attributive reviews on potential customers' purchase intention. Using *SPSS 26.0* and *AMOS 23.0*, this study shows hypothesis testing and other data analysis on the sample data collected in the scenario experiment and manipulated structural equation model analysis.

Various categories of online negative reviews exhibit substantial disparities in customers' perceptions of merchants' benevolence and integrity, while no significant distinctions are observed in perceptions of ability. When browsing attributive negative reviews, individuals demonstrate a heightened inclination to attribute problems to merchants, resulting in diminished trust and a decreased willingness to make purchases (Lee & Cranage, 2014). Conversely, when confronted with emotional online negative reviews, individuals do not blame the problem entirely on merchants but tend to perceive consumers as subjective. Consequently, consumers' perceptions of benevolence and integrity are relatively elevated in the face of emotional negative reviews, contributing to a heightened degree of steadfastness in their purchase intentions.

Merchant response strategies play a vital role in moderating the impact of online negative reviews on potential consumers (Ravichandran & Deng, 2022). The personalized and humanized response tone and quick and timely response are more conducive to the trust of potential consumers (Wei et al., 2013; Sparks et al., 2016). For emotional online negative reviews, the "apology + explanation + repair" strategy stands out as particularly productive in elevating consumers' perceptions of the merchant's ability, benevolence, and integrity, thereby increasing purchase intention. Given the inherent challenges faced by consumers in distinctly discerning product or service shortcomings and attributing responsibility, merchants adopt a multifaceted approach, including apologizing for the customer's experience, explaining the problem, and providing compensation measures, which can help reduce consumers' attribution of

responsibility to the merchant, enhance trust, and increase purchase intention. For attributive negative comments, the “apology + explanation + repair” response strategy is the most helpful in repairing potential customers’ purchase intentions (Piehler et al., 2019) and improving customers’ perception of merchants’ ability, benevolence, and integrity. However, it is worth noting that merchants’ apology strategies significantly impact potential consumers’ perceived ability. When merchants embrace an apology strategy and actively assume responsibility, consumers are predisposed to believe in the merchant’s adeptness in rectifying mistakes.

Ability, benevolence, and integrity all have a significant positive impact on potential customers’ purchase intention. The study found that perceptions of benevolence in perceived trust substantially impact purchase intention more than ability and integrity. The benevolent behavior displayed by merchants can arouse emotional resonance among consumers, satisfy their emotional needs, and deepen the emotional connection between consumers and merchants (White, 2005). Therefore, this emotional resonance is stronger than the cognitive trust in the merchant’s ability and integrity, increasing consumers’ purchase intention more effectively.

### *5.2 Managerial Implications*

There are two managerial implications for the above empirical results. First, hotel managers should pay full attention to online negative reviews, especially attributive online negative reviews of hotel services. Online negative reviews are divided into emotion-type and attribute-type. This study shows that consumers’ perceptions of ability have no significant impact on different types of online negative reviews. However, when browsing attributive online negative reviews, consumers have a weak perception of integrity and benevolence. Therefore, merchants should focus on attributive comments that describe the service quality itself, understand the service quality problems they expose, and solve them promptly to ensure service quality.

Secondly, merchants should establish an effective response strategy mechanism for online negative reviews. When responding to negative comments, merchants must use appropriate content to provide targeted responses based on the information characteristics of the reviews and the specific issues reflected (Liu et al., 2020). For attributive negative reviews, consumers can quickly identify product problems and tend to attribute responsibility to the merchant. Therefore, merchants should sincerely express their apology, take the initiative to take responsibility and promise to work hard to improve related problems, that is an “apology + explanation + repair” strategy. For emotional reviews, potential consumers cannot identify product problems and attribute responsibility when browsing reviews. Merchants can express understanding and provide an apologetic reply with an external attribution explanation for the problem, and at the same time, provide specific compensation, focusing on customer feelings.

### *5.3 Limitations and Future Research*

This study is constrained by certain limitations, which guide potential studies in the future. First, this study only focuses on the hotel industry, and future research can be expanded to other sectors to explore the impact of negative reviews on purchase intention. Secondly, to more effectively verify whether merchant reply content plays a moderating role, future research can consider introducing more review information to simulate the situation when consumers face a more comprehensive range of reviews. In addition, future research can consider expanding the scope of the experimental sample to cover a broader range of hotel booking groups and more comprehensively understand consumers’ reactions to negative reviews and merchant responses, making the research results more representative and generalizable.

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### **Authors contributions**

Lin and Zhu were responsible for the study design and revising. Both authors were responsible for data collection, coding and drafting manuscript. Lin drafted the main part of the manuscript and Zhu the other parts. Both authors read, revised and approved the final manuscript.

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The data that support the findings of this study are available on request from the corresponding author. The data are not publicly available due to privacy or ethical restrictions.

**Data sharing statement**

No additional data are available.

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#### Appendix: The merchant's response to negative reviews for this study

Types	Specific description
No reply	/
Rebuttal	Dear customer, we believe that your experience does not align with our service standards. We are committed to providing high-quality service, and therefore, we feel that your assessment may not be entirely accurate.
Apology	Dear customer, we sincerely apologize for your unpleasant experience. We deeply regret any inconvenience caused.
Apology + explanation	Dear customer, we sincerely apologize for your unpleasant experience. We deeply regret any inconvenience caused. Following a thorough investigation, we have identified the root cause of the issue and taken measures to ensure a recurrence is prevented.
Apology + explanation + repair	Dear customer, we sincerely apologize for your unpleasant experience. We deeply regret any inconvenience caused. Following a thorough investigation, we have identified the root cause of the issue and taken measures to ensure a recurrence is prevented. We will compensate you with a free dinner or a discount on your next stay.