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CUSTOMER EVALUATION OF MANAGERS' RESPONSES
TO ONLINE COMPLAINTS

by

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A dissertation submitted in partial fulfillment of the requirements
for the degree of Doctor of Philosophy
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ABSTRACT

Managers have begun to respond to customers' online reviews of services on online review websites. However, it is not known how viewers evaluate company-initiated service recovery in the form of manager responses to online reviews. This research has three objectives: (1) to explore how managers are currently responding to electronic word of mouth; (2) to investigate whether a manager's response to electronic negative word of mouth (eNWOM) positively influences viewers' behavioral intentions; (3) to examine which elements in a manager's responses increases viewers' evaluations of trust and behavioral intentions towards the company.

Three studies were conducted, one for each objective. Study #1 examined 21,211 online reviews and manager responses from Tripadvisor.com from 184 hotels in five cities. Study #2 was a single-factor between-subject experimental design by manipulating a manager's response to eNWOM (response message vs. no response message) through scenarios. Study #3 was a 2 (procedural justice: high vs. low) x 2 (interactional justice: high vs. low) x 2 (social presence: high vs. low) between-subject experimental design that manipulated manager's responses through scenarios.

Findings from Study #1 revealed that managers were more likely to respond to eNWOM compared to neutral word of mouth. A content analysis of 432 company responses to eNWOM determined that managers used nine online review management strategies: appreciation, apology, future patronage encouragement, explanation, follow up, flexibility, correction, compensation, and social presence. Results from Study #2 indicated that viewers were more likely to visit a restaurant when a manager responded to eNWOM compared to no response to eNWOM. Results from Study #3 revealed a three-way interaction of procedural justice, interactional justice, and

social presence on trust. There were also main effects of procedural justice and interactional justice on trust. Additionally, results provided partial support for the mediating role of trust in the relationship between the three-way interaction and behavioral intentions.

This study contributes to the online service recovery literature and online trust formation literature by enhancing the understanding of how viewers evaluate manager responses to eNWOM and how social presence can be used with procedural justice and interactional justice to enhance trust in the online review management context. Service organizations should create a comprehensive online review system to respond to eNWOM and identify ways to enhance procedural justice, interactional justice, and social presence into their responses. Online review websites should encourage companies to provide managerial response to online complaints and allow for social presence and enhanced creative options in manager responses.

This dissertation is dedicated to my nieces and nephews Nora, Ronan, Clare, Mackenzie, Daniel, and James. May you truly be inspired by the world around you.

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TABLE OF CONTENTS

LIST OF FIGURES	xi
LIST OF TABLES	xii
CHAPTER I. INTRODUCTION.....	1
Problem Statement	5
Purpose of the Research	6
Research Questions	6
Significance of Study	7
Organization of the Dissertation	8
CHAPTER II. LITERATURE REVIEW	9
Electronic Word of Mouth	9
Negativity Effect	12
Behavioral Intentions	14
Justice Theory	15
Distributive Justice	16
Procedural Justice	17
Interactional Justice	18
Communication in a Computer-Mediated Environment.....	19
CMC Theories	20
Social Presence	24
Trust	26
Conceptual Framework and Research Hypotheses	28
Covariates.....	36
Involvement.....	36
Personal Attitude Toward Online Reviews	37
Chapter Summary.....	37
CHAPTER III. METHODOLOGY	39
Overview of Studies	39
Study 1: Manager’s Responses in the Field	40
Study 2: Manager’s Response and Behavioral Intentions.....	43
Study 3: Elements of Manager Response.....	44
Research Design	44
Manipulation.....	45
Sample	47

Measures	47
Chapter Summary.....	51
CHAPTER IV. DATA ANALYSIS AND RESULTS	53
Study 1 Results.....	53
Hypothesis Testing Results	53
Content Analysis Results.....	56
Category Descriptions	59
Study 2 Results.....	64
Sample Characteristics	64
Manipulation Check and Dependent Variable.....	66
Results	67
Study 3 Results.....	69
Pilot Tests Results	69
Main Study Respondents and Procedures	73
Demographic and Behavioral Profile	74
Construct Validity and Reliability.....	77
Manipulation Checks.....	79
Assumptions	80
ANCOVA Results	80
Simple Main Effects Testing Results	82
Summary of Simple Main Effects	89
Mediation Testing Results.....	90
Summary of Mediation Results.....	117
Summary of Hypotheses	117
Chapter Summary.....	118
CHAPTER V. DISCUSSION.....	120
Discussion of Research Question #1	120
Discussion of Research Question #2.....	122
Discussion of Research Question #3.....	123
Implications.....	128
Theoretical Implications	128
Managerial Implications	129
Limitations & Future Studies	133
Conclusion.....	135

LIST OF REFERENCES.....	136
APPENDIX A STUDY 1 INSTRUCTIONS FOR CODERS.....	159
APPENDIX B STUDY 2 SURVEY INSTRUMENT.....	163
APPENDIX C STUDY 2 IRB LETTER.....	167
APPENDIX D STUDY 3 SCENARIOS.....	169
APPENDIX E STUDY 3 SURVEY INSTRUMENT.....	176
APPENDIX F STUDY 3 IRB LETTER.....	181

LIST OF FIGURES

Figure 1. Manager Response to eNWOM.....	3
Figure 2. Conceptual Framework	29
Figure 3. Mean Scores of Behavioral Intentions by Condition	69
Figure 4. Simple Mean Plots for Low Procedural Justice Level	83
Figure 5. Simple Mean Plots for High Procedural Justice Level.....	84
Figure 6. Simple Means Plots by Low Social Presence.....	86
Figure 7. Simple Means Plots by High Social Presence	86
Figure 8. Simple Mean Plots by Low Interactional Justice	88
Figure 9. Simple Mean Plots by High Interactional Justice.....	88

LIST OF TABLES

Table 1. Characteristics of Traditional and eWOM.....	10
Table 2. Computer-Mediated Communication Theories and Models	22
Table 3. Summary of Hypothesis Supporting Literature	35
Table 4. Description of Studies.....	40
Table 5. Coding Framework of Manager Response	42
Table 6. Manipulation Summary	46
Table 7. Measurement Items.....	50
Table 8. Reviews by Traveler Rating, City, and Manager Response	54
Table 9. Manager Response by Review Category	55
Table 10. Index Reliability of Dimensions of eNWOM.....	57
Table 11. Coding Descriptives.....	58
Table 12. Manager Response Examples	62
Table 13. Socio-Demographic and Behavioral Characteristics of the Sample.....	66
Table 14. Mean Scores of Behavioral Intentions.....	67
Table 15. Demographic and Behavioral Profile of Pilot Test Respondents	72
Table 16. Demographic and Behavioral Profile of Respondents.....	75
Table 17. Standardized Measurement Coefficients from Confirmatory Factor Analysis	77
Table 18. Construct Correlation Matrix.....	78
Table 19. Internal Consistency	78
Table 20. ANCOVA Results.....	81
Table 21. Mean Scores of Simple Main Effects for Low Procedural Justice	84
Table 22. Mean Scores of Simple Main Effects for High Procedural Justice	84
Table 23. Mean Scores of Low Social Presence Simple Main Effects.....	87
Table 24. Mean Scores of High Social Presence Simple Main Effects	87
Table 25. Mean Scores of High Interactional Justice Simple Main Effects	89
Table 26. Mean Scores of Low Interactional Justice Simple Main Effects.....	89
Table 27. Main Model Results.....	93
Table 28. ANCOVA Comparisons with Inclusion of Trust	94
Table 29. Mediation Model 1 Regression Results	97
Table 30. Mediation Model 2 Regression Results	99
Table 31. Mediation Model 3 Regression Results	101
Table 32. Mediation Model 4 Regression Results	104
Table 33. Mediation Model 5 Regression Results	107
Table 34. Mediation Model 6 Regression Results	110
Table 35. Mediation Model 7 Regression Results	113
Table 36. Mediation Model 8 Regression Results	116
Table 37. Results of Hypothesis Testing	118

CHAPTER I. INTRODUCTION

The Internet has changed the balance of power between customer and company (Lee & Cude, 2012), as consumers now have immediate access to information about a product or service from a plethora of sources (Tyrrell & Woods, 2004). Additionally, the Internet is a highly interactive medium for consumers to share their thoughts, opinions, and experiences of products and services (Dellarocas, 2000). Online customer reviews are described as “peer-generated product evaluations posted on company or third party websites” (Mudambi & Schuff, 2010, p. 185). For example, Tripadvisor.com, the largest travel review website in the world, has more than 150 million reviews of 3.7 hospitality service providers (Tripadvisor.com, 2014a). On Tripadvisor.com, consumers can search for hotels, flights, vacation rentals, restaurants, and destinations; read reviews about such products and services; interact with other reviewers; and discuss travel-related topics. Online review websites are available in a wide range of segments, including local businesses (yelp.com), apartment rentals (apartmentratings.com), higher education (ratemyprofessor.com), and healthcare providers such as doctors, dentists, and hospitals (healthgrades.com). The growing numbers of online reviews provide customers with information about service providers and act as an additional source of information for potential purchases (Pan & Fesenmaier, 2006; Sparks & Browning, 2010).

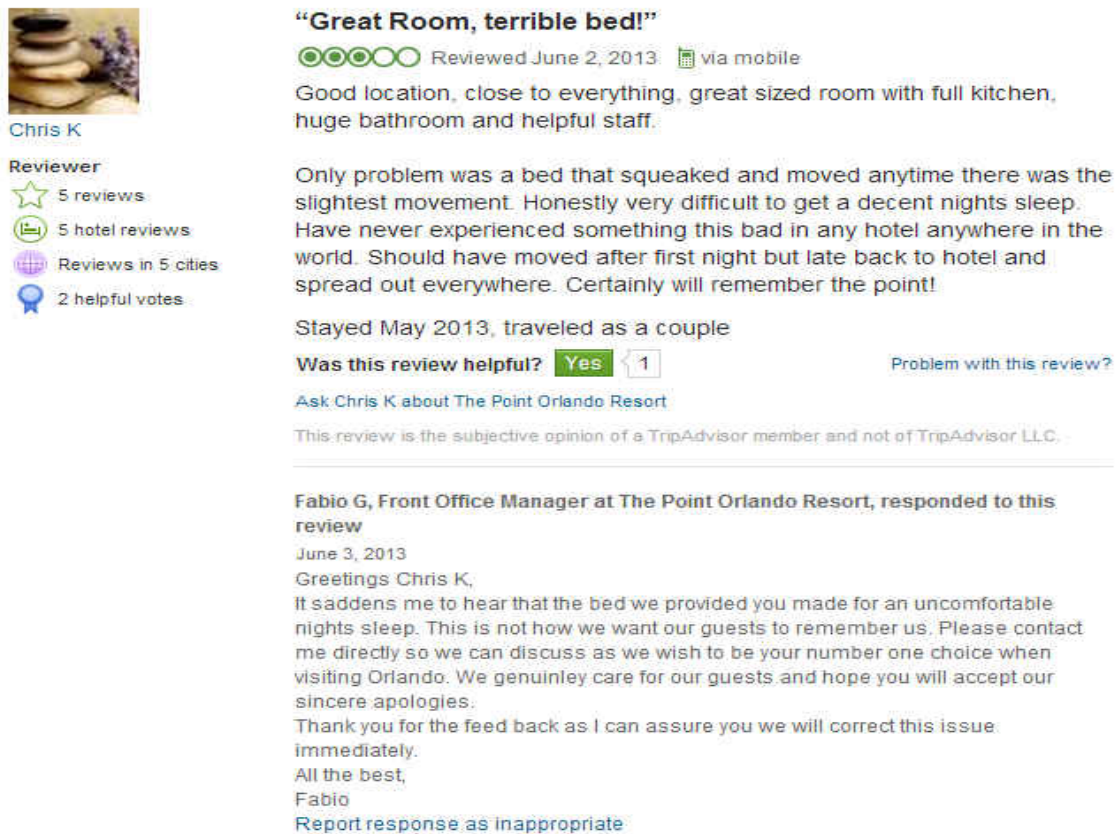
Service products are intangible and experiential in nature (Kotler, Bowen, & Makens, 2013), and customers are not able to “test drive,” “sample,” or “try on” a service product before purchasing. Since the intangibility of a service is positively correlated to risk (Mitchell & Grotorex, 1993; Murray & Schlacter, 1990), consumers may seek out additional information to aid their decision making. For example, 75% of travelers have considered online consumer

reviews as an informational source before selecting a hotel (Gretzel & Yoo, 2008). Consumers perceive online reviews by past customers as more powerful than marketer-generated information (Bickart & Schindler, 2001). For example, Ye, Law, Gu, and Chen (2011) found that a 10% increase in review ratings of hotels enhanced online bookings by more than five percent. These evidences suggest that service providers must not underestimate the importance of online reviews.

If a consumer has a negative experience with a product or service, the consumer may share negative information and opinions across Internet platforms. This communication is known as electronic negative word of mouth (eNWOM). Although face-to-face complaints can be managed through service recovery, eNWOM presents new challenges for practitioners. Questions such as “Should a manager respond to eNWOM?” and “How should a manager respond to eNWOM?” arise. Although a handful of studies have examined service recovery in the context of online retailers (e.g. Lin, Wang, & Chang, 2011), there is lack of research in regard to the implications of responding to online reviews regarding services (Park & Allen, 2013).

Studies have shown that eNWOM is more influential than electronic positive word of mouth (ePWOM) (Lee, Park, & Han, 2008; Park & Lee, 2009). Recently, managers have started to respond directly to complaints, as shown in an example from Tripadvisor.com in Figure 1. In this example, three parties are involved: the complainer, the manager, and the viewer. The complainer is the person who posted the eNWOM about a dissatisfying experience for others to view. The second party involved is the manager of the hotel, who responded directly to the eNWOM. In addition, there are a large number of anonymous viewers who are able to assess the

communication between complainer and manager in the online forum (Breitsohl, Khammash, & Griffiths, 2010).



The screenshot shows a TripAdvisor review by Chris K titled "Great Room, terrible bed!". The review is dated June 2, 2013, and is marked as "via mobile". The reviewer has a profile with 5 reviews, 5 hotel reviews, reviews in 5 cities, and 2 helpful votes. The review text describes a good location and room but complains about a bed that squeaked and moved, making it difficult to sleep. The reviewer stayed in May 2013 as a couple. Below the review is a "Was this review helpful?" section with a "Yes" button and a count of 1. A link to "Ask Chris K about The Point Orlando Resort" is also present. A disclaimer states: "This review is the subjective opinion of a TripAdvisor member and not of TripAdvisor LLC." Below the review, a response from Fabio G, Front Office Manager at The Point Orlando Resort, is dated June 3, 2013. The response expresses regret, offers an apology, and asks the reviewer to contact the manager directly to discuss the issue. The response is signed "Fabio" and includes a link to "Report response as inappropriate".

Figure 1. Manager Response to eNWOM

Many online review websites are encouraging managers to respond to eNWOM. For example, yelp.com provides recommendations on how to react to negative comments (Yelp, 2014). Tripadvisor.com offers suggestions for how managers can respond effectively and professionally (Tripadvisor.com, 2014b). However, the majority of hotels (85%) do not have a plan for monitoring and responding to eNWOM, according to a survey conducted by Market Metrix and Tripadvisor.com (Barsky, 2009).

The action of a company responding to eNWOM can be viewed as company-initiated service recovery, and justice theory is the predominant theory used to explain how consumers evaluate service recovery (Chebat & Slusarczyk, 2005; Collier & Bienstock, 2006; Kuo & Wu, 2012; Schoefer, 2008). Two dimensions of justice theory are particularly relevant in online service recovery initiatives: procedural justice and interactional justice. Procedural justice focuses on the process by which recovery decisions were made (Smith, Bolton, & Wagner, 1999), such as a manager's response time to eNWOM and a method of regularly monitoring online reviews. A fast response time could be seen as a cue for a service provider being efficient and providing quality service (Wirtz & Mattila, 2004). Additionally, a manager who regularly monitors online reviews could be also seen as a cue for a service provider being involved and interested in online complaints. Interactional justice refers to a customer's evaluation of treatment received from service providers during service recovery (Sparks & McColl-Kennedy, 2001), such as an apology and an explanation for the service failure provided in the manager response.

Interactions on the Internet tend to be more detached and automated than traditional face-to-face interactions and may be seen as lacking human warmth and sociability (Hassanein & Head, 2007). Social presence is the way a medium allows users to experience other people as being psychologically present (Fulk, Steinfield, Schmitz, & Power, 1987) and has been characterized as how consumers transmit information about facial cues, expression, and non-verbal cues in communication channels (Short, Williams, & Christie, 1976). A communication channel, or a communication medium, is considered to be "socially warm" if it conveys psychological connection and a feeling of human warmth (Yoo & Alavi, 2001). Thus, managers have utilized human audio (Lombard & Ditton, 1997), emotive text and pictures (Hassanein &

Head, 2007), and personalized greetings (Gefen & Straub, 2003) to enhance social presence (Cyr, Hassanein, Head, & Ivanov, 2007).

Consumers are more likely to purchase services from companies they trust. Since the online world is fraught with risk and uncertainty, trust formation in the online environment is challenging (Lim, Sia, Lee, & Benbasat, 2006). Trust in this study focuses on customer's confidence in a company and perceptions of its trustworthiness and ability to provide good services after evaluating the manager's response to eNWOM.

Problem Statement

The impact of electronic word of mouth (eWOM) on consumers' decision-making has been noted by researchers and practitioners, as positive online reviews can provide information about a service, enhance a company's image, minimize purchase doubt, and reduce purchase dissonance (Litvin & Hoffman, 2012). On the contrary, eNWOM is particularly detrimental to businesses due to being more persuasive than positive information (Basuroy, Chatterjee & Ravid, 2003), having a stronger impact on attitude toward the brand (Lee, Rodgers, & Kim, 2009), decreasing perceptions of company reliability (Chatterjee, 2001), and negatively impacting brand equity (Bambauer-Sachse & Mangold, 2011). Although the impact of eNWOM has received considerable attention (Vermeulen & Seegers, 2009; Ye, Law, & Gu, 2009), the question of how to manage eNWOM had not been addressed. As suggested by several researchers, there is a need to investigate how firms could manage eNWOM (Hart & Blackshaw, 2006; Sparks & Browning, 2010; Tyrrell & Woods, 2004).

Although it is known that effective service recovery strategies can positively impact a firm, there is a need to find effective strategies to respond to online reviews (Park & Allen,

2013). Firms are encouraged to respond to online reviews, but there is a lack of understanding of how viewers interpret the exchange between a manager response and a review in the online context (Breitsohl et al., 2010). Additionally, although social presence has been utilized as an antecedent for trust formation in the online context (e.g. Cyr et al., 2007), its use in company-initiated service recovery and manager responses is not fully understood. A better understanding of consumers' evaluations of management responses to online complaints can be used to design effective online response programs to create trust for viewers as well as initiate service recovery for complainers.

Purpose of the Research

This research has three objectives: to explore how managers are currently managing eNWOM, to investigate whether a manager's response to eNWOM positively influences viewers' behavioral intentions, and to examine which elements in a manager's responses increases viewers' evaluations of trust and behavioral intentions for the company. Specifically, this research focuses on procedural justice, interactional justice, and social presence as the key elements of online service recovery initiatives in response to eNWOM in order to increase viewers' trust of the firm and behavioral intentions to purchase a service.

Research Questions

This study will be guided by the following three main research questions:

1. How are managers responding to online reviews? Which type of eWOM (negative, neutral, or positive) are managers currently responding to? What are the elements included in the responses?

2. What impact does the manager's service recovery response to eNWOM have on viewers' perceptions? Should managers respond to eNWOM in order to increase viewers' behavioral intentions?
3. What elements in the managers' responses to eNWOM should be included in order to increase trust and behavioral intentions of viewers? More specifically, do higher levels of procedural justice, interactional justice, and social presence lead to high trust levels of viewers? Does trust mediate the relationship between procedural justice, interactional justice, and social presence and behavioral intentions?

Significance of Study

From a theoretical perspective, this study will have several contributions. First, it examines how viewers evaluate managers' responses to eNWOM, contributing to online service recovery literature. In particular, by examining the role of trust in offsetting eNWOM effects on viewers, this study will enhance the understanding of trust formation in the online context. Second, the study will extend the understanding of social presence to enhance the effectiveness of managers' responses in an online service recovery. While previous research in social presence has primarily focused on the e-Commerce domain (e.g. Cyr et al., 2007; Hassanein & Head, 2007), this research will apply social presence in an online service recovery context.

With consideration to the growing importance and impact of eNWOM, online marketers and complaint managers may be well advised to understand how their service recovery is evaluated by viewers (Cheung, Sia, & Kuan, 2012). Currently, most manager review response programs are sporadic (Park & Allen, 2013), suggesting there is lack of strategies for managers to manage online reviews successfully. This research will provide managers with information

about effective strategies for responding to eNWOM, aiding a firm's overall review response program. In addition, managers will gain insight into the elements of responses that can build trust formation and increase viewers' behavioral intentions toward the company. Litvin, Goldsmith, and Pan (2008) suggest that online reviews may be used to a firm's advantage, as long as they are managed effectively. Thus, this research will provide guidelines for responding to eNWOM in terms of the use of online review management tools, such as a quick response time, regular monitoring of online reviews, an apology, an explanation for the service failure, and social presence in a manager's response, ultimately increasing viewers' trust and behavioral intentions toward a service provider.

Organization of the Dissertation

This research is structured in five chapters. The current chapter provides a background of the research, problem statement, research questions, and significance of the study. Chapter II reviews the theoretical foundation of eWOM, the negativity effect, justice theory, social presence theory, and trust. Subsequently, the conceptual framework and the relevant constructs will be discussed, followed by the rationale of the associated hypotheses. Next, Chapter III presents the proposed methods for addressing the research questions. The results and findings of the research appear in Chapter IV. Finally, Chapter V offers a discussion, theoretical and managerial implications of the study, limitations, and suggestions for future research.

CHAPTER II. LITERATURE REVIEW

This chapter presents the theoretical foundations of the proposed research and provides a detailed review of the constructs that will be used in the research model. First, a relevant discussion of electronic word of mouth will be presented that lays the foundation of eNWOM. Next, justice theory will be discussed, including its history and its relationships to the service context and online service recovery. The subsequent section will address computer-mediated communication (CMC), social presence theory, and how social presence can be used to increase trust in the online environment. The contexts of the section are derived from several disciplines, including psychology, marketing, service recovery, and CMC.

Electronic Word of Mouth

People are often influenced by friends, family, and other peers' discussions of their product and service purchases (Park, Wang, You, & Kang, 2011). Traditionally, *Word Of Mouth* (WOM) is communication from person to person about a brand, a product, service, or a company in which the receiver perceives the sender as non-commercial (Arndt, 1967). eWOM is an extension of traditional WOM that occurs on the Internet (Park et al., 2011). In general, eWOM is described as "any positive or negative statement made by potential, actual, or formal customers about a product or company, which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004, p. 39). Both cognitive (i.e., evaluation) and affective (i.e., feelings) information about a product or service are communicated through eWOM (Tang, 2010). Cognitive information is perceived to be more

rational, and in the context of eWOM, often includes facts, numbers, and inferences; affective information refers to the feelings and emotions affiliated with the service.

Researchers have noted differences between traditional WOM and eWOM. For example, eWOM recommendations are typically from unknown individuals without strong ties (Brooner & deHoog, 2011). Another major difference between traditional WOM and eWOM is that eWOM is publically posted for everyone to see (Hennig-Thurau et al., 2004). Table 1 provides a summary of characteristics of traditional WOM and eWOM adopted by Ferris-Costa (2011). Managers who respond to eWOM operate in the online environment, which is impersonal, crosses geographic and social boundaries, tends to be anonymous, and enables many people to view the response.

Table 1. Characteristics of Traditional and eWOM

	Traditional WOM	eWOM
Type	Personal/Face to face	Impersonal/Online
People involved	One-to-one	Many-to-many
Direction	Bilateral communication	Unilateral or bilateral communication
Word Type	Spoken word	Written word
Geographic Boundaries	Geographic limitations	No geographic limitations
Social Boundaries	Social boundaries	No social boundaries
Degree of Anonymity	Identifiable	Anonymous & identifiable
Degree of Observation	Indirect observation	Direct observation
Length	Short-lived	Timeless
Planning	Spontaneous	Planned and effortless

Adopted from: Ferris-Costa (2011).

The research on eWOM can be categorized into three streams: (a) the impact of eWOM, (b) the motivational factors for engaging in eWOM, and (c) the valence of eWOM. The first, the impact and influence of eWOM on consumers' purchasing decisions and behavior, has been one of the most extensive current research streams. A study by Ye et al. (2011) found that a 10

percent increase in traveler review ratings boosted online bookings by over five percent of hotel reservations. Park, Lee, and Han (2007) found that the quality and quantity of online reviews had a positive effect on purchasing intentions of hotels. In addition, several studies have shown that eWOM is more effective than companies' own marketing communication (Allsop, Bassett, & Hoskins, 2007; Karakaya & Barnes, 2010). Researchers have found that eWOM may have higher credibility, empathy, and relevance than traditional marketing communications (Bickart & Schindler, 2001). Additional studies have examined the impact of eWOM on perceptions of loyalty and value (Gruen, Osmonbekov, & Czaplewski, 2005), as well as on which new products grow fastest in the marketplace (Clemons, Gao, & Hitt, 2006).

Second, studies have examined the consumer motivational factors of participating in eWOM. For example, Yoo and Gretzel (2008) found motivational factors of enjoyment/positive self-enhancement, venting negative feelings, collective power, concerns for other consumers, and helping the company as reasons for participating in eWOM. Bronner and de Hoog (2011) propose eight motivational factors for participating in eWOM, derived from an extensive literature review: personal (i.e., revenge), social benefits (i.e., group attachment), social concern (i.e., efficacy), functional (i.e. getting information), quality assurance (i.e., consumer empowerment), economic incentives (i.e., receiving awards), entertainment (i.e., fun), and helping the company (i.e., good companies should be supported). Hennig-Thurau et al. (2004) found that people who participate in eWOM had similar motivational factors to those who participated in traditional WOM.

The third stream of eWOM studies focuses on review valence (Sparks & Browning, 2011; Ye et al., 2009). Since consumers are exposed to both positive and negative online reviews (Lee & Youn, 2009), review valence suggests that consumers distinguish between positive and

negative information in reviews. For example, Vemeulen and Seegers (2009) found that eNWOM generated negative attitudes among hotel consumers. Pantelidis (2010) discovered that positive comments outweighed eNWOM in a restaurant setting. Sparks and Browning (2011) suggest that customer decision making was more impacted by recent negative reviews that were posted than by negative reviews that were posted earlier. Overall, past research suggests that people have a tendency to value negative information more than positive information; this phenomenon is known as negativity bias (Baumeister, Bratslavsky, Finkenauer, & Vohs, 2001).

Negativity Effect

Consumers value and weigh negative information more heavily than positive information (Ahulwalia & Shiv, 1997; Sen & Lerman, 2007; Skowronski & Carlston, 1987) when forming an impression about a product or service (Baumeister, et al., 2001; Herr, Kardes, & Kim, 2003). Chen and Lurie (2013) suggest three explanations for this phenomenon: (a) evolutionary account, (b) frequency-as-information, and (c) attribution-based frequency. From an evolutionary perspective, people are more likely to survive when they utilize negative information effectively, such as to survive a disaster (Baumeister et al., 2001). From a frequency-as-information standpoint, negative information is considered more useful because it is rarer and can provide a change from positive information (Peeters & Czapinski, 1990). For example, a study by Greenleigh (2013) found that online positive reviews outnumber negative reviews eight to one. Finally, the attribution-based frequency viewpoint of the negativity effect suggests that consumers attempt to find causes of online complaints. Social norms lead people to provide positive information about products (Mizerski, 1982) compared to negative information. As a result, negative information that is shared tends to be rarer, resulting in a stronger influence

(Jones, Gergen & Jones, 1963; Mizerski, 1982; Thibault & Ricken, 1955). Prior research has found the negativity effect in online review studies (e.g. Cui, Lui, & Guo, 2007).

To date, a few studies have examined the content and response rates of managers' responses to eNWOM. For example, based on reviews of 34 four- and five-star hotels, Park and Allen (2013) found that managers were more likely to respond to negative reviews (41.3% response rate) than to positive reviews (18.0% response rate). Additionally, Meliá-González, Bulchand-Gidumal, and López-Valcárcel (2013) found that early reviews of one-star hotels tend to be more negative; however, negative reviews tend to be more balanced as the number of reviews increase. One study by Levy, Duan, and Boo (2013) analyzed 225 management responses from 86 hotels in one location on a response framework of eight response strategies: apology, appreciation, explanation, compensation, correction, active follow-up, passive follow-up, and a request for future patronage. However, this study was limited in geographic range and did not represent all hotel rating classifications.

eWOM is written to recommend a product or discourage viewers from purchasing it (Sen & Lerman, 2007). Viewers use information in eWOM to aid them in consumer decision making. eNWOM includes a customer's feelings, evaluations, and thoughts regarding a dissatisfying situation. As a result, a manager who responds to eNWOM is attempting to influence viewers' perceptions of the original complaint as their impressions of the company. A company's reaction can reinforce a strong customer relationship or intensify a distraction into a crisis (Kim, Yoo, & Lee, 2011). Since consumers place a higher value on negative reviews than positive reviews (Lee et al., 2008; Smith et al., 1999; Sparks & Browning, 2011), it is in managers' best interests to respond to eNWOM. Hence, it is hypothesized:

- **H₁:** Managers are more likely to respond to eNWOM than to positive or neutral eWOM.

Behavioral Intentions

A manager's greatest concern regarding eNWOM is the effect that it will have on potential purchasing decisions and intentions. After a service failure, customers often want organizations to acknowledge the service failure and provide service recovery. The benefits of responding to a complaint are documented in the services marketing literature, including higher customer retention and satisfaction (Fornell & Wernerfelt, 1987; Reichheld, 1993), as well as trust and commitment towards an organization (Tax, Brown, & Chandrashekar, 1998). In addition, marketing researchers have begun to link companies' customer complaint handling and retention with their financial results (Luo & Homburg, 2008). For example, Reichheld (1996) reveals that a minimal 5% improvement in customer retention can add 25% to 85% to a company's bottom line. The longer a customer is retained by a company, the more profitable the customer becomes. Therefore, ensuring that customers return to a service provider is one of the main goals of an organization.

In social science research, behavioral intentions has been one of the most studied dependent variables as researchers attempt to determine what causes customer intention to repurchase services. Behavioral intentions is defined as customers' expectations that they will repurchase products or services from the same service provider and share their experiences with others (Kuo & Wu, 2012; Zeithaml, Berry, & Parasuraman, 1996), and it has been used to predict customers' future behavior (Kuo & Wu, 2012). In this study, behavioral intentions refers to the probability and likelihood of selecting a service provider based on the manager response to eNWOM.

Service recovery efforts enhance customers' evaluations of the company (Kelley, Hoffman, & Davis, 1993). Customer dissatisfaction resulting from a service failure may be

alleviated or compounded by the service provider's response or lack of response (Bitner, Booms, & Tetreault, 1990; Smith & Bolton, 1998). Company-initiated service recovery programs focus on how to fix a problem (Tyrrell & Woods, 2004). When a manager responds to eNWOM, the manager is taking action on behalf of the service organization in response to the dissatisfied customer to offset the discouraging reviews. For example, in a case study analysis, Park and Allen (2013) found that hotel managers respond to online complaints to deal with service issues as efficiently as possible, show corrective actions are being taken, and maintain control of a hotel's brand. These responses suggest the company is initiating service recovery by responding to reviews to offset negative reviews and to proactively showcase to future customers that the company acknowledges failures and attempts to make right with the customer. Therefore, it is proposed that a viewer is more likely to have increased behavioral intentions toward an organization that responds to eNWOM than toward an organization that does not respond to eNWOM. Thus,

H₂: For eNWOM, the presence of a manager response increases behavioral intentions to a greater extent than no response.

Justice Theory

Justice theory is the predominate theory used in marketing services literature to explain how customers evaluate service recovery. According to Ryan (1993), the study of justice has its roots in philosophy and has been discussed since the times of Aristotle, Socrates, and Plato. In the context of ethics, an act can be considered to be fair through the comparison of philosophical systems that include acceptable codes of conduct and policy (Burke, 2009). Aristotle first discussed what constitutes fairness in terms of the distributions of resources among people. In

the 1800s, Locke advanced the discussion of justice and human rights (Colquitt, Greenberg, & Zapata-Phelan, 2005). Today, in marketing services literature, justice has been extensively examined in the consumer behavioral context. In particular, three dimensions of justice (distributive, procedural, and interactional) have been used to examine consumers' perceptions of service recovery.

Distributive Justice

The earliest justice temporal wave, distributive justice, has its roots in the economic literature and is based on Equity Theory (Adams, 1965). Adams' Equity Theory states that people compare what they put into a relationship to what they actually receive from the relationship. When individuals believe that the input is not equal to the output, they will attempt to restore the equal balance of the relationship. Restoring the equal balance of the relationship can be accomplished through either behavioral or cognitive methods, including changing one's inputs, altering expectations of outputs, or even ending the relationship (Colquitt et al., 2005).

Distributive justice in the service recovery literature has been defined as the perceived fairness of an economic or social outcome from service recovery after a service failure (Gelbrich & Roschk, 2011). The outcome has been operationalized as the tangibles that a customer may receive as a result of a service failure (Weun, Beatty, & Jones, 2004), and the customer's evaluation of how the result restores the balance of fairness.

Currently, when managers respond to online complaints, they are unlikely to offer traditional elements of distributive justice. Providing tangible service recovery, such as a "refund" or an "exchange" in a written response could have unintended effects on viewers. Additionally, the credibility of the complaint may also be questionable because of reviewer

anonymity (Schindler & Bickart, 2005). In other words, managers may not be able to confirm that the service failure is a real service failure that actually occurred. Second, “copycat” posters could replicate complaints if they view a manager offering elements of distributive justice such as refunds, discounts, or free products/services in the online forum. For these reasons, distributive justice may not be applicable as a service recovery dimension in practice.

Procedural Justice

Procedural justice involves the customer’s evaluation of the processes that are used to make allocation decisions (Leventhal, 1980). In other words, procedural justice is the means by which the recovery was completed (Lind & Tyler, 1988). Leventhal (1980) provided six criteria that procedures should meet in order to be perceived as fair: (a) they should be applied consistently across people; (b) they should be free from bias; (c) they should ensure that accurate information is used in the decision process; (d) they should include a process to correct or fix inaccurate or wrong decisions; (e) they should be consistent with ethical standards; and (f) they should ensure that a variety of opinions are taken into account when making a decision.

Procedural justice may reduce conflicts between the customer and the company, even if an outcome is perceived as being unfair by either party (Greenberg, 1990). In the service recovery literature, procedural justice refers to the policies, procedures, and criteria that an organization uses to make service recovery decisions (Blodgett, Hill, & Tax, 1997). Furthermore, procedural justice has been operationalized in service recovery as accessibility, flexibility, timing, and speed of a company’s response to a service failure (McColl-Kennedy & Sparks, 2003). The speed of service recovery is a critical determinant of perceptions of procedural justice (Blodgett et al., 1997; Tax et al., 1998), as customers feel dissatisfied when they have to wait too

long in service situations (Katz, Larson, & Larson, 1991). Thus, a quick response time could imply an efficient organization (Wirtz & Mattila, 2004). Response time to eNWOM can be heightened in the online context because of the lack of social and geographic boundaries of eWOM as viewers have immediate access to reviews. Additionally, viewers can see the manager's response time to eNWOM on websites such as Tripadvisor.com.

Additionally, procedural justice involves the formal policies and structural considerations (Wang, Wu, Lin, & Wang, 2011) used by a service provider when providing company-initiated service recovery. An extension of procedural justice may refer to the process and structural organization that a company has in place to regularly monitor online complaints. For example, a firm that regularly monitors online reviews, allocates resources to the monitoring, and responds accordingly may be looked upon more favorably by viewers. Additionally, a firm that communicates that it has a process in place to monitor online complaints may enhance the overall behavioral intentions of a potential customer. Thus, an organization's response time to eNWOM and regular monitoring of online complaints become critical in the online environment.

Interactional Justice

Interactional justice refers to the customer's evaluation of the interpersonal aspects of treatment during service recovery. Bies and Moag (1986) suggest that consumers look at four attributes when evaluating interactional justice: (a) truthfulness, (b) respect, (c) propriety, and (d) justification. Truthfulness can be defined as the degree of authenticity during service recovery. Respect can be termed as the extent to which customers feel that they were treated with politeness and courtesy. Propriety refers to the presence or absence of improper questions,

including those that may lead to discrimination. Justification can be expressed as how decisions are reasoned, explained, or rationalized to a customer.

In the service recovery literature, an apology and explanation have been used to mitigate the effects of service failure and as tools in providing service recovery. An apology refers to a message that contains an acknowledgement of blameworthiness for an event (Fehr & Gelfand, 2010). By apologizing, an organization acknowledges that a customer did not obtain the full benefits of a product and service. Apologies have been considered as psychological compensation (Davidow, 2000) and have been shown to be affiliated with evaluations of interactional justice (Blodgett et al., 1997; Greenberg, 1990; Smith et al., 1999). An apology can offset a customer's negative feelings and show that the organization cares about the customer (Boshoff & Leong, 1998).

In an explanation, a service provider states a reason for the service failure, as well as supporting details. Mattila (2006) suggests three reasons why explanations should be part of a service recovery program: (a) cognitive appraisal of injustice should mediate people's responses; (b) consumers may make up their own minds about a service failure if information is not presented; and (c) explanations can be an easy and efficient tool to implement in service recovery. Past research has found that explanations have a positive impact on satisfaction (Bitner et al., 1990; Conlon & Murray, 1996) in service recovery evaluations.

Communication in a Computer-Mediated Environment

Interaction on the Internet may be seen as lacking human warmth and sociability because it is more detached and automated than traditional face-to-face commerce (van der Heijden, Verhagen, & Creemers, 2003). Since manager responses are completed in the online context and

currently utilize text, it is important to understand how eWOM is transcribed through computer-mediated communication (CMC). The communication of consumption experience follows a process of encoding, transmission, and decoding (Shannon & Weaver, 1949). Encoding is the creation of the message and includes putting emotional expression into the message, such as using emotional words like happy or sad. Messages are then transmitted through selected communication channels to the receiver. The decoding of the message is completed by the end receiver of the message and involves the interpretation of the message.

CMC Theories

According to Walther (2011), there are three main streams of theories that explain CMC: cues-filtered-out theories, experiential/perceptual theories, and interpersonal adaptation theories. First, cues-filtered-out theories contend that CMC does not allow nonverbal cues, and as a result, accomplishment of typical social functions in the computer-mediated environment is challenging (Culnan & Markus, 1987).

The second stream of literature, experiential/perceptual theories, explains how the individual characteristics of communicators and their interactions with others affect perceived capacities of communication systems. For example, Channel Expansion Theory (CET) (Carlson & Zmud, 1999) suggests that as people become more experienced with a specific communication medium, the medium becomes richer for them. Additionally, the CET explains how familiarity with a communication partner influences the richness and expressiveness of the medium that is being used to communicate with that partner.

The third stream of theories, the interpersonal adaptation theories, explains how communicators adapt to cue limitations of computer-mediated environments. For example,

Social Information Processing Theory (Walther, 1992) explains how people are able to obtain impressions about others and how these impressions develop; e.g., communicators will develop interpersonal cues and impressions about other communicators through their own methods. A summary of the CMC theories is provided in Table 2.

Table 2. Computer-Mediated Communication Theories and Models

Group	Premise	Authors
Cues-Filtered-Out Theories	States that CMC has no nonverbal cues; social functions are challenging because of lack of cues	Culnan & Markus (1987)
Social Presence Theory	Explains that channels of communication differ in capacity to deliver nonverbal and verbal content; has been expanded to include human warmth and social connections	Short et al. (1976)
Lack of Social Context Cues	Contends that lack of nonverbal cues lead users of CMC to be “deindividuated” and “normless”; CMC prevents perceptions of individual characteristics	Siegel, Dubrovsky, Kiesler, & Mcguire (1986); Sproull & Kiesler (1986)
Media Richness Theory	Refers to the ways a medium can reproduce the information that is transmitted; a match should exist between the “message situation” and the “medium”	Daft & Lengel (1986)
Social Identity Model	Considers absence of nonverbal cues; users shift towards anonymity	Lea & Spears (1992); Reicher, Spears, & Postmes (1995)
Signaling Theory	Explains why some signals are reliable and some are not; signals that are reliable must have benefits that outweigh the costs	Donath (1999)

(continued)

Group	Premise	Authors
Experiential/Perceptual Theories	Explain how characteristics of communicators and their interactions with other communicators affect communication	
Electronic Proximity Theory	Examines the psychological closeness expressed by communicators	Korzenny (1978)
Social Influence Theory	Focuses on the factors that change users' perceptions about CMC; one's social ties with others impact CMC richness	Fulk et al. (1990)
Channel Expansion Theory	Suggests that as communicators gain more experience with a medium, it becomes richer for them	Carlson & Zmud (1994; 1999)
Interpersonal Adaptation Theories	Explain how communicators adopt to CMC	
Social Information Processing	Explains how users accrue impressions of, and relationships with, others online	Walther (1992)
Hyperpersonal CMC	Proposes a model that explains how CMC facilitates impressions and relationships online on four dimensions: receivers, senders, channel, and feedback	Walther (1996)
Warranting	Explains how people perceive legitimacy and validity of information about people online	Walther & Parks (2002)
Efficiency Framework	Proposes framework that explains satisfaction with collaboration	Nowak, Watt, & Walther (2005; 2009)
Information and Communication Technologies Succession	Framework that explains sequencing of messages across multiple communication channels	Stephens (2007)

Adapted from: Walther (2011).

Social Presence

Social presence has received attention in the CMC literature of online education (e.g., Barnes, 2009; Gunawardena, 1995) and website development literature (e.g., Cyr et al., 2007). The common challenge of the online context is how managers can increase social presence in a computer-mediated environment. Walther (2011) suggests that the recent interest in social presence may be due to the emergence of new technologies and social media websites that operate in a primarily text-based fashion, such as mobile phone text messages and online review websites.

Social presence refers to how a person is perceived as being “real” in communication (Gunawardena, 1995). Social presence theory (Short et al., 1976) states that the reduction of nonverbal cues leads to the reduction of the capacity to convey and receive interpersonal communication and warmth. Nonverbal cues, such as voice quality, voice inflections, appearance, movements, and facial expressions, are often absent in CMC (Walther, Loh, & Granka, 2005). Social presence theory also explains the process awareness of another person is perceived in communication interaction (Short et al., 1976).

One of the earliest perspectives on social presence described how people transmitted actual non-verbal cues, such as facial expressions and dress (Short et al., 1976). According to Gunawardena (1995), two related concepts of social presence are intimacy and immediacy. Intimacy refers to factors such as physical distance between communicators (Argyle & Dean, 1965). For example, the use of CMC may decrease intimacy, whereas face-to-face communication increases intimacy. Immediacy measures the psychological distance a communicator puts between himself/herself and the topic of conversation (Wiener & Mehrabian, 1968). From this early viewpoint that defines social presence in the face to face interpersonal

exchange, social presence theory has focused on how a medium allows its users to experience it as being psychologically present (Fulk et al., 1987) and on the awareness of another person in an interaction (Rice, 1993). A communication medium may be perceived as being warm if it has a sense of human connection and sociability (Hassanein & Head, 2007).

More recently, social presence is described as social warmth in the online world (Gefen & Straub, 2003), and it has been applied as a tool to increase connection and warmth in CMC studies. A medium is considered to have a higher level of social presence if it conveys a feeling of human contact and sensitivity (Yoo & Alavi, 2001). Researchers have also studied how to create a sense of warmth and sociability in the computer-mediated environment. According to Hassanein and Head (2007), social presence in a computer-mediated environment can be accomplished either by providing the means for actual human interaction or by manipulating the interaction to create an imagined social interaction.

Many retail websites have incorporated tactics to increase social presence to interact with customers online. Examples of actual interaction with humans include e-mail after-sales support (Gefen & Straub, 2003), virtual communities, chats (Kumar & Benbasat, 2002), and message boards (Cyr et al., 2007). Imaginary interactions include socially-rich picture content (Cyr et al., 2007), socially-rich text content (Gefen & Straub, 2003), human audio (Lombard & Ditton, 1997), human video (Kumar & Benbasat, 2002), and photographs (Gefen & Straub, 2003). Additionally, people also express their emotions through computer networks by using emoticons, “smiley faces” or “relational icons” that use typographic symbols to resemble facial expressions (Walther & D’Addario, 2001). Despite the recent interest in social presence in the online environment, the impacts of such features on online customers’ perceptions of social presence have not been empirically tested (Hassanein & Head, 2007).

Trust

Trust is a complex concept, and disciplines provide different definitions of the construct (Rousseau, Sitkin, Burt, & Camerer, 1988). For example, in communications, trust means source credibility (Hovland, Janis & Kelley, 1953); in relationship marketing, trust has been examined as a mediating variable in the context of relational exchanges between a buyer and a seller relationship (Morgan & Hunt, 1994). In other words, trust is essential in relationships. Trust is defined as “the willingness of a party to be vulnerable to the actions of another party based on the expectations that the other will perform a particular action important to the trustor” (Mayer, Davis, & Schoorman, 1995, p. 712). For this study, trust is the customer’s confidence in a company to provide good services.

According to Rousseau et al. (1988), there are three forms of trust: calculus-based trust, relation-based trust, and institution-based trust. Calculus-based trust refers to rational choice, which is derived from an economic exchange perspective. Relation-based trust is grounded in interactions over a period of time. Institution-based trust relates to institutions that encourage interpersonal, interorganizational, or person-organization trust.

In the online environment, consumers perceive risks and uncertainties in dealing with online transactions, and researchers have noted several key characteristics of the online environment that present challenges trust formation. According to Hassanein and Head (2007), the main differences between interaction online and offline are: interactions across different times and locations, less control over data, unknown relationships with others, lower barriers to entry and exit, the absence of a physical environment, and lower human/social element that results in lower social presence (Bart, Shandar, Sultan, & Urban., 2005; Gefen & Straub, 2003;

Jarvenpaa, Tractinsky, & Vitale, 2000; Roy, Dewit, & Aubur, 2001; Wang & Emurian, 2005; Yoon, 2002).

According to Racherla (2008), three types of trust models have been used to explain trust formation in the online context: early models, functional models, and human-based models. The initial models of trust formation in the online environment were developed in the late 1990s and early 2000s. One of the earliest trust models was proposed by Jarvenpaa et al. (2000), and the model suggested that trust for online websites was derived from traditional relationships of trust-building in the offline environment. In other words, companies that wanted to build trust online would need to use the same ingredients of successful trust formation in the offline world. The authors proposed that two constructs—the size and the reputation of the online store—were positively related to consumers' trust of the online store. In addition, Gefen (2002) found that consumers' familiarity with an online vendor led them to higher levels of trust.

Another stream of research proposes models that explain trust formation in the online forum by focusing on specific functionality and utility features of websites. Empirical studies found that the role of style and language of the website (Everard & Galetta, 2006), its ease of use (Pavlou, 2003), its perceived security (Chellappa & Pavlou, 2002; Shankar, Urban, & Sultan, 2002), contextual factors (Lee & Turban, 2001), and trustworthiness of the Internet merchant (Lee & Turban, 2001) enhance consumer trust. These studies focus on the specific features that determined trust, and thereby expanded the understanding of trust formation online.

As interaction in a computer-mediated environment increased, e-commerce communities and social media networks became more popular, and more consumers felt comfortable using such technologies, researchers turned their focus to the interpersonal elements of trust formation in online transactions (Racherla, 2008). For example, ratings systems have been studied in the

areas of design (Dellarocas, 2000), credibility and rating (Chen & Singh, 2001), economic outcomes of user feedback (i.e. Ba & Pavlou, 2002), and judgment bias (Wolf & Muhanna, 2011). Ba and Pavlou (2002) found that aspects of the feedback profile of a seller, such as the number of negative and positive reviews, impact the buyer's trust of the seller. Some researchers suggest that information posted in online reviews is higher in credibility than traditional marketing sources because customers have direct experience with the product and service (Park et al., 2007). On the other hand, since online information can be posted by anyone, it may be less credible and less trustworthy than expert sources.

In a service recovery context, trust reflects the customer accepting vulnerability based on the expectation that the service provider will provide a solution to service problems (Söderlund & Julander, 2003). When relational exchange partners interact with each other in a way that is mutually inclusive and benefits each other, trust is strengthened (Holmes & Rempel, 1989). Several studies have noted that perceived justice has a positive effect on customer trust. For example, DeWitt, Nguyen, and Marshall (2008) found a positive relationship between justice perceptions and trust in the hospitality industry. In a study of airline delays, Wen and Chi (2013) found support for a positive relationship between procedural and interactional justice and customer trust of the service firm. Thus, the importance of providing service recovery to enhance trust formation online becomes important.

Conceptual Framework and Research Hypotheses

The conceptual framework of this research (see Figure 2) is based on the preceding literature review, which aimed to examine how viewers evaluate a manager's response to eNWOM. In the model, two justice dimensions—procedural justice and interactional justice—as

well as social presence, represent the elements of service recovery in an online context. Furthermore, trust mediates the relationship between the three online service recovery elements (procedural justice, interactional justice, and social presence) and behavioral intentions. Hypotheses 3-7 will examine viewers' evaluations of service recovery attempts made in response to eNWOM.

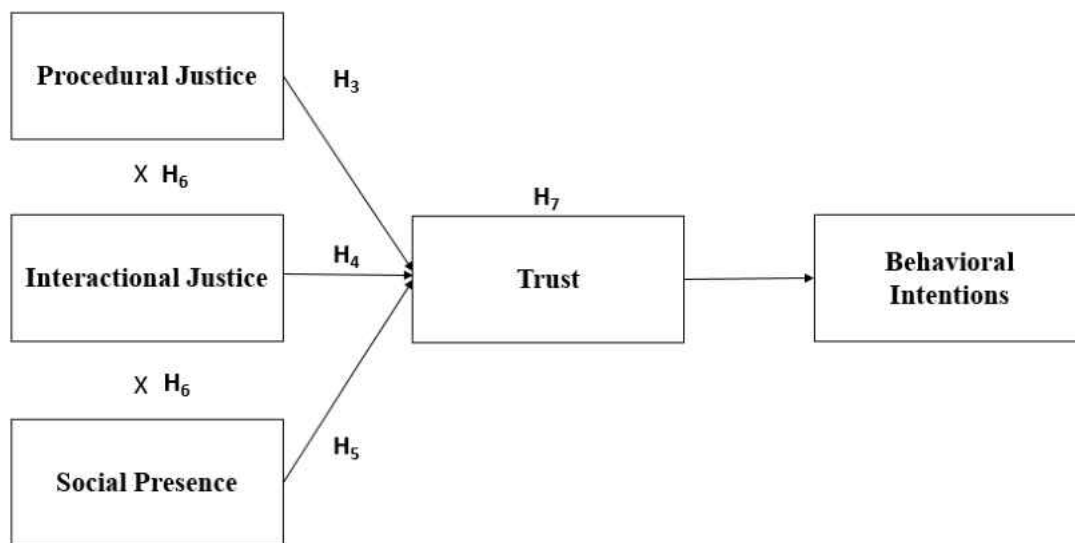


Figure 2. Conceptual Framework

Studies have noted the role of trust in service recovery with trust frameworks (e.g., Coulter & Coutler, 2002; Kau & Loh, 2006; Tax et al., 1998) and have found a positive relationship between service recovery and trust. Service recovery efforts perceived as fair results in higher levels of trust, and service recovery efforts perceived as unfair have a negative impact on trust (Lii, Chien, Pant, & Lee, 2013). When trust is built between a customer and a company,

the perceived level or risk—the belief in the possibility of loss in the recovery process—will be decreased (Doney & Cannon, 1997).

Previous studies of procedural justice have suggested that the speed of a company's intervention in service recovery can impact customers' perceptions (Blodgett et al., 1997; Lind & Tyler, 1988). A fast recovery response will enhance customers' evaluations (Smart & Martin, 1992). Additionally, the e-service quality literature suggests that speed in company interaction becomes important for trust formation. For example, Sohn and Tadisina (2008) suggest that speed of delivery, including quick transactions and a fast response time for customers' requests, leads to trust. On many websites, such as Tripadvisor.com, viewers are able to see the date of the complaint as well as the date of the manager's response.

In addition to speed of recovery, dimensions of procedural justice also include process control, decision control, accessibility, and flexibility (Tax et al., 1998). Procedural justice also refers to the formal policies and structural considerations (Wang et al., 2011) used by a service provider when providing company-initiated service recovery. An extension of procedural justice may refer to the process and structural organization that a company has in place to regularly monitor online complaints. For example, a firm that regularly monitors online reviews, allocates resources to the monitoring, and responds accordingly may be looked upon more favorably by viewers. Additionally, a firm that communicates that it has a process in place to monitor online complaints may enhance the overall trust evaluations of a potential customer. A firm that communicates that it proactively seeks out online reviews and has a process in place to monitor online reviews, may be looked at more favorably by viewers.

In this study, procedural justice consists of response time to eNWOM and whether the manager regularly monitors online reviews. After eNWOM is posted in an online forum, it is

suggested that a quick response time to eNWOM and regular monitoring of online reviews will lead to higher levels of trust. Thus,

H₃: A manager's response with higher procedural justice will lead to higher trust than a manager's response with lower procedural justice.

Bies (1987) suggests that apologies are an offering of remorse and can be effective in restoring equity and a sense of justice (Walster, Berscheid, & Walster, 1973) as an apology communicates courtesy and empathy (Kelly et al., 1993). Bell and Zemke (1987) suggest that customers perceive an apology as a company's concern towards a customer. When customers are treated fairly, higher trust formation occurs in the relationship (Brockner & Siegle, 1966).

Apologies can suggest that the service provider admits fault and accepts responsibility for the service failure.

Information about a decision can influence the outcome of that decision (Folger, 1987). Researchers in the hospitality context suggest that consumers expect an explanation for a service failure (McColl-Kennedy & Sparks, 2003). Customers want to know why service failures occurred, and information assists them in evaluating fairness (Bies & Shapiro, 1988). For example, Mattila (2006) found that by providing an explanation about a service failure, employees could influence customer perceptions. The offering of an explanation is positively related to customers' evaluation of service recovery evaluations (Dunning, Pecotich, & O'Cass, 2004; Tax et al., 1998). A firm that provides an explanation for the service failure can influence trust perceptions of the company by reducing a customer's sense of injustice (Wang, Mattila, & Bartlett, 2009) and uncertainty about the cause of the service problem.

As a form of social exchange, receiving fair treatment can lead to higher trust (Blau, 1964). Trust has been found as an outcome of interactional justice (Aryee, Budhwar, & Chen, 2002). Similar to other studies, (e.g. Shapiro & Nieman-Gonder, 2006), this study combined an apology with explanations for the failure for the interactional justice dimension. Taken together,

- **H₄**: A manager's response with higher interactional justice will lead to higher trust than a manager's response with lower interactional justice.

Trust helps reduce risk perceptions with online vendors (van der Heijden et al., 2003). As a result, trust in the online context can be enhanced through the increase of social cues (Cyr et al., 2007). Social presence is the level of awareness of another person in an interaction. CMC lacks social cues and nonverbal, cues and communication can become challenging as a result (Tu, 2002). When viewers review eNWOM and a manager's response, they are unable to evaluate nonverbal cues such as gestures, eye contact, and tone. As a result, managers and researchers have looked at increasing social presence as a way to increase trust in CMC. Prior research from the e-commerce stream has shown that higher levels of social presence can positively influence trust in an online context (Gefen & Straub, 2003; Hassanein & Head, 2007). A company response that portrays a real manager and uses human-like social cues and characteristics will enhance trust evaluations in CMC as opposed to a response that lacks social cues. Thus,

- **H₅**: A manager's response with higher levels of social presence will lead to higher trust than a manager's response with lower social presence.

Justice dimensions cannot be examined by themselves (Wirtz & Mattila, 2004). It is important for companies to develop an organized service recovery system that emphasizes consistent policies and recovery speed (i.e., procedural justice) and a strong training program that encourages employees to be polite and responsive and to show empathy (i.e. interactional justice) (Folger & Cropanzano, 1998). For example, Aurier and Siadou-Martin (2007) found a joint effect of procedural justice and interactional justice on interactional quality in the restaurant industry. Additionally, social presence is important in the online environment because it adds a sense of human warmth and connection in the manager's response. Thus, when a manager provides a quick response and regularly monitors online complaints, is empathetic to the complainer and offers an apology as well as an explanation, and includes elements of social presence to offset the lack of human connection in the online environment, a viewer's trust of the company will increase. Taken together, it is proposed that procedural justice, interactional justice, and social presence will have a joint effect on trust. Thus,

- **H₆:** There is a three-way interaction effect of procedural justice, interactional justice, and social presence on trust.

Customers may be more willing to engage with a company if they trust that the company can be relied upon (Geyskens, Steenkamp, Scheer, & Kumar, 1996). In service recovery, studies have shown that trust has a direct effect on behavioral intentions (Delgado-Ballester, Munnera-Aleman, & Yague-Guilen, 2003; Doney & Cannon, 1997; & Lii et al., 2013). Several studies in justice evaluation have found that trust has a mediating role between justice and behavioral loyalty (e.g., DeWitt et al., 2008). Additionally, Hassanein and Head (2007) found that trust mediated the relationship between social presence and attitude. Similarly, this study proposes

that trust mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions. In other words, when managers provide written responses that enhances viewers' trust evaluations, higher behavioral intentions toward the company are expected.

- **H₇:** Trust mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions.

Taken together, this research proposes that procedural justice, interactional justice, and social presence to influence trust. This research also proposes a three-way interaction effect on trust, and that trust mediates the relationship between procedural justice, interactional justice, and social presence and trust. Table 3 provides a summary of the hypotheses and key supporting literature.

Table 3. Summary of Hypothesis Supporting Literature

Hypotheses	Key supporting literature
H ₁ : Managers are more likely to respond to eNWOM than to positive or neutral eWOM.	Baumeister et al., 2001; Herr et al., 2003
H ₂ : For eNWOM, the presence of a manager response increases behavioral intentions to a greater extent than no response.	Coulter & Coulter, 2002; Lii et al., 2013
H ₃ : A manager's response with higher procedural justice will lead to higher trust than a manager's response with lower procedural justice.	Blodgett et al., 1997; Lind & Tyler, 1988; Smart & Martin, 1992; Sohn & Tadisina, 2008; Wang et al., 2011
H ₄ : A manager's response with higher interactional justice will lead to higher trust than a manager's response with lower interactional justice.	Aryee et al., 2002; Dunning et al., 2004; Mattila, 2006
H ₅ : A manager's response with higher levels of social presence will lead to higher trust than a manager's response with lower social presence.	Hassanein & Head, 2007; Gefen & Straub, 2003; Kumar & Benbast, 2002; Wang & Emurian, 2005
H ₆ : There is a three-way interaction effect of procedural justice, interactional justice, and social presence on trust.	Wirtz & Mattila, 2004; Folger & Cropanzano, 1998; Sparks & McColl-Kennedy, 2011
H ₇ : Trust mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions.	Hassanein & Head, 2007; DeWitt, Nguyen, & Marshall, 2008

Covariates

In addition to the previously discussed five constructs, two covariate variables have been selected in this study to control for effects of the covariate variables' potential predictive behavior on the outcome variable in this study. Involvement was selected because social psychology suggests that involvement can refer to an individual's assessment of concern, care, importance, and motivational state of mind toward an activity (Olsen, 2007). Personal attitude towards online review was selected to control for viewers' degree of online review utilization.

Involvement

Evolving from social psychology (Sheriff & Cantril, 1947), involvement is defined as the effort of connecting experiences between the content of a persuasive stimulus and one's life (Krugman, 1965) or a "state of interest, motivation, or arousal" (Rothschild, 1984, p. 216). The influence of involvement on consumer responses to company marketing actions has been studied extensively in the marketing literature (Martin, Camarero, & José, 2011). Consumers with high levels of involvement tend to search more for information about a product because it is more important to them than to those with a low level of involvement. In this study, involvement refers to the degree of effort a viewer expends in reading the customer complaint and a manager response.

Social psychology literature suggests that arguments in a message may be more persuasive when involvement is higher because people with higher involvement tend to process most or all of the information that is available in a message, whereas people with lower involvement tend to process less information (Petty & Cacioppo, 1984). The process by which viewers evaluate the manager's response becomes important, and the effort the viewer puts into that evaluation becomes critical when a manager response consists of a rebuttal to the eNWOM.

It is expected that viewers will have differing involvement levels in comprehending and processing the information in the original complaint and the manager's response. Highly involved viewers will be more likely to be aware of the information in the manager's response as part of their information processing before evaluating the eNWOM compared to lower involved viewers.

Personal Attitude Toward Online Reviews

In this study, personal attitude toward online reviews refers to the degree that a consumer reads and uses online reviews. Studies have shown that viewers who always read and utilize reviews may have different behavioral intentions compared to viewers who do not read and do not utilize online reviews. For example, Senecal and Nantel (2004) found that people who reviewed online product recommendations were more likely to select recommended products than those who did not utilize the recommendations. Thus, this study will control for the degree of viewers' attitudes toward online reviews.

Chapter Summary

In summary, previous research has shown differences between traditional WOM and eWOM. Negativity bias states that consumers pay attention to, and weigh, negative information more heavily than positive information. Justice theory explains how customers evaluate service recovery, and procedural justice and interactional justice have been shown to increase consumers' trust. Additionally, social presence has been suggested to increase trust formation in the online environment. Based on the literature review, the conceptual framework is presented

and the hypotheses are proposed. In the following chapter, the methodologies used to test the proposed relationships are presented.

CHAPTER III. METHODOLOGY

This chapter provides details of the methodology utilized in the current research. This chapter begins with a discussion pertaining to the three studies that were employed in this research. For each study, this chapter will discuss the research design used, the sampling technique employed, the setting, and the statistical procedures used to test the hypotheses.

Overview of Studies

This research employed three studies, as described in Table 4. Study 1 examined whether managers are more likely to provide a written response to eNWOM in the hotel context. Study 2 investigated whether viewers have higher behavioral intentions for a service provider if the manager responded or did not respond to the eNWOM in the restaurant context. Finally, Study 3 examined viewers' perceptions of a manager's responses to eNWOM in terms of the specific components of the written responses in the hotel context. Per the recommendation of Litvin and Hoffman (2012), studies examining manager responses to consumer-generated content should employ diverse segments of the hospitality industry. Thus, a hotel was chosen for Studies 1 and 3 and a restaurant setting for Study 2, to increase the generalizability of results.

Table 4. Description of Studies

	Study 1	Study 2	Study 3
Research Question	What type of complaints (negative, neutral, or positive) do managers respond to?	Should managers respond to eNWOM in order to increase viewers' behavioral intentions?	What elements in the managers' responses to eNWOM should be included in order to increase trust and behavioral intentions of viewers?
Purpose	To examine if managers are more likely to respond to eNWOM.	To examine if viewers high higher behavioral intentions for eNWOM with or without a manager response.	To examine viewer's perceptions of a manager's response to eNWOM in terms of the components of the written responses.
Research Design	Content Analysis	Experiment	Experiment
Sample	Online Reviews (secondary data)	Students	Consumers
Setting	Hotels	Restaurant	Hotels

Study 1: Manager's Responses in the Field

For this study, the website Tripadvisor.com was selected to gather managers for two reasons. First, Tripadvisor.com is the world's largest travel site and has over 150 million reviews on more than 3.7 million hotels, restaurants, and attractions (Tripadvisor.com, 2014a). Second, some managers are currently responding to online reviews on Tripadvisor.com website. Therefore, the Tripadvisor.com website provides a setting in which to determine the types of responses that managers are currently providing to online complaints in the hospitality industry.

Study 1 utilized a research sampling protocol similar to Chen and Lurie (2013) that examined the dynamics of online reviews using secondary data. A total of 184 hotels at all levels (one-star, two-star, three-star, four-star, and five-star) in five major cities (Atlanta, Chicago, Los Angeles, San Francisco, and New York) were selected. Different hotel markets were considered for a better degree of generalizability (O'Connor, 2010). The sample was limited to the top 10 hotels displayed by each star rating in each city by rating. A total of 21,211 reviews and manager responses written during the 12 month period of October 1, 2012 – September 30, 2013 was obtained.

On Tripadvisor.com, travelers are able rate their experience staying at hotels utilizing scale of 1 to 5 stars, with 5 stars indicating a higher evaluation. The order of reviews posted is fluid and can change from time to time as additional assessments alter the most current rating. This contrasts with a star rating available on Tripadvisor.com, provided from third-party partners and national ratings organizations, which cannot be altered. As a result, this study utilized the traveler rating.

First, the reviews were sorted into three categories: positive reviews (4 and 5 star ratings), neutral reviews (3 star ratings), and negative reviews (1 and 2 star ratings). Second, a frequency analysis was used to determine if a manager responded to the review. Finally, a Chi-square was used to examine an association between the types of reviews (positive, neutral, and negative reviews) and manager response (yes or no).

In addition, an exploratory content analysis was employed to identify the dimensions of manager responses to eNWOM in current practice. The coding framework was developed and consisted of nine categories (see Table 5). Seven of the categories were based on a framework used by Levy et al. (2013), which was drawn from previous research on service recovery

strategies (e.g., Hoffman & Chung, 1999; Lewis & McCann, 2004): follow-up, apology, appreciation, compensation, correction, explanation, and a request for future patronage. In this study, the two categories used by Levy et al., “Active Follow-Up” and “Passive Follow-Up,” were combined into one category “Follow-Up.” Additionally, two new categories were added: social presence and flexibility. Social presence is the degree of social warmth in the online world (Gefen & Straub, 2003; Hassanein & Head, 2007) and was added as a category because it is a construct being examined in this research. Flexibility refers to the way that the manager attempted to customize the service recovery efforts in the response or that the manager modified existing rules and procedures for implementing service recovery.

Table 5. Coding Framework of Manager Response

Category	Key Words	Supporting Literature
APOLOGY	Apology, Sorry, Regret	Levy et al. (2013)
APPRECIATION	Appreciate, Thank You, Thanks, Welcome	Levy et al. (2013)
COMPENSATION	Coupon, Reimbursement, Payment	Levy et al. (2013)
CORRECTION	Fix, Solution, Repair	Levy et al. (2013)
EXPLANATION	Explanation, Description, Reason, Excuse	Levy et al. (2013)
FOLLOW-UP	Contact Me, Follow Up with You	Levy et al. (2013)
FUTURE REPATRAONAGE	Visit Future, Repeat	Levy et al. (2013)
SOCIAL PRESENCE	Emoticon, Photograph Included	Gefen & Straub (2003)
FLEXIBILITY	Customization, Adaptable	Tax et al. (1998)

To facilitate the categorization of online reviews based on the coding protocol, two graduate students who have experience in qualitative coding were recruited and trained by the researcher. The two coders independently coded the manager responses based on instructions and a detailed coding framework, as shown in Appendix A.

Study 2: Manager's Response and Behavioral Intentions

The purpose of Study 2 was to examine viewers' perceptions of a manager's response to eNWOM and their resulting behavioral intentions in a restaurant setting. In other words, this study examined if viewers' behavioral intentions towards a restaurant are different when a manager responds to the eNWOM compared to no response.

The research design was a single-factor between-subject experimental design that manipulated a manager's response to eNWOM (response message vs. no response message) through scenarios. Respondents were randomly assigned to one of two scenarios. For this study, an actual online review and manager's response from the restaurant industry were selected from Tripadvisor.com and modified for this study. The restaurant industry was selected because it is a highly visible industry (Parsa, Gregory, Self, & Dutta, 2012) and is one of five segments that is currently reviewed on Tripadvisor.com. To control for potential brand image effects (Kwon & Lennon, 2009), references to restaurant brands were eliminated.

For this study, 112 students from a large university in the southeastern U.S. were recruited to role-play a viewer who read a customer complaint and a manager's response in the online forum. University undergraduate students were used for this study because of their familiarity to restaurants services (Kim, Hertzman, & Hwang, 2010) and online context (e.g. Mattila, Andreau, Hanks, & Kim, 2013).

A 4-item responsiveness scale by Lee, Kim, Hemmington, and Yun (2004) was used to determine manipulation effectiveness: whether respondents could identify the difference between eNWOM with a manager response versus no response. To examine scenario realism, two realism questions were asked. The dependent variable in this study was behavioral intentions, as measured by a 5-item scale by Burke (2009). Additionally, two covariates were used in the study: involvement, as measured by a 4-item scale adapted from Lee et al., (2008) and personal attitude toward online reviews, as measured by a 3-item scale adapted from Lee et al., (2008). Participants rated each question of the scales with a 5-point Likert scale. The survey instrument for Study 2 is located in Appendix B. Instructional Review Board (IRB) approval was obtained, and a copy of the IRB letter is located in Appendix C.

Study 3: Elements of Manager Response

The purpose of Study 3 was to examine viewers' perceptions of a manager's response to negative reviews in terms of the components of the response. In other words, this study examined if a viewer was more likely to have higher behavioral intentions toward a service provider based on differing manager responses to eNWOM in a hotel setting. Study 3 consisted of three pilot test studies and a main study. The pilot test studies had four purposes: (a) to assess the relationships of the constructs, (b) to refine the measurement items, (c) to develop a revised questionnaire for the main study, and (d) to evaluate manipulation effectiveness.

Research Design

An experiential design with a written scenario was used to examine the impact of a manager's response to an online complaint. Participants were asked to role-play a viewer who

read a negative customer complaint as well as a manager response, as described in a written scenario about a hotel. The research design was a 2 (procedural justice: high vs. low) x 2 (interactional justice: high vs. low) x 2 (social presence: high vs. low) between-subject experimental design. Respondents were randomly assigned to one of eight scenarios and were asked to role-play a viewer reading the original complaint of the customer and the manager's response. After checking manipulations, assessing the relationships of the constructs, refining the measurement items, and developing a revised questionnaire, the main study was conducted.

The survey instrument for Study #3 comprised of four sections. The first section included a qualifying question asking respondents if they had viewed an online comment regarding a hospitality product/service in the last six months. The second section contained the experimental scenarios and questions pertaining to the scenarios as well as manipulation check questions. The third section included covariate questions. Finally, the fourth section of the questionnaire comprised eight demographic questions and four behavioral questions.

Manipulation

Procedural justice was manipulated by a fast response time and regular monitoring of online reviews vs. a slow response time and no regular monitoring of online reviews. Fast response time was a manager response provided two days after the eNWOM, and slow response time was a manager response provided 65 days after the eNWOM. Regular monitoring was a manager stating in the response that the manager regularly monitors online reviews and recently found the review, and no regularly monitoring was no mention of regularly monitoring online reviews in the response.

Interactional justice consisted of an apology in the manager’s written response and an explanation for the service failure. Thus, interactional justice was manipulated by the manager’s treatment of the complaint: apology and explanation in the manager’s response vs. no apology and no explanation in the manager’s response.

Social presence was manipulated by the inclusion of social presence elements in the manager response: a real guest service manager responding to the complaint, the inclusion of follow-up personal contact information (phone: 407-903-8227 and email: gareth.wilson@abchotel.com), and a photograph of the manager vs. an anonymous guest service manager responding to the complaint, generic follow-up personal contact information (phone: 1-800-ABC-HOTEL and email: guestservice@abchotel.com), and no photograph of the manager. The photograph of the manager was purchased from istockphoto.com. A summary of the manipulated variables is displayed in Table 6.

Table 6. Manipulation Summary

Procedural Justice	
Low	Slow response time and no regularly monitoring of online reviews
High	Fast response time and regularly monitoring of online reviews
Interactional Justice	
Low	No apology and no explanation in manager response
High	Apology and explanation in manager response
Social Presence	
Low	Anonymous guest service manager responding to the complaint, generic personal follow-up contact information provided, and no photograph of the manager
High	A guest service manager responding to the complaint, actual personal contact information provided, and a photograph of the manager

To control for potential brand image effects (Kwon & Lennon, 2009), references to hotel brands were eliminated, and a generic hotel, ABC Hotel, was used as a fictitious hotel name. A copy of the scenarios is located in Appendix D, the survey instrument is located in Appendix E, and a copy of the IRB approval letter is located in Appendix F.

Sample

For the pilot tests and main studies, a consumer panels via an online marketing firm, Qualtrics, was used. Three pilot tests were conducted to evaluate manipulation effectiveness, correct errors, and refine the measurement items to develop a revised questionnaire for the main study. Since the third pilot test was determined to be acceptable, results were combined with the main study.

Measures

In this study, procedural justice, interactional justice, and social presence were used as variables for manipulation checks of the written scenarios. Additionally, trust was a mediation variable between procedural justice, interactional justice, and social presence and the dependent variable, behavioral intentions. This study also used two covariates, involvement and personal attitudes toward online reviews.

Procedural Justice was measured by five items that included two items adapted from the Promptness scale by Gursoy, Ekiz, and Chi (2007), two items from a Procedural Justice scale by DeWitt et al., (2008) and one additional item, “The manager routinely monitors online reviews for feedback.” Participants were asked to rate each question of the scale with a 7-point Likert-type scale anchored by *1 = Strongly Disagree* and *7 = Strongly Agree*.

Interactional Justice was measured via four items: two items from an Apology scale and two items from an Explanation scale adapted from Gursoy et al. (2007). Participants were asked to rate each question of the scale with a 7-point Likert-type scale anchored by *1 = Strongly Disagree* and *7 = Strongly Agree*.

Social Presence was measured by 6-item scale that included five items from Kumar and Benbasat (2006) that were modified from a Social Presence scale by Gefen and Straub (2003) and one additional item, “There is a real person in the message.” Participants were asked to rate each question of the scale with a 7-point Likert-type scale anchored by *1 = Strongly Disagree* and *7 = Strongly Agree*.

Trust was measured by a 3-item scale adapted from Sirdeshmukh, Singh, and Sabol (2002). Specifically, the scale measures the viewer’s trust of the hotel after a manager’s response. Participants rated each question of the scale with a 7-point Likert-type scale anchored by *1 = Strongly Disagree* and *7 = Strongly Agree*.

Behavioral Intentions was measured by a 3-item scale that included one-item from Han and Jeong (2013) and two items from Chiang and Jang (2006). Specifically, the scale measured the viewer’s booking intentions towards the hotel after reading the original complaint and the manager’s response. Participants were asked to rate each question of the scale with a 7-point Likert-type scale, anchored by *1 = Very Unlikely* and *7 = Very Likely*.

Involvement was measured by three items from the Self-Reported Cognitive Effort scale by Lee et al., (2008). Participants were asked to rate each question of the scale with a 7-point Likert-type scale anchored by *1 = Not a Lot of Effort* and *7 = A Lot of Effort*.

Personal Attitude Toward Online Reviews was measured by a 3-item Personal Attitude for Online Review scale by Lee et al., (2008). Participants were asked to rate each

question of the scale with a 7-point Likert-type scale anchored by 1 = *Not a Lot of Effort* and 7 = *A Lot of Effort*.

Realism was measured with three questions pertaining to the realism of the customer complaint, the manager response, and the complaint and the manager response combined. Participants were asked to rate each realism question with a 7-point Likert-type scale, anchored by 1 = *Very Unrealistic* and 7 = *Very Realistic*. Additionally, one question measured viewers' recognition that a dissatisfying situation occurred in the scenario and was measured with a 7-point Likert-type scale, anchored by 1 = *Strongly Disagree* and 7 = *Strongly Agree*. Finally, one question pertaining to the easiness of imagining one as a customer in the situation was measured with a 7-point Likert-type scale, anchored by 1 = *Very Difficult* and 7 = *Very Easy*.

Table 7 shows the measurement items used for the study.

Table 7. Measurement Items

Variable	Items	Source
Procedural Justice	<ul style="list-style-type: none"> • It took the hotel a reasonable time to react to the complaint. • The hotel was very prompt in responding to the complaint. • The complaint was taken care of as quickly as it could have been. • The hotel has good policies and practices for dealing with complaints. • The manager routinely monitors online reviews for feedback. (*) 	Gursoy et al. (2007); DeWitt et al. (2007)
Interactional Justice	<ul style="list-style-type: none"> • The customer received a sincere “I am sorry” from the manager. • The response included a genuine apology. • The response provided an explanation why the problem occurred. • The explanation of the problems in the response was convincing. 	Gursoy et al. (2007); DeWitt et al. (2007)
Social Presence	<ul style="list-style-type: none"> • There is a sense of human contact in the response. • There is a sense of personalness in the response. • There is a sense of sociability in the response. • There is a sense of human warmth in the response. • There is a sense of human sensitivity in the response. • There is a real person in the response. (*) 	Kumar & Benbasat (2006); Gefen & Straub (2003)
Trust	<ul style="list-style-type: none"> • I feel that this hotel is trustworthy. • I have confidence in the services of this hotel. • I feel that this company has the ability to provide good services. 	Sirdeshmukh et al. (2002)

(continued)

Variable	Items	Source
Behavioral Intentions	<ul style="list-style-type: none"> • I would stay at this hotel in the future. • The likelihood of booking this hotel is very high. • The probability that I would consider booking this hotel is very high. 	Chiang & Jang (2006); Han & Jeong (2013)
Involvement	<ul style="list-style-type: none"> • How involved were you in this task? • To what extent were you trying hard to evaluate the scenario? • How much effort did you put into evaluating the given information of the scenario? 	Lee et al. (2008)
Personal Attitude Towards Online Reviews	<ul style="list-style-type: none"> • I always read reviews that are available on online review websites. • The reviews presented on online review websites are helpful for my decision making. • The reviews presented on online review websites make me confident in making reservations of hospitality services. 	Lee et al. (2008)
Realism	<ul style="list-style-type: none"> • The customer who wrote the review had a dissatisfying experience at the hotel. • How realistic was the customer complaint? • How realistic was the response? • Overall, how realistic was the description of the online review and the manager's response? • Overall, how easy/hard was it to imagine yourself as a customer in the situation? 	

Note. All items are measured via a 7-point Likert-type scale.
 * = Additional new item

Chapter Summary

This chapter described the methodologies that were used to address the research questions of this research. This research employed three studies. Study 1 intended to explore how managers are currently responding to eWOM as well as to identify the dimensions of manager responses to eNWOM through content analysis. Study 2 was designed to examine viewers' perceptions of a manager's response to eNWOM and respondents behavioral intentions in a

restaurant setting. Finally, Study 3 was designed to examine viewers' perceptions of a manager's response to eNWOM in terms of the specific components of the reply. Additionally, this chapter provided the data collection procedures, the instrument, and measurement items that were used in the experiments. Chapter IV states the data analysis results from the three studies.

CHAPTER IV. DATA ANALYSIS AND RESULTS

The main purpose of this study was to examine viewers' perceptions of manager responses to eNWOM. This chapter presents the results of the data analysis that were used to answer the research questions and the study hypotheses.

Study 1 Results

The results from Study 1 are organized into the following three sections: (a) hypothesis testing results, (b) content analysis results, and (c) coding descriptives.

Hypothesis Testing Results

Frequency analysis was conducted using the 21,211 reviews to determine manager response rates to WOM by hotel star rating and by city. Table 8 shows the number of reviews by traveler rating, city, and if a manager response was provided to the review. Managers in Atlanta were most likely to respond to eWOM (positive, neutral, and negative) (67.7%) of the time, followed by managers in Chicago (67.2%), Los Angeles (51.0%), San Francisco (36.2%), and New York City (30.8%). Overall, managers responded to eWOM 48.2% of the time. A Chi-square test for independence indicated a significant difference between manager response and city ($\chi^2 (1, 4) = 2018.642, p < 0.001$).

Table 8. Reviews by Traveler Rating, City, and Manager Response

City	<u>1-Star</u>		<u>2-Star</u>		<u>3-Star</u>		<u>4-Star</u>		<u>5-Star</u>		City Total
	Yes	Total	Yes	Total	Yes	Total	Yes	Total	Yes	Total	
Atlanta	94 (49.7)	189	130 (59.4)	219	261 (62.0)	421	552 (67.3)	820	1,192 (72.6)	1643	2,229 (67.7)
Los Angeles	56 (45.5)	123	103 (57.9)	178	280 (53.1)	433	478 (45.2)	1052	901 (50.6)	1781	1,818 (51.0)
Chicago	85 (70.2)	121	144 (69.2)	208	355 (59.4)	208	710 (51.0)	1392	1,871 (67.2)	2784	3,165 (67.2)
New York City	0 (0.0)	32	61 (16.4)	371	857 (52.6)	1,630	493 (35.2)	1401	733 (20.8)	3527	2,144 (30.8)
San Francisco	50 (42.4)	118	78 (54.5)	143	170 (41.6)	409	339 (31.6)	1073	627 (35.9)	1746	1,264 (36.2)
Total	285 (48.9)	583	516 (46.1)	1,119	1,923 (62.0)	3,103	2,572 (44.8)	5,738	5,324 (46.4)	11,481	10,620 (48.2)

Note. Percentages are represented in parentheses.

Next, in order to examine the association between managers' response and the type of eWOM, the reviews were grouped into three review categories--Negative, Neutral, and Positive--based on the traveler rating. Table 9 shows the response rate by positive (4 and 5 star), neutral (3 star), and negative (1 and 2 star). Of the 21,211 reviews, 1,636 were eNWOM (1 and 2 star ratings), representing 7.7% of the total sample. Of the 1,636 eNWOM, 888 had a manager response, representing 54.3% of the eNWOM sample. The average number of words in the manager responses was 93 words, although manager responses ranged from 5 to 1,386 words in the manager response. Response time ranged from the day of the original complaint to 389 days later. The average response time was 7.86 days after the original post. A Chi-square test for independence indicated a significant difference between positive, neutral, and negative WOM and manager response, ($\chi^2 = (1, 2) = 104.103, p < 0.001$). Managers were more likely to respond to eNWOM (54.3%), followed by neutral WOM (53.7%), and ePWOM (45.8%).

Table 9. Manager Response by Review Category

Review Categories	Manager Response	No Manager Response	Total
Negative (1 and 2 Star)	888 (54.3%)	748 (45.7%)	1,636 (7.7%)
Neutral (3 star)	1,264 (53.7%)	1,092 (46.3%)	2,356 (11.1%)
Positive (4 and 5 star)	7,894 (45.8%)	9,325 (54.2%)	17,219 (81.2%)
Total	10,046 (47.4%)	11,165 (52.6%)	21,211 (100%)

Post hoc tests were conducted to contrast eNWOM from the other two types of eWOM: (a) eNWOM vs. neutral WOM, and (b) eNWOM vs. ePWOM. For eNWOM vs. neutral WOM, a Chi-square test for independence indicated no difference between eNWOM and neutral WOM ($\chi^2 (1) = 0.153, p = 0.695$). For eNWOM vs. ePWOM, a Chi-square test for independence

indicated a significant difference between eNWOM and ePWOM and manager response ($\chi^2 = (1) = 42.711, p < 0.001$). Managers were more likely to respond to eNWOM (54.3%) compared to ePWOM (45.8%). H₁ proposed that managers were more likely to respond to eNWOM than to positive or neutral WOM. The association between manager response and type of WOM was significant, and the findings reveal that managers were most likely to respond to eNWOM. Thus, H₁ was partially supported.

Content Analysis Results

An exploratory content analysis was employed to identify the dimensions of manager responses to eNWOM. Of the 1,636 eNWOM, 888 had a manager response, representing 54.3% of the eNWOM sample. From the 888 manager responses, 424 responses were randomly selected via the random sample of cases function in Statistics Package for the Social Sciences (SPSS).

Cohen's kappa (1960) was used to examine the interrater agreement between the two coders who classified manager responses as having one or more of the nine a priori dimensions specified in Table 5. After the first round of coding, kappa values were acceptable for eight of the nine codes ($K = 0.606 - 0.895$), with the exception of Correction ($K = 0.219$). Thus, the two coders met with the main researcher to further discuss the definition and examples of the Correction code. After the discussion, the two coders then independently recoded the responses for which that they had discrepancies in the first round of coding ($n = 144$). Kappa for the recoded responses was 0.826. The final Cohen's kappa values ranged from 0.606 to 1.000, suggesting fair to excellent agreement beyond chance (Landis & Koch, 1977). In fact, eight categories were above 0.75, representing excellent agreement beyond chance. Kappa values, assumption standard errors, and significance levels are showcased in Table 10; and the frequencies and percentages of the nine codes are included in Table 11.

Table 10. Index Reliability of Dimensions of eNWOM

Category	Cohen Kappa
Appreciation	0.880
Apology	0.768
Future Patronage	0.895
Explanation	0.755
Follow-Up	0.801
Flexibility	0.606
Correction	0.826
Compensation	0.885
Social Presence	1.000

Table 11. Coding Descriptives

		Coder 1									
		Apology		Appreciation		Compensation		Correction		Explanation	
		No	Yes	No	Yes	No	Yes	No	Yes	No	Yes
Coder 2	No	114 (26.9)	7 (1.7)	88 (20.8)	7 (1.7)	409 (96.5)	1 (0.2)	376 (89.5)	4 (1.0)	232 (54.7)	43 (10.1)
	Yes	36 (8.5)	267 (63.0)	11 (2.6)	318 (75.0)	2 (0.5)	12 (2.8)	8 (1.9)	32 (7.6)	7 (1.7)	142 (33.5)

Note. Values in Bold indicate agreement between the raters. Numbers in parentheses represent percentage of total coded responses.

		Coder 1							
		Flexibility		Follow-Up		Future Patronage		Social Presence	
		No	Yes	No	Yes	No	Yes	No	Yes
Coder 2	No	354 (83.5)	15 (3.5)	279 (65.8)	32 (7.5)	227 (53.5)	10 (2.4)	423 (99.8)	0 (0.0)
	Yes	21 (5.0)	34 (8.0)	3 (0.7)	110 (25.9)	11 (2.6)	176 (41.5)	0 (0.0)	1 (0.2)

Note. Values in Bold indicate interrater agreement between the raters. Numbers in parentheses represent percentage of total coded responses.

Category Descriptions

According to the coders, the most common category utilized in the manager responses was appreciation, as 75.0% of the responses include a form of appreciation. Appreciation included key terms such as “thank you,” “gratitude,” and “thanks.” One manager replied, “Thank you so much for sharing your feedback concerning your recent stay with us,” while another manager responded, “We appreciate the time you took to compose your review and hope you have a nice day.” After appreciation, an apology was the second highest dimension used in the responses, as coders found an apology in 267 (63.0%) of the responses. Responses such as, “Please accept our sincere apology,” “I’m so sorry you did not enjoy your stay,” and “...we regret to hear your stay was not up to yours – nor our standards” were often used in manager’s responses.

Managers also used a request for future patronage in 41.5% of the responses. Responses often included phrases such as “...but hope to invite you back and restore your confidence in us,” and “...hope that you’ll give us another chance the next time you’re in Atlanta” were often used. Managers used a form of follow-up in the responses 25.9% of the time. The dimension of follow-up asked the originator of the eNWOM to follow up with the manager via email, phone, or another method. For example, one manager provided his colleague’s personal contact information, “Please contact Christopher Roberts, Director of Food and Beverage, at 312-588-8100 or croberts@trumphotels.com when you would like to arrange your visit.” Another manager stated, “If there is anything else I can do at this time, or if you’d like to discuss things further, please don’t hesitate to contact me directly.”

According to the coders, managers used an explanation for the service failure in 142 (33.5%) of the responses. For example, to explain the smaller room sizes in a historic hotel, one

manager replied, “The Allerton Hotel is a historic landmark in downtown Chicago dating back to 1924. For this reason it is difficult for us to change the layout of our guest rooms.” To explain an operational procedure of lost items, one manager stated, “By way of explanation and not as an excuse, when an item has been found in a room, it is entered into a log maintained by housekeeping and security. In an effort to provide guests with a prompt response this log is referred to when there is an inquiry.” Finally, several managers stated the reason for the service failure was out of the hotel’s control: e.g., “As you know, the Hotel was greatly impacted by the storm, resulting in loss of power, steam and hot water. As a result, our plumbing suffered greatly.”

Managers used flexibility in their written responses to eNWOM in 8.0% of the responses. Several managers of multinational branded hotels provided their own personal direct telephone numbers and email addresses instead of a centralized customer service department to the customer. For example, managers provided the name of a specific Director, a telephone number, and a personal email address by advising the guest to “Please contact our Director of Operations, Mauricio Martins, at (312) 274-6427 or email: mmartins@theallertonhotel.com.” Managers stated they were correcting, modifying, or enhancing a component of the service delivery system as a result of the manager response in 32 (7.6%) of the responses. After reading the eNWOM, a manager often took the comments and made changes as a direct result of the eNWOM. For example, to enhance the hotel’s maintenance program, one hotel manager stated, “For this reason, we have partnered with a state certified organization to implement a robust preventative maintenance regiment. We have contacted this organization and requested a full investigation of your guest room.” To showcase that the hotel was embracing environmentally-friendly initiatives, one hotel manager replied, “We do not have a full pantry that will enable the use of

chinaware. However, we do plan on using disposable but environmentally friendly products shortly.”

Interestingly, some managers provided some sort of compensation for the service failure in the manager response 2.8% of responses. Examples of compensation in the written response to eNWOM included a hotel upgrade: “I would like to make sure that we upgrade your room and make sure that you receive world class Wyndham...service” and even free drinks in the hotel, “I would like to invite you to visit Rebar and offer your party a complimentary round of drinks.” Finally, social presence was found in one manager response in the sample. In this example, a general manager used an emoticon in the response, “...It’s great that you had a long enough stay to get to know us and you still liked us :) Safe travels and please let us know when you are back in town. Best!!!!!! Phil GM.” Table 12 presents additional examples of manager responses.

Table 12. Manager Response Examples

Category	Percentage in Responses	Examples of Manager's Responses
Appreciation	75.0	<p>“...Thank you so much for sharing your feedback concerning your recent stay with us. Your patronage and loyalty are greatly valued and appreciated...”</p> <p>“Thank you so much for your review of your recent stay with us. Your feedback is truly valued for it is one of the best tools we have to continuously improve the quality of our products and services. Unfortunately, these valuable lessons have come at your expense.”</p>
Apology	63.0	<p>“...Here at the Hotel Edison, we are proud to provide customer satisfaction, as it is an issue taken very seriously by management. Unfortunately, in your case we did not meet your expectations, for which we offer you a most sincere apology...”</p> <p>“...Any guest who spends 10 days with us we want to leave feeling part of the family so please accept my sincere apology that you did not feel that way. I hope it is possible for you to reach out to me so that I can make up to you.”</p>
Compensation	2.8	<p>“...I would like to invite you to visit Rebar and offer your party a complimentary round of drinks. Please contact Christopher Roberts, Director of Food and Beverage, at 312-588-8100 or croberts@trumphotels.com when you would like to arrange your visit...”</p> <p>“...I see that the standard accommodations were not your high point, but the next time you stay with us please contact me directly and I would be more than happy to upgrade you to some of our suites to show our appreciation for being a platinum member!”</p>

(continued)

Category	Percentage in Responses	Examples
Correction	7.6	<p>“...The comfort and safety of our guests is our top priority. For this reason, we have partnered with a state certified organization to implement a robust preventative maintenance regimen. We have contacted this organization and requested a full investigation of your guest room. It is our strict policy to follow all state and local guidelines and requirements when possible occurrences are reported.”</p> <p>“...I have shared your concerns with our department managers and have asked for their immediate corrective actions to ensure your experience is not duplicated. We appreciate your review and wish you all the best...”</p>
Explanation	33.5	<p>“...The Allerton Hotel is a historic landmark in downtown Chicago dating back to 1924. For this reason it is difficult for us to change the layout of our guest rooms...”</p> <p>“...We have certain expectations when we check into a hotel. One of the basics is that the room will be comfortable. I can imagine that have a room that cold must have been extremely frustrating. I know it is small consolation but the HVAC challenges we had that night have been fixed...”</p>
Flexibility	8.0	<p>“...At you convenience, you can contact me at 770.790.1001 or at Bbryant@Wyndham.com.”</p> <p>“...Please feel free to contact our Director of Operations, Mauricio Martins, via phone at: 312-274-6427 or via email: mmartins@theallertonhotel.com. This will allow us to discuss the charge and resolve the situation. Thanks again.”</p>

(continued)

Category	Percentage in Responses	Examples
Follow-Up	25.9	<p>“...I hope that if you are in Atlanta again you will give us another opportunity to earn your business. Please feel free to contact me personally and I will make sure that your stay is a pleasant one.”</p> <p>“...Please contact me directly at gm@empirehotelnyc.com if you would like to discuss your experience or if you need any assistance. I look forward to your reply and hope we have an opportunity to regain your confidence and trust in The Empire Hotel.”</p>
Future Patronage	41.5	<p>“...I trust we will have the opportunity to restore your confidence in the near future. I look forward to welcoming you back.”</p> <p>“...Please be sure to visit us again on your future travels and let us know prior to booking your trip as we would love to share one of the model rooms with you. It would be our pleasure to have you experience the new look for W Chicago Lakeshore!”</p>
Social Presence	0.2	<p>“...It’s great that you had a long enough stay to get to know us and you still liked us :) Safe travels and please let us know when you are back in town. Best!!!!!! Phil GM”</p>

Study 2 Results

The results from Study 2 are organized into the following three sections: (a) sample characteristics of respondents, (b) manipulation check and dependent variable, and (c) results.

Sample Characteristics

A convenience sample of 115 undergraduate students from a large university in the Southeast region of the U.S. was recruited. Three participants were excluded due to the respondent not answering “yes” to the qualification question, “In the last six months, have you read an online review about a hospitality service, such as a review about a restaurant, bar,

lounge, or hotel from an online review website like Tripadvisor.com, Yelp.com, or GooglePlus.com?” and one participant was dropped due to missing values, resulting in 111 usable cases.

The mean age of the participants was 21.83, with a range from 19 to 38. Seventy-three (65.8%) of the respondents were female, and 38 (34.2%) of the respondents were male. For ethnicity, over 78.6% of the participants were Caucasian/White, 8.9% were Hispanic/Latino, 5.4% were Asian/Asian American, 3.6% were Black/African American, 0.9% were American Indian/Alaska Native, and 2.7% stated that they were of another ethnicity. The participants were familiar with the setting of the scenarios, restaurants, as participants eat out an average of 3.67 times per week. Additionally, the participants were familiar with online review websites and actively used the Internet. Participants spent an average of 3.77 hours a day on the Internet and 1.71 hours a week looking at online review websites. Table 13 displays the socio-demographic and behavioral characteristics of the sample.

Table 13. Socio-Demographic and Behavioral Characteristics of the Sample

	Frequency	Percentage
Age		
Average	21.83	
Gender		
Male	38	34.2
Female	73	65.8
Ethnicity		
White/Caucasian	88	78.6
Hispanic/Latino	10	8.9
Asian/Asian American	6	5.4
Black/African American	4	3.6
American Indian/Alaska Native	1	0.9
Other	3	2.7
Weekly Eating Out		
Average Number of Times	3.67	
Daily Internet Usage		
Average Number of Hours	3.77	
Weekly Online Review Websites		
Average Number of Hours	1.71	

Manipulation Check and Dependent Variable

Although participants felt that the customer had a dissatisfying experience in the scenario ($M = 4.60$), there was no difference in perceived dissatisfaction between whether or not the manager responded to the complaint ($t_{(109)} = -0.173, p = 0.250$). Next, for the responsiveness manipulation, there was a difference by scenario ($t_{(107)} = -8.070, p < 0.001$). As expected, respondents who read the negative review with a response from the manager had indicated that the restaurant manager was more responsive ($M = 3.29$) compared to those respondents who read the negative review without the manager's response ($M = 1.94$). Finally, regarding the ease/difficulty of being a customer in this situation, participants perceived the scenario descriptions as realistic ($M = 3.94$) and found it was easy to imagine themselves as a customer in

the scenario ($M = 4.34$). Likewise, the participants felt that the scenario was realistic ($M = 4.07$), but there was no difference between by the scenarios that did and did not include a response from the manager ($t_{(109)} = 1.643, p = 0.103$). Taken together, these results indicate that the manipulation was successful.

Table 14 shows the mean scores for each item measuring behavioral intentions in the scenario. Mean scores were higher for respondents who evaluated the eNWOM with the manager response (range from 2.07 to 2.71) than for respondents who evaluated the eNWOM without a manager’s response (range from 1.52 to 1.80). The four items measuring Behavioral Intentions were averaged, and internal consistency for the Behavioral Intentions scale was $\alpha = 0.935$.

Table 14. Mean Scores of Behavioral Intentions

	No Manager Response		Manager Response	
	Mean	Standard Deviation	Mean	Standard Deviation
I would dine at this restaurant in the future.	1.71	0.85	2.71	0.98
There is a likelihood that I would dine at this restaurant in the future.	1.80	0.92	2.84	1.07
I will recommend this restaurant to my friends, family, or others.	1.52	0.76	2.07	0.94
I will say positive things about this restaurant to others.	1.66	0.84	2.31	0.98

Note. 1 = *Strongly Disagree* 5 = *Strongly Agree*

Results

The following assumptions were examined for ANCOVA analysis: independence of observations, normal distribution, and test of homogeneity of variance. To fulfill the requirements of the independence of observations, each respondent was given the survey independently and was not influenced by any other respondent when completing. Levene’s test

indicated that that homogeneity of variance assumption was not violated, $F_{(1, 109)} = 0.610$, $p = 0.437$. The dependent variable, Behavioral Intentions, was evaluated via a histogram, and was found to be bell-shaped, and the K-S statistic was 0.122, $p < 0.001$. Normality assumption is not adequately satisfied but the same size is large enough, and the visual examination of the histogram suggests an acceptable normal distribution of the dependent variable. An ANCOVA was used to examine the effect of the two conditions: a manager's response to the negative complaint versus no manager response on Behavioral Intentions after accounting for the proposed covariates, involvement and personal attitude toward online reviews. However, neither covariate was significant; therefore, they were not included in the model. As expected, respondents reported that they had higher behavioral intentions toward the restaurant when a manager response was included ($M = 2.48$) compared to no manager response ($M = 1.67$) ($F_{(1, 107)} = 26.188$, $p < 0.001$, $\eta^2 = 0.194$). Figure 3 visually shows the mean scores of behavioral intentions by condition.

H_2 proposed that for eNWOM, the presence of a manager response would result in higher behavioral intentions than without a response. There was a significant difference in behavioral intentions depending on the manager's response, and viewers were more likely to have higher behavioral intentions when a manager responded to eNWOM than when the manager did not respond. Thus, H_2 was supported.

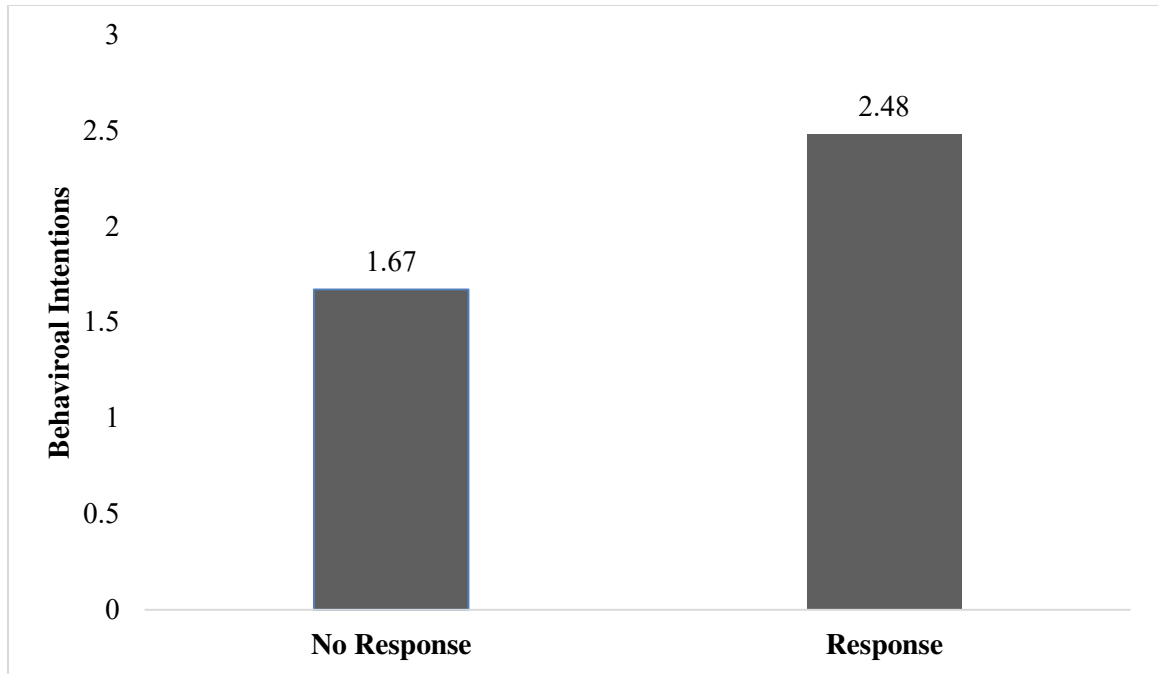


Figure 3. Mean Scores of Behavioral Intentions by Condition

Study 3 Results

The results from Study 3 are organized into the following nine sections: (a) pilot test results, (b) sample, (c) main study respondents, (d) construct validity and reliability, (e) manipulation checks, (f) assumptions, (g) ANCOVA Results, (h) simple main effects testing results, and (i) mediation testing results.

Pilot Tests Results

Three pilot tests were conducted to revise the questionnaire, refine measurement items, and calibrate manipulations. For the first pilot test, of 104 respondents recruited, three were excluded due to disqualification of qualifying questions, resulting in 101 usable responses.

Demographic and behavioral characteristics of each of the three pilot tests are reported in Table

15. Results indicated that the scenarios that were to be used in the study lacked realism and social presence. Participants did not perceive any more social presence in the manager's response that included social presence elements ($M = 4.320$) than those scenarios without elements of social presence ($M = 4.213$), $t_{(99)} = -0.281$, $p = 0.779$. However, respondents rated the scenarios as unrealistic ($M = 2.22$). To correct these concerns, the original complaint in the scenarios was toned down to sound less dissatisfied, and the photograph of a complainer was removed. The manager responses were revamped to include higher elements of social presence in the scenarios: those with higher social presence included a new manager photograph and personalized contact information.

For the second pilot test, of 102 respondents recruited, three were excluded due to disqualification of qualifying questions, resulting in 99 usable responses. Results indicated that (a) a manager's response had higher levels of procedural justice with a fast response time, regular monitoring, and flexible accessibility ($M = 5.08$) compared to a manager response with a slow response time, no regular monitoring, and no flexible accessibility ($M = 2.67$), $t_{(97)} = -8.702$, $p < 0.001$; (b) a manager's response had higher levels of interactional justice with the apology and the explanation in the response ($M = 5.17$) compared to a response that did not include an apology and an explanation ($M = 1.95$), $t_{(97)} = -13.256$, $p < 0.001$; (c) a manager's response with social presence had higher levels of social presence with social presence ($M = 4.44$) than compared to a response without social presence ($M = 3.39$), $t_{(97)} = -3.015$, $p = 0.003$.

There were differences among scenarios regarding realism of the customer complaint scenario ($F_{(7, 87)} = 94.787$, $p < 0.001$, $M = 1.27 \sim 6.33$) and the realism of the manager response to the complaint ($F_{(7, 91)} = 10.587$, $p < 0.001$, $M = 2.15 \sim 6.11$). As a result, scenarios were revised to improve realism across the scenarios.

For the third pilot test, of 146 respondents recruited, 35 were excluded due to disqualification of qualifying questions, and 8 were excluded due to an attention filter question, resulting in 103 usable responses. Regarding realism of manager response to the customer complaint scenario, there were differences among the eight scenarios ($F_{(7, 95)} = 6.407$ $p < 0.001$, $M = 3.33 \sim 6.30$). For realism of both the customer complaint and the manager response, respondents there was a differences among scenarios ($F_{(7, 95)} = 3.566$, $p = 0.002$, $M = 4.14 \sim 6.20$). Therefore, realism of manager response and realism of both customer complaint and manager response were included as additional covariates in the analysis. Since manipulation checks were effective and there was no further changes made in the scenarios, the third pretest samples were combined with the main study sample.

Table 15. Demographic and Behavioral Profile of Pilot Test Respondents

	Pilot Test #1 (n = 101)	Pilot Test #2 (n = 99)	Pilot Test #3 (n = 103)
Age			
Average	30.26	33.40	29.78
Gender			
Female	55 (55.0%)	60 (60.6%)	42 (41.6%)
Male	45 (45.0%)	39 (39.4%)	59 (58.4%)
Sexual Orientation			
Heterosexual	93 (92.1%)	93 (93.9%)	99 (98.0%)
Lesbian	3 (3.0%)	1 (1.0%)	0 (0.0%)
Bisexual	3 (3.0%)	4 (4.0%)	1 (1.0%)
Gay	2 (2.0%)	1 (1.0%)	1 (1.0%)
Ethnicity			
White/Caucasian	86 (85.1%)	73 (73.7%)	78 (77.2%)
Black/African American	1 (1.0%)	9 (9.1%)	8 (7.9%)
Hispanic/Latin American	4 (4.0%)	8 (8.1%)	8 (7.9%)
Asian/Asian-American	7 (6.9%)	3 (3.0%)	5 (5.0%)
Native American/Indian	1 (1.0%)	2 (2.0%)	0 (0.0%)
Native Hawaiian	1 (1.0%)	0 (0.0%)	0 (0.0%)
Other	1 (1.0%)	4 (4.0%)	2 (2.0%)
Marital Status			
Married	28 (27.7%)	32 (32.3%)	53 (52.5%)
Single	41 (40.6%)	43 (43.4%)	21 (20.8%)
Divorced	13 (12.9%)	4 (4.0%)	15 (14.9%)
Long-Term Relationship	13 (12.9%)	17 (17.2%)	5 (5.0%)
Domestic Partnership	3 (3.0%)	1 (1.0%)	3 (3.0%)
Civil Partnership	0 (0.0%)	0 (0.0%)	1 (1.0%)
Other	3 (3.0%)	2 (2.0%)	3 (3.0%)
Education Level			
Some High School	1 (1.0%)	7 (7.1%)	2 (2.2%)
High School Degree	15 (14.9%)	13 (13.1%)	16 (17.6%)
College Credits	36 (35.6%)	36 (36.4%)	25 (27.5%)
College Degree	36 (35.6%)	35 (35.4%)	46 (39.6%)
Graduate School	13 (12.9%)	8 (8.1%)	12 (13.2%)
Household Income			
Less than \$20,000	17 (16.8%)	20 (20.2%)	7 (6.9%)
\$20,000 - \$39,999	31 (30.7%)	33 (33.3%)	20 (19.8%)
\$40,000 - \$59,999	27 (26.7%)	24 (24.2%)	30 (29.7%)
\$60,000 - \$79,999	11 (10.9%)	15 (15.2%)	17 (16.8%)
\$80,000 - \$99,999	10 (9.9%)	4 (4.0%)	9 (8.9%)
\$100,000 or more	5 (5.0%)	3 (3.0%)	18 (17.8%)

(continued)

	Pilot Test #1 (n = 101)	Pilot Test #2 (n = 99)	Pilot Test #3 (n = 103)
Stay at Hotel within U.S. Last Year			
0 night	7 (6.9%)	7 (7.1%)	9 (8.9%)
1 night	21 (20.8%)	32 (32.3%)	7 (6.9%)
2 nights	24 (23.8%)	22 (22.2%)	9 (8.9%)
3 nights	15 (14.9%)	15 (15.2%)	6 (5.9%)
4 nights	7 (6.9%)	8 (8.1%)	8 (7.9%)
5 nights	9 (8.9%)	5 (5.1%)	5 (5.0%)
More than 5 nights	18 (17.9%)	10 (10.0%)	57 (56.4%)
Stay at Hotel outside U.S. Last Year			
0 night	77 (76.2%)	73 (73.7%)	63 (62.4%)
1 night	6 (5.9%)	13 (13.1%)	6 (5.9%)
2 nights	8 (7.9%)	3 (3.0%)	4 (4.0%)
3 nights	3 (3.0%)	4 (4.0%)	5 (5.0%)
4 nights	2 (2.0%)	0 (0.0%)	2 (2.0%)
5 nights	1 (1.0%)	0 (0.0%)	8 (7.9%)
More than 5 nights	4 (4.0%)	6 (6.1%)	13 (12.8%)
Daily Internet Usage (Hours)			
1 hour per day	0 (0.0%)	0 (0.0%)	2 (2.0%)
2 hours per day	8 (7.9%)	8 (8.1%)	4 (4.0%)
3 hours per day	4 (4.0%)	4 (4.0%)	12 (11.9%)
4 hours per day	8 (7.9%)	7 (7.1%)	12 (11.9%)
5 hours per day	12 (11.9%)	7 (7.1%)	12 (11.9%)
More than 5 hours per day	69 (68.5%)	73 (73.7%)	59 (58.3%)
Weekly Online Review Usage (Hours)			
0 hours per week	2 (2.0%)	1 (1.0%)	0 (0.0%)
Less than 1 hour per week	39 (38.6%)	33 (33.3%)	25 (24.8%)
1 hour per week	27 (26.7%)	33 (33.3%)	28 (27.7%)
2 hours per week	18 (17.8%)	17 (17.2%)	20 (19.8%)
3 hours per week	3 (3.0%)	6 (6.1%)	7 (6.9%)
4 hours per week	2 (2.0%)	4 (4.0%)	7 (6.8%)
5 hours per week	5 (4.9%)	1 (1.0%)	0 (0.0%)
More than 5 hours per week	5 (5.0%)	4 (4.0%)	14 (14.0%)

Main Study Respondents and Procedures

Consumer panel samples were recruited from the online marketing research firm Qualtrics. Out of the 721 respondents, 272 were excluded for answering at least one of the three qualifying questions in the negative: “Are you a U.S. citizen?”, “Are you at least 18 years or

older?”, and “In the last 6 months, have you read an online review from a hospitality product review website like Tripadvisor.com, Yelp.com, or GooglePlus.com?” Additionally, 39 respondents were excluded due to an Attention Filter question, a trick filter question that was embedded in the questionnaire and asked respondents to select a specific answer. The respondents who did not select the correct answer were disqualified from the survey. This resulted in 410 usable respondents. The participants were randomly assigned to one of eight scenarios and were asked to imagine themselves making a decision to stay at a hotel based on a negative review and a manager response to the review. After reading the scenario, participants were asked to complete a questionnaire designed to measure the effectiveness of the manipulations, the dependent constructs, and demographic and behavioral questions.

Demographic and Behavioral Profile

Table 16 shows the demographic and behavioral characteristics of the sample. The average age of the respondents was 31.35 years, and a majority of the sample was female (63.5%). A majority of the respondents stated that they were White/Caucasian (81.9%), more than a half of respondents were married (55.9%), and about a half of the respondents (49.7%) had a college or graduate degree. Regarding household income, 23.0% of respondents stated they had household incomes \$40,000 - \$59,999, followed by \$20,000 - \$39,999 (21.3%), \$60,000 - \$79,999 (18.1%), \$100,000 or more (15.4%), \$80,000 - \$99,999 (11.3%), and less than \$20,000 (10.8%).

The respondents were familiar with staying at hotels, using the Internet, and visiting online review websites. The respondents had experience in staying in hotels: 90.0% stayed in a hotel in the U.S. in the last year, and 215 of the respondents (52.9%) stated that they had stayed

in a hotel in the U.S. five or more nights in the last year. In addition, all respondents stated that they use the Internet every day; 52.4% of the respondents replied that they are on the Internet more than five hours a day. In addition to high Internet usage rates, respondents appear to be users of online review websites, with all of the respondents reporting that they had spent time on an online review website in the last week. Around three-quarters of the respondents (76.0%) stated that they had visited online review websites for two hours or less in the preceding week.

Table 16. Demographic and Behavioral Profile of Respondents

	Frequency	Percentage
Age		
Average	31.35	
Gender		
Female	259	63.5
Male	149	36.5
Sexual Orientation		
Heterosexual	393	96.3
Lesbian	6	1.5
Bisexual	6	1.5
Gay	3	0.7
Ethnicity		
White/Caucasian	334	81.9
Black/African American	27	6.6
Hispanic/Latin American	24	5.9
Asian/Asian-American	12	2.9
Native American/Indian	4	1.0
Native Hawaiian	1	0.2
Other	6	1.5
Marital Status		
Married	228	55.9
Single	83	20.3
Divorced	46	11.3
Long-Term Relationship	19	4.7
Domestic Partnership	14	3.4
Civil Partnership	4	1.0
Other	14	3.4

(continued)

Education Level		
Some High School	7	1.7
High School Degree	83	20.3
College Credits	115	28.2
College Degree	151	37.0
Graduate School	52	12.7
Household Income		
Less than \$20,000	44	10.8
\$20,000 - \$39,999	87	21.3
\$40,000 - \$59,999	94	23.0
\$60,000 - \$79,999	74	18.1
\$80,000 - \$99,999	46	11.3
\$100,000 or more	63	15.4
Stay at Hotel within U.S. Last Year		
0 night	41	10.0
1 night	15	3.7
2 nights	41	10.0
3 nights	32	7.8
4 nights	29	7.1
5 nights	35	8.5
More than 5 nights	215	52.9
Stay at Hotel outside U.S. Last Year		
0 night	292	71.2
1 night	13	3.2
2 nights	16	3.9
3 nights	10	2.5
4 nights	10	2.4
5 nights	17	4.1
More than 5 nights	50	12.7
Daily Internet Usage (Hours)		
1 hour per day	5	1.2
2 hours per day	27	6.6
3 hours per day	48	11.8
4 hours per day	53	13.0
5 hours per day	61	15.0
More than 5 hours per day	212	52.4
Weekly Online Review Usage (Hours)		
Less than 1 hour per week	118	28.9
1 hour per week	117	28.7
2 hours per week	75	18.4
3 hours per week	37	9.1
4 hours per week	17	4.2
5 hours per week	12	2.9
More than 5 hours per week	32	7.8

Construct Validity and Reliability

Confirmatory factor analysis was conducted to examine the psychometric properties by estimating a measurement model containing procedural justice interactional justice, social presence, trust, and behavioral intentions. The overall model fit was finalized by examining the Goodness-of-Fit Index (GFI), Comparative Fit Index (CFI), Normed Fit Index (NFI), and Root Mean Square Error of Approximation (RMSEA). Two items, IJ3 and IJ4 were covaried. Table 17 displays that the CFA model indicates that the model is an adequate fit to the data ($\chi^2 = 636.161$, $df = 178$, $p < 0.001$, GFI = 0.868; CFI = 0.963, NFI = 0.950, and RMSEA = 0.079). These indicators suggest an acceptable fit of the model to the data, in accordance with Hair, Black, Babin, and Anderson (2010).

Table 17. Standardized Measurement Coefficients from Confirmatory Factor Analysis

Item Abbreviation	PJ	IJ	SP	TRUST	BI
PJ1	0.930				
PJ2	0.958				
PJ3	0.826				
PJ4	0.784				
PJ5	0.883				
IJ1		0.961			
IJ2		0.990			
IJ3		0.836			
IJ4		0.868			
SP1			0.920		
SP2			0.929		
SP3			0.938		
SP4			0.959		
SP5			0.971		
TRUST1				0.894	
TRUST2				0.964	
TRUST3				0.863	

(continued)

Item Abbreviation	PJ	IJ	SP	TRUST	BI
BI1					0.923
BI2					0.968
BI3					0.972

Note. The *t*-values associated with all the factor loadings are significant at the $p < 0.001$ level.

Scales showcase adequate convergent validity and discriminant validity as the AVE for each variable is above 0.500, and all AVE estimates are greater than the corresponding squared correlation estimates as shown in Table 18. Construct reliabilities are high (0.930 ~ 0.977), and Table 19 shows the construct reliability of each construct.

Table 18. Construct Correlation Matrix

	Mean	SD	ICR	AVE	PJ	IJ	SP	TRUST	BI
PJ	4.021	0.098	0.945	0.775	1.000	0.132	0.231	0.318	0.265
IJ	3.670	0.106	0.961	0.834	0.363	1.000	0.712	0.468	0.398
SP	4.050	0.095	0.977	0.874	0.481	0.844	1.000	0.601	0.487
TRUST	4.234	0.074	0.930	0.826	0.564	0.684	0.775	1.000	0.774
BI	3.616	0.081	0.967	0.801	0.515	0.631	0.698	0.880	1.000

Note. Values below the diagonal are correlation estimates and values above the diagonal are squared correlations.

Table 19. Internal Consistency

Construct	Number of Items	Cronbach's Alpha
Procedural Justice	5	0.945
Interactional Justice	4	0.961
Social Presence	6	0.977
Trust	3	0.930
Behavioral Intentions	4	0.967
Involvement	3	0.791
Online Review Websites	3	0.834

Manipulation Checks

Respondents were more likely to report that (a) a manager's response had higher levels of procedural justice with a fast response time and regular monitoring of online reviews ($M = 5.48$) than with a slow response time and no regular monitoring of online reviews ($M = 2.60$), ($t_{408} = 21.503$, $p < 0.001$); (b) a manager's response had higher levels of interactional justice with the apology and explanation ($M = 5.35$) in the response than without an apology and an explanation ($M = 1.94$), ($t_{408} = 26.571$, $p < 0.001$); (c) a manager's response with elements of social presence had higher levels of social presence ($M = 4.39$) than a response without elements of social presence ($M = 3.69$), ($t_{408} = 3.739$, $p < 0.001$).

Respondents stated that the customer had a dissatisfying event ($M = 5.63$), and there were no differences among scenarios ($F_{7, 402} = 0.218$, $p = 0.981$). Regarding realism, the study participants perceived the customer complaint scenario descriptions as realistic ($M = 5.90$), and there were no differences among the scenarios ($F_{7, 402} = 0.4836$, $p = 0.875$). Regarding easiness of imagining oneself in the situation, respondents stated they could easily imagine themselves as a viewer reading the messages online ($M = 6.18$), and again, there were no differences among the eight scenarios ($F_{7, 402} = 1.099$, $p = 0.363$). Next, for realism of manager response, there were differences by scenario ($F_{7, 402} = 36.296$, $p < 0.001$, $M = 2.59 \sim 5.94$). Finally, respondents stated taken together (both the customer complaint and manager response), there were differences among scenarios ($F_{7, 402} = 12.504$, $p < 0.001$, $M = 4.38 \sim 6.00$). Therefore, realism of manager response and realism of both customer complaint and manager response are included as additional covariates in the analysis.

Assumptions

The following assumptions were examined for ANOVA analysis: independence of observations, normal distribution, test of homogeneity of variance, and multicollinearity. To fulfil the requirements of the independence of observations, each respondent was given the survey independently and was not influenced by any other respondent when completing the survey. Levene's test indicated that homogeneity of variance assumption was not violated, $F_{(7, 402)} = 1.666, p = 0.116$. The dependent variable, trust, was evaluated via a histogram, and was found to be bell-shaped, and the K-S statistic was $0.097, p < 0.001$. Normality assumption is not adequately satisfied but the same size is large enough, and the visual examination of the histogram suggests an acceptable normal distribution of the dependent variable. Since all VIF values for all regressions in the mediation analyses were less than 10.0 (see Tables 28 – 37), multicollinearity was not an issue (Pallant, 2007).

ANCOVA Results

The ANCOVA procedure examined the main effects and interactions between the three independent variables on trust. Three of the proposed covariates, involvement, personal attitude towards online reviews, and realism of both the online complaint and the manager response were not significant and were not included in the final model. Realism of the manager response was significant and was included in the final model. A significant three-way interaction exists with procedural justice, interactional justice, and social presence ($F_{(1, 401)} = 4.761, p = 0.030$).

Therefore the relationship between each independent variable and trust depends on the level of the other two independent variables. The ANCOVA results are revealed in Table 20.

Table 20. ANCOVA Results

Source	df	F	Sig.	Partial Eta Squared
Correct Model	8	41.299	0.000	0.452
Intercept	1	194.477	0.000	0.327
Realism Manager Response	1	111.050	0.000	0.217
Procedural Justice	1	31.655	0.000	0.073
Interactional Justice	1	18.663	0.000	0.035
Social Presence	1	1.057	0.362	0.002
Procedural Justice x Interactional Justice	1	0.099	0.753	0.000
Procedural Justice x Social Presence	1	0.007	0.934	0.000
Interactional Justice x Social Presence	1	1.622	0.203	0.004
Procedural Justice x Interactional Justice x Social Presence	1	4.761	0.030	0.012
Error	401			
Total	410			
Correct Total	409			

Note. *R Squared* = 0.452 (*Adjusted R Squared* = 0.441)

H₃ proposed that a manager's response with higher procedural justice would lead to higher trust than a manager's response with lower procedural justice. The association between procedural justice and trust was significant ($F_{(1, 401)} = 31.655, p < 0.001, \eta^2 = 0.073$). The findings reveal that for eNWOM, viewers were more likely to have higher trust evaluations with a manager's response to eNWOM with high procedural justice levels ($M = 4.48$) than with low procedural justice levels ($M = 2.60$). Thus, H₃ was supported.

H₄ proposed that a manager's response with higher interactional justice would lead to higher trust than a manager's response with lower interactional justice. The association between interactional justice and trust was significant ($F_{(1, 401)} = 18.663, p < 0.001, \eta^2 = 0.035$). The findings reveal that for eNWOM, viewers were more likely to have higher trust evaluations with the manager's response with higher interactional justice levels ($M = 5.35$) compared to with low interactional justice levels ($M = 1.94$). Thus, H₄ was supported.

H₅ proposed that a manager's response with higher social presence would lead to higher trust than a manager's response with lower social presence. The association between social presence and trust was not significant ($F_{(1, 401)} = 1.057, p = 0.362, \eta^2 = 0.002$). Thus, H₅ was not supported.

H₆ proposed a three-way interaction effect of procedural justice, interactional justice, and social presence on trust. The association was significant ($F_{(1, 401)} = 4.761, p = 0.030, \eta^2 = 0.012$). Thus, H₆ was supported.

Simple Main Effects Testing Results

Since a three-way interaction was found, post hoc tests were conducted to examine the nature of the three-way interaction. Two-way interactions and simple main effects were conducted for each level of the independent variables under the following conditions: the effect of (a) social presence under the conditions of interactional justice and procedural justice; (b) procedural justice under the conditions of social presence and interactional justice; and (c) interactional justice under the conditions of social presence and procedural justice.

Simple Main Effects of Social Presence under the Conditions of Interactional Justice and Procedural Justice. Two-way interactions and simple main effects were tested for each level of procedural justice. For low procedural justice, results reveal a significant two-way interaction between interactional justice and social presence on trust ($F_{(1, 203)} = 5.799, p = 0.017$). The plots are presented in Figures 4 and 5, and the mean scores are presented in Table 21. Next, simple main effects ANCOVAs were run for each level of interactional justice when procedural justice is low. When procedural justice is low and interactional justice is low, social presence has no effect on trust ($F_{(1, 99)} = 1.868, p = 0.175$). When procedural justice is low and interactional

justice is high, there is a significant positive relationship between social presence and trust ($F_{(1, 103)} = 5.009, p = 0.027$). Therefore, when procedural justice is low and interactional justice is high, higher levels of social presence result in higher trust evaluation.

For high procedural justice, there was no significant two-way interaction ($F_{(1, 197)} = 0.422, p = 0.517$). Results indicate a significant positive relationship between interactional justice and trust ($F_{(1, 197)} = 7.946, p = 0.005$). Therefore, when procedural justice is high, higher interactional justice results in higher trust evaluations. Means scores are presented in Table 22.

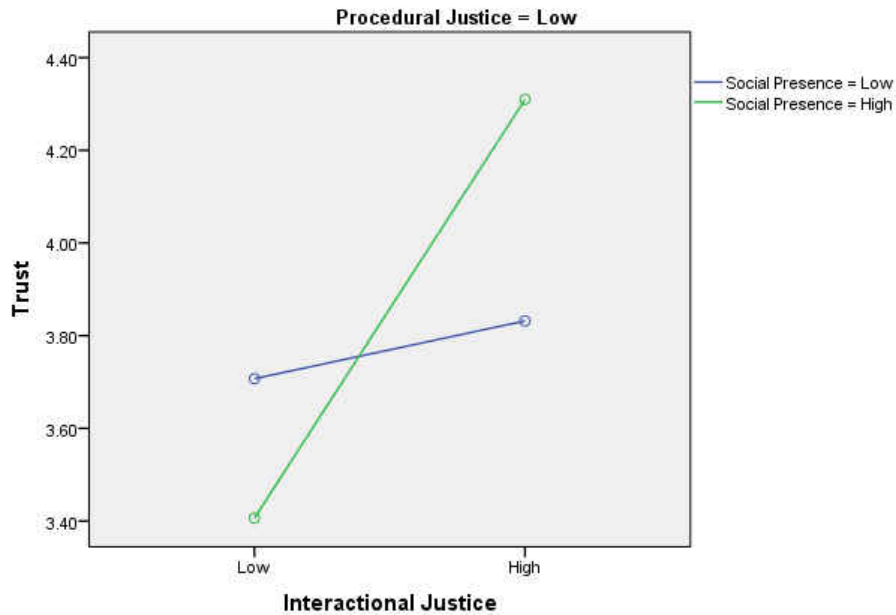


Figure 4. Simple Mean Plots for Low Procedural Justice Level

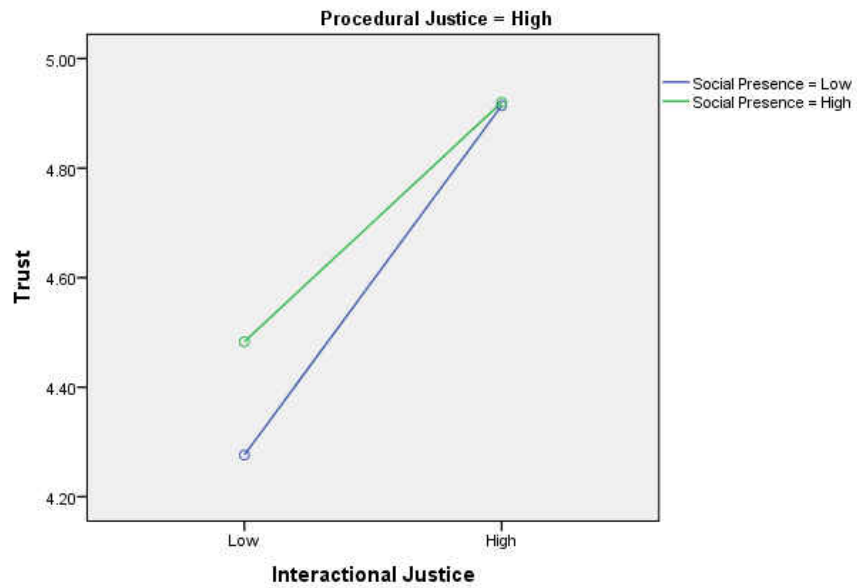


Figure 5. Simple Mean Plots for High Procedural Justice Level

Table 21. Mean Scores of Simple Main Effects for Low Procedural Justice

		Social Presence		
		High	Low	Total
Interactional Justice	High	4.71 <i>N</i> =54	4.24 <i>N</i> =52	4.48 <i>N</i> =106
	Low	2.85 <i>N</i> =48	3.42 <i>N</i> =54	3.15 <i>N</i> =102
	Total	3.81 <i>N</i> =102	3.82 <i>N</i> =106	3.83 <i>N</i> =208

Table 22. Mean Scores of Simple Main Effects for High Procedural Justice

		Social Presence		
		High	Low	Total
Interactional Justice	High	5.40 <i>N</i> =53	5.28 <i>N</i> =49	5.34 <i>N</i> =102
	Low	4.14 <i>N</i> =54	3.72 <i>N</i> =46	3.95 <i>N</i> =100
	Total	4.77 <i>N</i> =107	4.53 <i>N</i> =95	4.66 <i>N</i> =202

Simple Main Effects of Procedural Justice under the Conditions of Social Presence and Interactional Justice. Two-way interactions and simple main effects were then tested for each level of social presence. For low social presence, there was no significant two-way interaction ($F_{(1, 196)} = 2.999, p = 0.085$). Results indicate both procedural justice ($F_{(1, 196)} = 14.009, p < 0.001$) and interactional justice ($F_{(1, 196)} = 6.375, p < 0.001$) on trust are significant. Therefore, when social presence is low, then higher procedural justice and/or higher interactional justice result in higher trust levels. Group means are plotted in Figure 6 and given in Table 23.

For high social presence, there was no significant two-way interaction ($F_{(1, 204)} = 1.797, p = 0.182$). Results indicate that both procedural justice ($F_{(1, 204)} = 15.346, p < 0.001$) and interactional justice on trust are significant ($F_{(1, 204)} = 8.804, p = 0.003$). Therefore, when social presence is high, then higher procedural justice and/or higher interactional justice result in higher trust levels. Group means are plotted in Figure 7 and given in Table 24.

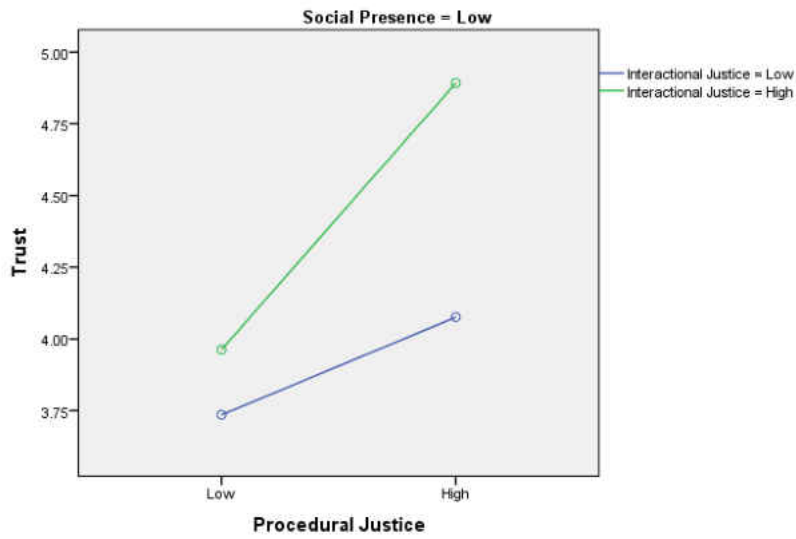


Figure 6. Simple Means Plots by Low Social Presence

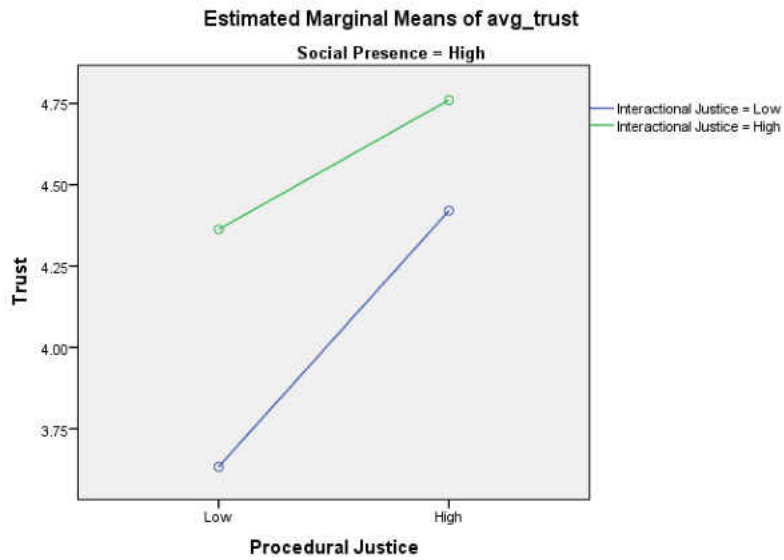


Figure 7. Simple Means Plots by High Social Presence

Table 23. Mean Scores of Low Social Presence Simple Main Effects

		Interactional Justice		
		High	Low	Total
Procedural Justice	High	5.28 <i>N</i> =49	3.72 <i>N</i> =46	4.53 <i>N</i> =95
	Low	4.24 <i>N</i> =52	3.42 <i>N</i> =54	3.82 <i>N</i> =106
	Total	4.74 <i>N</i> =101	3.56 <i>N</i> =100	4.15 <i>N</i> =201

Table 24. Mean Scores of High Social Presence Simple Main Effects

		Interactional Justice		
		High	Low	Total
Procedural Justice	High	5.40 <i>N</i> =53	4.15 <i>N</i> =54	4.77 <i>N</i> =107
	Low	4.70 <i>N</i> =54	2.85 <i>N</i> =48	3.83 <i>N</i> =102
	Total	5.05 <i>N</i> =107	3.54 <i>N</i> =102	4.31 <i>N</i> =209

Simple Main Effects for Procedural Justice and Social Presence for Each Level of Interactional Justice. Two-way interactions and simple main effects were tested for each level of interactional justice. For low interactional justice, there was no two-way interaction between procedural justice and social presence ($F_{(1, 197)} = 2.819, p = 0.095$). Results indicate procedural justice on trust is significant ($F_{(1, 197)} = 13.266, p < 0.001$). Therefore, when interactional justice is low, higher procedural justice results in higher trust evaluations. Mean scores are plotted in Figure 8 and reported in Table 25.

For high interactional justice, there was no two-way interaction between procedural justice and social presence ($F_{(1, 203)} = 3.315, p = 0.070$). Results indicate procedural justice on trust is significant ($F_{(1, 203)} = 17.851, p < 0.001$). Therefore, when interactional justice is high, then higher procedural justice results in higher trust evaluations. Means are plotted in Figure 9 and given in Table 26.

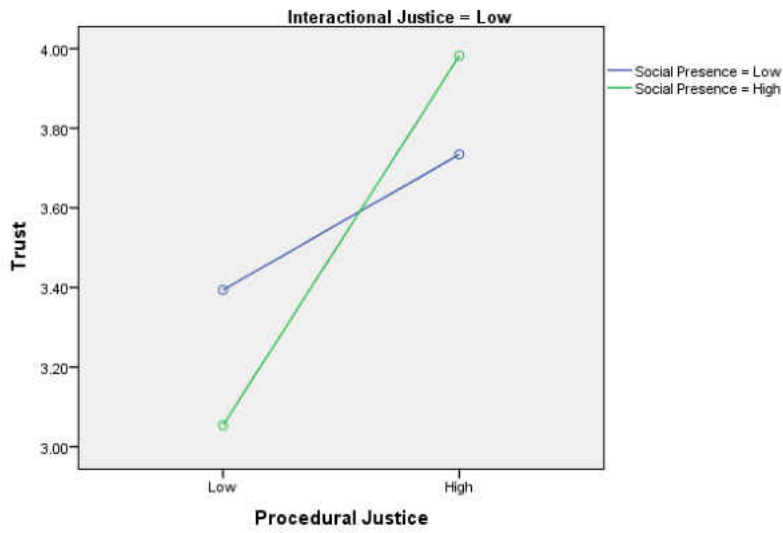


Figure 8. Simple Mean Plots by Low Interactional Justice

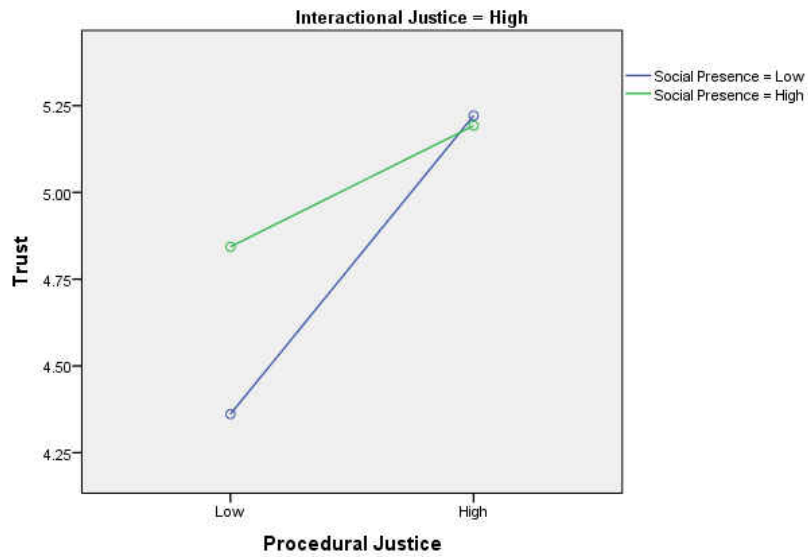


Figure 9. Simple Mean Plots by High Interactional Justice

Table 25. Mean Scores of High Interactional Justice Simple Main Effects

		Social Presence		
		High	Low	Total
Procedural Justice	High	5.40 <i>N</i> =53	5.28 <i>N</i> =49	4.34 <i>N</i> =102
	Low	4.70 <i>N</i> =54	4.24 <i>N</i> =52	4.47 <i>N</i> =106
	Total	5.05 <i>N</i> =107	4.74 <i>N</i> =101	4.90 <i>N</i> =208

Table 26. Mean Scores of Low Interactional Justice Simple Main Effects

		Social Presence		
		High	Low	Total
Procedural Justice	High	4.24 <i>N</i> =54	3.72 <i>N</i> =46	3.95 <i>N</i> =100
	Low	2.85 <i>N</i> =48	3.12 <i>N</i> =54	3.15 <i>N</i> =102
	Total	3.54 <i>N</i> =102	3.56 <i>N</i> =100	3.55 <i>N</i> =202

Summary of Simple Main Effects

The simple main effects indicated that: (a) when procedural justice is low and interactional justice is high, higher levels of social presence result in higher trust evaluation; (b) when procedural justice is high, higher interactional justice results in higher trust evaluations; (c) when social presence is low, then higher procedural justice and/or higher interactional justice result in higher trust levels; (d) when social presence is high, then higher procedural justice and/or higher interactional justice result in higher trust levels; (e) when interactional justice is low, higher procedural justice results in higher trust evaluations; and (f) when interactional justice is high, then higher procedural justice results in higher trust evaluations.

Mediation Testing Results

Mediation analyses by Baron and Kenny (1986) were conducted to examine Hypothesis 7: Trust mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions. First, a mediation analysis was conducted on the full model using the same independent variables from the preceding ANCOVA to test how trust mediates the relationship between the three-way interaction and behavioral intentions. After establishing support for an interaction, post hoc mediation models were conducted based on the preceding simple main effects models to examine the specific nature of the mediation effect across conditions.

Main Model Mediation. Mediation analyses using least squares regressions were utilized to examine the mediational relationships between the independent variables, the mediator, and the dependent variable in this study (Baron & Kenny, 1986). In the first model, realism of manager's response, procedural justice, interactional justice, social presence; the two-way interactions of procedural justice and interactional justice, procedural justice and social presence, and interactional justice and social presence; and the three-way interaction of procedural justice, interaction justice, and social presence were regressed on behavioral intentions. The overall model was significant ($F_{(8, 401)} = 30.355, p < 0.001$).

In the second step, realism of manager response, procedural justice, interactional justice, social presence; the two-way interactions of procedural justice and interactional justice, procedural justice and social presence, and interactional justice and social presence; and the three-way interaction of procedural justice, interaction justice, and social presence were regressed on trust. The overall model was significant ($F_{(8, 401)} = 41.299, p < 0.001$). Realism of

the manager's response ($\beta = 0.394, p < 0.001$) had a significant, positive impact on trust. There was a significant three-way interaction of procedural justice, interactional justice, and social presence ($\beta = -0.976, p = 0.030$) on trust. Trust had a significant, positive relationship on behavioral intentions ($F_{(1, 408)} = 1144.509, \beta = 0.890, p < 0.001$).

In the final model, involvement, online review website, realism of manager response, procedural justice, interactional justice, social presence; the two-way interactions of procedural justice and interactional justice, procedural justice and social presence, and interactional justice and social presence; and the three-way interaction of procedural justice, interaction justice, and social presence; and trust were regressed on behavioral intentions. The overall model was significant ($F_{(9, 400)} = 128.916, p < 0.001$). The three-way interaction on behavioral intentions, after accounting for trust and realism of the manager response, was not significant ($\beta = 0.515, p = 0.125$). Trust ($\beta = 0.890, p < 0.001$) had a significant, positive impact on behavioral intentions. Table 27 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

The coefficient for the three-way interaction on behavior intention in the first regression (-0.354) was not significant. Typically, under Baron and Kenny's approach, this suggests a mediation effect for the three-way interaction does not exist. However, recent authors have suggested that this relationship does not need to be significant for mediation to occur (Zhao, Lynch, & Chen, 2010). However, a comparison of the coefficient from the three-way interaction from the first regression (-0.354) and the last regression (0.515) reveals a change in the coefficients, though the coefficient increased, instead of decreased. Both the Sobel test (1982) ($z = -2.179, p = 0.026$) and the bootstrap method ($b = 0.8902, t = 23.9115, p < 0.001, 95\% \text{ CI} = -1.6597, -0.1174$) indicated that trust mediates the relationship between a three-way interaction of

the independent variables and behavioral intentions. Although the comparison of the coefficients reveal a change in the indirect effect, results cannot be meaningful interpreted due to the insignificant path in the first regression model. As a result, further testing was conducted to examine indirect effects.

Table 27. Main Model Results

IV	Regression 1 (DV = BI)			Regression 2 (DV = TRUST)			Regression 3 (DV = BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism Response	0.442	0.000	1.562	0.487	0.000	1.562				0.044	0.217	1.995
PJ	0.148	0.066	4.127	0.116	0.125	4.127				0.053	0.302	4.151
IJ	0.043	0.598	4.237	0.035	0.646	4.237				0.014	0.786	4.240
SP	-0.062	0.440	4.089	-0.098	0.193	4.089				0.018	0.786	4.106
PJ*IJ	0.095	0.333	6.139	0.160	0.081	6.139				-0.036	0.564	6.186
PJ*SP	0.014	0.890	6.430	0.148	0.116	6.430				-0.107	0.097	6.470
IJ*SP	0.178	0.069	6.137	0.225	0.014	6.137				-0.006	0.926	6.230
PJ*IJ*SP	-0.072	0.496	7.272	-0.218	0.030	7.272				0.105	0.125	7.358
Trust							0.859	0.000	1.000	0.818	0.000	1.824
R-Square	0.377			0.452						0.744		

Note. b = is the unstandardized regression coefficient.

To continue evaluation of mediation analysis, two ANCOVAs were conducted. Table 28 reveals ANCOVA comparisons for the models of realism of manager response, procedural justice, interactional justice, social presence, the two-way interactions of procedural justice and interactional justice, procedural justice and social presence, and procedural justice, interactional justice, and social presence, and the three-way interaction justice of procedural justice, interactional justice, and social presence. In the second model, trust was also added as a covariate.

When comparing the *F*-values of the three-way interaction terms, the term decreases with the addition of trust (2.358) compared to the first model without trust (4.761), suggesting additional evidence of a mediation effect.

Table 28. ANCOVA Comparisons with Inclusion of Trust

	ANCOVA 1 (BI = DV)		ANCOVA 2 (BI = DV)	
	<i>F</i>	Sig.	<i>F</i>	Sig.
Realism Manager Response	111.05	0.000	1.530	0.217
PJ	31.655	0.000	0.158	0.692
IJ	18.663	0.000	0.835	0.361
SP	1.057	0.362	0.072	0.789
PJ x IJ	0.099	0.753	0.518	0.472
PJ x SP	0.007	0.934	0.717	0.398
IJ x SP	1.622	0.203	1.996	0.158
PJ x IJ x SP	4.761	0.030	2.358	0.125
Trust			571.762	0.000

Next, additional mediation models were conducted based on the preceding simple main effects models to examine the specific nature of the mediation effect across conditions.

Model 1. Mediation Model of Social Presence under the Conditions of Low Procedural Justice and Low Interactional Justice. Mediation analyses by Baron and Kenny (1986) were conducted for social presence when interactional justice is low and procedural justice is low. In the first model, approach, realism of manager response and social presence were regressed on behavioral intentions. The model was significant ($F_{(2, 99)} = 14.447, p < 0.001$). Realism of the manager's response was positively related to behavioral intentions ($\beta = 0.345, p < 0.001$), and social presence was not related to behavioral intentions ($\beta = -0.233, p = 0.343$).

Next, realism of manager response and social presence were regressed on trust. The model was significant ($F_{(2, 99)} = 14.727, p < 0.001$). Realism of the manager response ($\beta = 0.337, p < 0.001$), and social presence ($\beta = -0.334, p < 0.001$) had a significant and negative impact on trust.

Next, trust was regressed on behavioral intentions. The model was significant ($F_{(1, 100)} = 210.411, p < 0.001$), indicating that trust had a positive relationship on behavioral intentions ($\beta = 0.822, p < 0.001$). In the final model, realism of manager response, social presence and trust were regressed on behavioral intentions, and the model was significant ($F_{(3, 98)} = 71.834, p < 0.001$). Trust ($\beta = 0.773, p < 0.001$) had a positive impact on behavioral intentions. Social presence ($\beta = 0.025, p = 0.873$) did not have an impact on behavioral intentions after accounting for trust and realism of the manager's response. Table 29 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regressions.

Both the Sobel test ($z = -1.36, p = 0.173$) and the bootstrap method ($b = 0.7730, t = 12.0282, p < 0.001, 95\% \text{ CI} = -0.6575, 0.1065$) indicated trust does not mediate the relationship between social presence and behavioral intentions when interactional justice is low and procedural justice is low.

Table 29. Mediation Model 1 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.451	0.000	1.042	0.439	0.000	1.042				0.111	0.087	1.292
Response												
SP	-0.086	0.343	1.042	-0.123	0.175	1.042				0.009	0.873	1.061
Trust							0.823	0.002	1.000	0.774	0.000	1.298
R-Square	0.226			0.229			0.678			0.687		

Note. b = is the unstandardized regression coefficient.

Model 2. Mediation Model of Social Presence under the Conditions of Low

Procedural Justice and High Interactional Justice. Mediation analyses by Baron and Kenny (1986) were conducted for social presence when procedural justice is low and interactional justice is high. In the first model, realism of manager response and social presence were regressed on behavioral intentions. The model was significant ($F_{(2, 103)} = 15.195, p < 0.001$). Realism of the manager's response was positively related to behavioral intentions ($\beta = 0.539, p < 0.001$), and social presence was not related to behavioral intentions ($\beta = 0.468, p = 0.070$) when procedural justice is low and interactional justice is high.

In the second step, realism of manager response and social presence were regressed on trust. The model was significant ($F_{(2, 103)} = 17.085, p < 0.001$). Realism of the manager response ($\beta = 0.471, p < 0.001$), and social presence ($\beta = 0.481, p = 0.027$) had a significant and positive impact on trust. When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 104)} = 364.652, p < 0.001; \beta = 1.033, p < 0.001$). In the final model, realism of manager response, social presence, and trust were regressed on behavioral intentions. The model was significant ($F_{(3, 102)} = 120.901, p < 0.001$). Trust ($\beta = 1.005, p < 0.001$) had a positive impact on behavioral intentions. Social presence ($\beta = -0.015, p = 0.914$) did not have an impact on behavioral intentions after accounting for trust and realism of the manager's response. Table 30 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regressions.

Both the Sobel test ($z = 2.222, p = 0.0263$) and the bootstrap method ($b = 1.0051, t = 16.0260, p < 0.001, 95\% \text{ CI} = 0.0242, 0.8902$) indicated that trust mediates the relationship between social presence and behavioral intentions when procedural justice is low and interactional justice is high.

Table 30. Mediation Model 2 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	<i>p</i> -value	VIF	b	<i>p</i> -value	VIF	b	<i>p</i> -value	VIF	b	<i>p</i> -value	VIF
Realism	0.539	0.000	1.000	0.471	0.000	1.000				0.054	0.303	1.286
Response												
SP	0.159	0.070	1.000	0.191	0.027	1.000				-0.005	0.914	1.286
Trust							0.882	0.000	1.000	0.858	0.000	1.332
<i>R</i> -Square	0.228			0.249			0.778			0.781		

Note. b = is the unstandardized regression coefficient.

Model 3. Mediation Model of Interactional Justice and Social Presence under the Conditions of High Procedural Justice. Mediation analyses by Baron and Kenny (1986) were conducted for interactional justice and social presence when procedural justice is high. In the first model, realism of manager response, interactional justice, and social presence were regressed on behavioral intentions. The model was significant ($F_{(3, 198)} = 31.570, p < 0.001$). Both realism of manager response ($\beta = 0.363, p < 0.001$) and interactional justice ($\beta = 0.720, p = 0.002$) were positively related to behavioral intentions when procedural justice is high. Social presence was not related to behavioral intentions ($\beta = 0.018, p = 0.924$).

In the second step, realism of manager response, interactional justice, and social presence were regressed on trust. The model was significant ($F_{(3, 198)} = 48.506, p < 0.001$). Realism of the manager response ($\beta = 0.407, p < 0.001$) and interactional justice ($\beta = 0.528, p = 0.006$) had a significant and positive impact on trust. Social presence was not related to trust ($\beta = 0.105, p = 0.502$). Next, trust was regressed on behavioral intentions. Trust had a positive relationship on behavioral intentions ($F_{(1, 200)} = 412.337, p < 0.001; \beta = 0.933, p < 0.001$). In the final model, realism of manager response, social presence and trust were regressed on behavioral intentions. The model was significant ($F_{(4, 197)} = 103.998, p < 0.001$). Trust ($\beta = 0.893, p < 0.001$) had a positive impact on behavioral intentions. Interactional justice ($\beta = 0.633, p = .0133$) and social presence ($\beta = .0001, p = 0.991$) did not have an impact on behavioral intentions after accounting for trust and the realism of the manager's response. Table 31 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 2.275, p = 0.006$) and the bootstrap method ($b = 0.8925, t = 14.75.0, p < 0.001, 95\% \text{ CI} = 0.1281, 0.8522$) indicated that trust mediates the relationship between interactional justice and behavioral intentions when procedural justice is high.

Table 31. Mediation Model 3 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.410	0.000	1.535	0.407	0.000	1.535				0.001	0.991	2.008
Response												
IJ	0.222	0.002	1.521	0.185	0.006	1.521				0.077	0.133	1.580
SP	0.006	0.924	1.020	0.037	0.502	1.020				-0.023	0.573	1.022
Trust							0.933	0.000	1.000	0.785	0.000	1.735
R-Square	0.324			0.424			0.673			0.679		

Note. b = is the unstandardized regression coefficient.

Model 4. Mediation Model of Procedural Justice under the Conditions of Low Interactional Justice and Low Social Presence. Mediation analyses by Baron and Kenny (1986) were conducted for procedural justice when interactional justice was low and social presence was low. In the first step, realism of manager response and procedural justice were regressed on behavioral intentions. The model was significant ($F_{(2, 97)} = 5.403, p = 0.006$). Realism of manager response ($\beta = 0.226, p = 0.006$) had a significant and positive impact on behavioral intentions, and procedural justice ($\beta = 0.466, p = 0.083$) did not have a significant impact on behavioral intentions when interactional justice is low and social presence is low.

In the second step, realism of manager response and procedural justice were regressed on trust. The model was significant, ($F_{(2, 97)} = 5.436, p = 0.006$). Realism of the manager response ($\beta = 0.240, p = 0.003$) had a significant and positive impact on trust, and procedural justice ($\beta = 0.331, p = 0.208$) did not have a significant impact on trust. When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 98)} = 142.285, p < 0.001; \beta = 0.784, p < 0.001$). In the final model, realism of manager response, procedural justice, and trust were regressed on behavioral intentions. The model was significant ($F_{(3, 96)} = 48.010, p < 0.001$). Trust ($\beta = 0.760, p < 0.001$) had a significant and positive relationship on behavioral intentions, and procedural justice ($\beta = 0.215, p = 0.236$) did not have an impact on behavioral intentions after accounting for trust and the realism of the manager's response. Table 32 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 1.261, p = 0.207$) and the bootstrap method ($b = 0.7600, t = 1.1931, p < 0.001, 95\% \text{ CI} = -0.1484, 0.6213$) indicated that trust does not mediate the

relationship between procedural justice and behavioral intentions when interactional justice is low and social presence is low.

Table 32. Mediation Model 4 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.273	0.006	1.001	0.240	0.003	1.001				0.043	0.444	1.099
Response												
PJ	0.169	0.083	1.001	0.331	0.208	1.001				0.215	0.236	1.018
Trust							0.784	0.000	1.000	0.760	0.000	1.112
R-Square	0.100			0.101			0.592			0.600		

Note. b = is the unstandardized regression coefficient.

Model 5. Mediation Model of Procedural Justice under the Conditions of High Interactional Justice and Low Social Presence. Mediation analyses by Baron and Kenny (1986) were conducted for procedural justice when interactional justice was high and social presence was low. In the first model, realism of manager response and procedural justice were regressed on behavioral intentions. The model was significant ($F_{(2, 98)} = 14.102, p < 0.001$). Realism of manager response ($\beta = 0.428, p < 0.001$) and procedural justice ($\beta = 0.830, p = 0.003$) were positively related to behavioral intentions when interactional justice is high and social presence is low.

In the second step, realism of manager response and procedural justice were regressed on trust. The model was significant ($F_{(2, 98)} = 27.446, p < 0.001$). Realism of the manager response ($\beta = 0.490, p < 0.001$) and procedural justice ($\beta = 0.873, p < 0.001$) had a significant and positive impact on trust.

When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 99)} = 176.775, p < 0.001; \beta = 0.916$). In the final model, realism of manager response procedural justice and trust were regressed on behavioral intentions. The model was significant ($F_{(3, 97)} = 57.826, p < 0.001$). Trust ($\beta = 0.924, p < 0.001$) had a significant and positive relationship on behavioral intentions. Procedural justice ($\beta = 0.024, p = 0.906$) did not have an impact on behavioral intentions after controlling for trust and realism of the manager response. Table 33 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 3.883, p < 0.001$) and the bootstrap method ($b = 0.9240, t = 10.6316, p < 0.001, 95\% \text{ CI} = 0.4448 \text{ to } 1.2565$) indicated that trust mediates the relationship

between procedural justice and behavioral intentions when interactional justice is high and social presence is low.

Table 33. Mediation Model 5 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.346	0.000	1.021	0.454	0.000	1.021				-0.024	0.779	1.342
Response												
PJ	0.270	0.003	1.021	0.332	0.000	1.021				0.008	0.906	1.193
Trust							0.801	0.000	1.000	0.807	0.000	1.560
R-Square	0.223			0.359			0.641			0.641		

Note. b = is the unstandardized regression coefficient

Model 6. Mediation Model of Procedural Justice and Interactional Justice under the Conditions of High Social Presence. Mediation analyses by Baron and Kenny (1986) were conducted for procedural justice and interactional justice when social presence was high. In the first step, realism of manager response, procedural justice, and interactional justice were regressed on behavioral intentions. The model was significant ($F_{(3, 205)} = 61.092, p < 0.001$). Realism of manager response ($\beta = 0.472, p < 0.001$), procedural justice ($\beta = 0.465, p = 0.011$), and interactional justice ($\beta = 0.623, p = 0.004$) were positively related to behavioral intentions.

In the second step, realism of manager response, procedural justice, and interactional justice were regressed on trust. The model was significant ($F_{(3, 205)} = 82.832, p < 0.001$). Realism of the manager response ($\beta = 0.458, p < 0.001$), procedural justice ($\beta = 0.583, p < 0.001$), and interactional justice ($\beta = 0.519, p = 0.004$) were positively related to trust.

When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 207)} = 827.202, \beta = 0.996, p < 0.001$). In the final model, realism of manager response procedural justice, interactional justice, and trust were regressed on behavioral intentions. The model was significant ($F_{(4, 204)} = 208.319, p < 0.001$). Trust ($\beta = 0.954, p < 0.001$) had a significant and positive relationship on behavioral intentions. Procedural justice ($\beta = -0.091, p = 0.433$) and interactional justice ($\beta = 0.129, p = 0.344$) did not have an impact on behavioral intentions after accounting for trust and realism of the manager response. Table 34 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 3.826, p = 0.000$) and the bootstrap method indicated that trust mediates the relationship between procedural justice ($b = 0.9537, t = 18.5380, p < 0.001, 95\% \text{ CI} = 0.2713, 0.8892$) and behavioral intentions when social presence was high. Additionally, both

the Sobel test ($z = 2.869, p = 0.004$) and the bootstrap method ($b = 0.9537, t = 0.1040, 0.8691$) indicated that trust mediates the relationship between interactional justice and behavioral intentions when social presence was high.

Table 34. Mediation Model 6 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.531	0.000	1.613	0.575	0.000	1.613				0.035	0.409	2.344
Response												
PJ	0.135	0.011	1.087	0.189	0.000	1.087				-0.026	0.433	1.166
IJ	0.181	0.004	1.543	0.189	0.004	1.543				0.037	0.344	1.605
Trust							0.996	0.000	1.000	0.856	0.000	2.212
R-Square	0.472			0.548			0.800			0.803		

Note. b = is the unstandardized regression coefficient.

Model 7. Mediation Model of Procedural Justice and Social Presence under the Conditions of Low Interactional Justice. Mediation analyses by Baron and Kenny (1986) were conducted for procedural justice and social presence when interactional justice was low. In the first step, realism of manager response, procedural justice, and social presence justice were regressed on behavioral intentions. The model was significant ($F_{(3, 198)} = 18.512, p < 0.001$). Realism of manager response ($\beta = 0.320, p < 0.001$) and procedural justice ($\beta = 0.546, p = 0.003$) were positively related to behavioral intentions. Social presence ($\beta = -0.183, p = 0.313$) was not related to behavioral intentions when interactional justice was low.

In the second step, realism of manager response, procedural justice, and interactional justice were regressed on trust. The model was significant ($F_{(3, 198)} = 23.569, p < 0.001$). Realism of the manager response ($\beta = 0.343, p < 0.001$) and procedural justice ($\beta = 0.630, p < 0.001$) had a significant and positive impact on trust, and social presence did not have a significant impact on trust ($\beta = -0.048, p = 0.782$).

When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 200)} = 383.758, \beta = 0.821, p < 0.001$). In the final model, realism of manager response, procedural justice, social presence, and trust were regressed on behavioral intentions. The model was significant ($F_{(4, 197)} = 97.008, p < 0.001$). Trust ($\beta = 0.786, p < 0.001$) had a positive impact on behavioral intentions. Procedural justice ($\beta = 0.051, t = 16.1210, p = 0.682$) and social presence ($\beta = -0.145, p = 0.224$) did not have a significant impact on behavioral intentions after accounting for trust and realism of the manager's response. Table 35 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 3.540, p < 0.001$) and the bootstrap method ($b = 0.7863, t = 16.1210, p < 0.001, 95\% \text{ CI} = 0.2090 \text{ to } 0.7984$) indicated that trust mediates the relationship between procedural justice and behavioral intentions when interactional justice was low. Additionally, both the Sobel test ($z = -0.277, p = 0.781$) and the bootstrap method ($b = 0.7863, p = < 0.001, 95\% \text{ CI} -0.3065, 0.2418$) indicate that trust does not mediate the relationship between social presence and behavioral intentions when interactional justice is low.

Table 35. Mediation Model 7 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.397	0.000	1.022	0.431	0.000	1.022				0.062	0.183	1.357
Response												
PJ	0.191	0.003	1.027	0.223	0.000	1.027				0.018	0.682	1.094
SP	-0.064	0.313	1.006	-0.017	0.782	1.006				-0.051	0.224	1.006
Trust							0.811	0.000	1.000	0.776	0.000	1.357
R-Square	0.219			0.263			0.657			0.663		

Note. b = is the unstandardized regression coefficient.

Model 8. Mediation Model of Procedural Justice and Social Presence under the Condition of High Interactional Justice. Mediation analyses by Baron and Kenny (1986) were conducted for procedural justice and social presence when interactional justice was high. In the first model, realism of manager response, procedural justice, and social presence justice were regressed on behavioral intentions. The model was significant ($F_{(3, 204)} = 25.776, p < 0.001$). Both realism of manager response ($\beta = 0.532, p < 0.001$) and procedural justice ($\beta = 0.615, p < 0.001$) were positively related to behavioral intentions, and social presence ($\beta = 0.297, p = 0.105$) was not related to behavioral intentions when interactional justice was high.

In the second step, realism of manager response, procedural justice, and social presence were regressed on trust. The model was significant ($F_{(3, 204)} = 40.534, p < 0.001$). Realism of the manager response ($\beta = 0.518, p < 0.001$) and procedural justice ($\beta = 0.601, p < 0.001$) had a significant and positive impact on trust, and social presence ($\beta = 0.233, p = 0.101$) was not related to trust.

When trust was regressed on behavioral intentions, trust had a positive relationship on behavioral intentions ($F_{(1, 206)} = 523.010, p < 0.001; \beta = 1.020, p < 0.001$). In the final model, realism of manager response, procedural justice, social presence, and trust were regressed on behavioral intentions. The model was significant ($F_{(4, 203)} = 129.115, p < 0.001$). Trust ($\beta = 1.013, p < 0.001$) had a positive relationship on behavioral intentions, and procedural justice ($\beta = 0.007, p = 0.957$) and social presence ($\beta = 0.062, p = 0.592$) did not have an impact on behavioral intentions after accounting for trust and the realism of the manager's response. Table 36 showcases the unstandardized coefficients, p -values, VIF statistics, and R -square values for the regression models.

Both the Sobel test ($z = 4.105, p < 0.001$) and the bootstrap method ($b = 1.0130, t = 17.8524, p < 0.001, 95\% \text{ CI} = 0.3292, 0.9020$) indicated that trust mediates that the relationship between procedural justice and behavioral intentions when interactional justice was high.

Additionally, both the Sobel test ($z = 1.648, p = 0.099$) and the bootstrap method ($b = 0.7863, t = 16.1210, p < 0.001, 95\% \text{ CI} = -0.0503, 0.5274$) found trust does not mediation the relationship between social presence behavioral intentions when interactional justice was high.

Table 36. Mediation Model 8 Regression Results

IV	Regression 1 (DV=BI)			Regression 2 (DV=TRUST)			Regression 3 (DV=BI)			Regression 4 (DV = BI)		
	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF	b	p-value	VIF
Realism	0.429	0.000	1.048	0.504	0.000	1.048				0.005	0.906	1.454
Response												
PJ	0.201	0.001	1.045	0.236	0.000	1.045				0.002	0.957	1.134
SP	0.097	0.105	1.003	0.092	0.101	1.003				0.020	0.592	1.016
Trust							0.874	0.000	1.000	0.841	0.000	1.596
R-Square	0.275			0.373			0.717			0.718		

Note. b = is the unstandardized regression coefficient.

Summary of Mediation Results

For the omnibus model, mediational results suggests that trust mediates the relationship between the independent variables, procedural justice, interactional justice, and social presence, and behavioral intentions: but only under specific combinations of the independent variables.

Post hoc models indicate: (a) trust does not mediate the relationship between social presence and behavioral intentions when interactional justice was low and procedural justice was low; (b) trust mediates the relationship between social presence and behavioral intentions when procedural justice was low and interactional justice was high; (c) trust mediates the relationship between interactional justice and behavioral intentions when procedural justice was high; (d) trust does not mediate the relationship between procedural justice and behavioral intentions when interactional justice is low and social presence is low; (e) trust mediates the relationship between procedural justice and behavioral intentions when interactional justice was high and social presence was low; (f) trust mediates the relationship between interactional justice and behavioral intentions when social presence was high; (g) trust mediates the relationship between procedural justice and behavioral intentions when interactional justice was low; (h) trust does not mediate the relationship between social presence and behavioral intentions when interactional justice was low; (i) trust mediates the relationship between procedural justice and behavioral intentions when interactional justice was high; and (j) trust does not mediate the relationship between social presence and behavioral intentions when interactional justice was high.

Summary of Hypotheses

A summary of the results of hypothesis testing is provided in Table 37.

Table 37. Results of Hypothesis Testing

Hypothesis	Hypothesis Statement	Outcome
H ₁	Managers are more likely to respond to eNWOM than to positive or neutral eWOM.	Partially Supported
H ₂	For eNWOM, the presence of a manager response increases behavioral intentions to a greater extent than no response.	Supported
H ₃	A manager's response with higher procedural justice will lead to higher trust than a manager's response with lower procedural justice.	Supported
H ₄	A manager's response with higher interactional justice will lead to higher levels than a manager's response with lower interactional justice.	Supported
H ₅	A manager's response with higher levels of social presence will lead to higher trust than a manager's response with lower social presence.	Not supported
H ₆	There is a three-way interaction effect of procedural justice, interactional justice, and social presence on trust.	Supported
H ₇	Trust mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions.	Partially Supported

Chapter Summary

This chapter provided the results of the three studies and all proposed hypotheses. Study #1 found partial support that managers are more likely to respond to eNWOM than to ePWOM WOM as well as the current dimensions of manager's response to eNWOM. Study #2 provided support that viewers have higher behavioral intentions toward a restaurant when a manager provides a written response to eNWOM than when no response is provided. Finally, Study #3

found that support exists for an interaction effect of procedural justice, interactional justice, and social presence on trust, and that trust partially mediates the relationship between procedural justice, interactional justice, and social presence and behavioral intentions. Four hypotheses (H₂, H₃, H₄, and H₆) received support from the data. Two hypotheses (H₁ and H₇) received partial support from the data. The next chapter offers a detailed discussion of the findings, managerial implications, limitations, future research suggestions, and conclusions.

CHAPTER V. DISCUSSION

This chapter provides a comprehensive discussion of the empirical findings of the results, organized around each of the research questions. First, the chapter summarizes the three studies, reviewing the purposes and the results from each. This chapter then presents theoretical and managerial implications, limitations of the study, suggestions for future research, and conclusions.

Discussion of Research Question #1

The first research question in this study is as follows: How are managers responding to online reviews? Which type of eWOM (negative, neutral, or positive) are managers currently responding to? What are the elements included in the responses?

This study is unique in that it takes a comprehensive approach in understanding manager response rates to eWOM. In summary, Study #1 examined a total of 21,211 Tripadvisor.com reviews of 184 hotels located in the cities of Atlanta, Chicago, New York City, San Francisco, and Los Angeles. Overall, 48.2% of the WOM had a manager response. Managers were more likely to respond to eNWOM (54.3%), followed by neutral WOM (53.7%), and then ePWOM (45.8%). The study found partial support for H₁: Managers are more likely to respond to eNWOM than compared to positive or neutral WOM.

This finding is mixed with limited studies on manager responses to online reviews. In this study, managers responded to WOM 47.4% of the time. A study by Park and Allen (2013) found that most hotels (34 four- and five-star hotels in one geographical city) did respond more frequently to eNWOM than to ePWOM, yet they stated that 15 of the 34 hotels they examined did respond to positive reviews at an equal or even a higher rate. In this study, managers were

more likely to respond to eNWOM than to ePWOM. This result can be explained via negative bias and company-initiated service recovery.

Negativity bias refers to negative information about a service being more influential than positive or neutral information (Maheswaran & Meyers-Levy, 1990), and previous studies have found the negativity effect in online reviews (e.g. Cui et al., 2007). Negative information about a service can cause viewers to categorize the service as low quality (Skowronski & Carlston, 1987). An unanswered complaint lodged in the online forum may be portrayed by viewers as the manager not caring or not being proactive about company-initiated service recovery. By responding to eNWOM, a manager is attempting to showcase an image of the firm's responsiveness to customers' dissatisfying events.

This study also examined the dimensions of the manager responses to eNWOM. Results indicate that coders agreed that in the manager's responses, appreciation was used 75.0% of the time, followed by apology (63.0%), request for future patronage (41.3%), explanation (33.5%), follow-up (25.9%), flexibility (8.0%), correction (7.6%), compensation (2.8%), and social presence (0.2%). Managers used appreciation and an apology most often in the responses to eNWOM. First, an appreciation and an apology is an easy and low-cost dimension of service recovery. By showing remorse, the manager accepts responsibility for the service failure to viewers. Second, by showing appreciation, a manager may show that the organization is open for feedback and is appreciative of such feedback. Surprisingly, compensation was used in 2.8% of the responses. This showcases that despite the risk that compensating a guests to viewers may lead to copycat reviews, managers do consider compensation a tool in written responses.

Discussion of Research Question #2

The second research question in this study is as follows: What impact does the manager's service recovery response to eNWOM have on viewers' perceptions? Should managers respond to eNWOM in order to increase viewers' behavioral intentions?

In summary, the findings from Study #2 indicate that viewers have higher levels of behavioral intentions toward an organization that responds to eNWOM than to an organization that does not respond to eNWOM. This finding is consistent with research in the service recovery literature in both the offline world and the online world. In the offline world, after a service failure, customers expect an organization to provide service recovery and to fix the service failure. A company that provides company-initiated service recovery recognizes that such failures may be opportunities to fix service problems and positively influence customers' behavioral intentions.

This research extends the understanding of online service recovery, and findings are similar to previous research. Consumers often feel ignored when companies do not respond to customer emails (Mattila et al., 2013). Similarly, this research posits that viewers who read an online complaint with no manager response may feel that the company is ignoring and disregarding the customer. Therefore, responding to eNWOM would result in higher behavioral intentions of using the service company.

Flawless customer service may be an unsustainable goal because the hospitality industry is intangible and consumption occurs simultaneously with production (Collie, Sparks, & Bradley, 2000). After a service failure, customers have more ways than ever before to share their thoughts and feelings about the service provider through online review websites. Findings from this study provide additional support that company-initiated service recovery to eNWOM should be a goal

of managers. An effective company-initiated service recovery strategy after a service failure can play an important role in encouraging viewers to visit a service provider. An organization that responds to eNWOM may be looked upon more favorably by a viewer, since the organization is attempting to provide company-initiated service recovery.

Discussion of Research Question #3

The third research question is as follows: What elements in the managers' responses to eNWOM should be included in order to increase trust and behavioral intentions of viewers? More specifically, do higher levels of procedural justice, interactional justice, and social presence lead to high trust levels of viewers? Does trust mediate the relationship between procedural justice, interactional justice, and social presence and behavioral intentions?

Results from Study 3 reveal a three-way interaction effect of procedural justice, interactional justice, and social presence on trust. This finding suggests that the relationship of the independent variables and trust will depend on the level of the two other independent variables. Thus, simple main effects warrant further discussion. When procedural justice is low and interactional justice is high, high social presence results in higher levels of trust. If a manager has an explanation for the service failure and provides an apology, but has a slow response time and does not regularly monitor online complaints, higher social presence is effective to increase viewer trust. The finding that when procedural justice is high, interactional justice results in higher trust evaluations suggests that when a manager has a quick response and regularly monitors online reviews, the manager should attempt to include an apology and an explanation for a service failure.

The finding that when social presence is low or high, then higher procedural justice and/or higher interactional justice can result in higher trust levels suggests managers who are unable to provide a sense of social presence in the response can still increase trust levels by providing a quick response time and regularly monitor online complaints and/or provide an apology and or explanation. This finding is appropriate for service managers that are either anonymous or personal.

Occasionally, a manager may not have enough information about a service failure to provide an explanation or may not provide an apology in the manager response to eNWOM. Thus, the finding suggests that a manager needs to provide a quick response time and regularly monitor online reviews to increase trust. Interestingly, this finding suggests social presence does not play a role in trust evaluation. Additionally, if a manager does provide an apology and an explanation, the finding suggests that managers should also have a fast response time and regularly monitor online reviews to increase trust evaluations.

Main Effects Discussion. The main effect of procedural justice on trust is consistent with previous research. Previous studies have suggested that the speed at which a company provides service recovery can enhance customers' evaluations (Clark, Kaminski, & Rink, 1992; Smart & Martin, 1992). In an age of computer-mediated communication, a quick response time can be an effective tool for mitigating the effects of eNWOM. A service provider that does not immediately respond to eNWOM may imply inefficiency and suggest to customers that the same problem may occur in the future (Folkes, 1984). This finding may be enhanced by the use of social media and 24-hour-a day-platforms for leaving eNWOM. A firm that has an infrastructure in place to respond to eNWOM may showcase that the service provider is committed to service recovery. Empirical evidence has shown that a quick response time leads to higher evaluations of

service recovery by a company. Previous research (e.g., Chan & Guillet, 2011) has found that hotel companies fail to provide a timely response to inquiries on social media. Yet, this study found the average response time to eNWOM to be 7.86 days. Response time for eNWOM ranged from a response the same day to 389 days. The importance of response time to eNWOM is being stressed by online review websites. For example, Tripadvisor.com recommends that managers respond quickly to negative reviews, as “a prompt response shows prospective guests that you take customer service seriously, and quickly adds your perspective on the situation to the original review” (Tripadvisor.com, 2014b). Additionally, the company practice that regularly monitors online complaints may suggest that a firm is on top of complaint management and has an infrastructure that can effectively deal with service failures.

The main effect of interactional justice on trust in this study is consistent with previous research (Aryee et al., 2002). Studies in the service marketing literature have shown the importance of interactional justice in customer decision making (Blodgett et al., 1997; Tax et al., 1998). Viewers who read an apology in the manager’s response to the eNWOM may feel that the manager is accepting responsibility for the service failure, and an apology has been shown to be a valuable reward in an exchange relationship (Walster et al., 1973). An apology also communicates that the manager has empathy toward the customer. Viewers who read explanations for the service failures may feel that the manager is “upfront” with the circumstances of the service failure. Information that is being communicated about the service failure can be beneficial, as customers may be able to attribute responsibility for the service failure to someone other than the manager.

Contrary to previous research in the e-commerce stream (Hassanein & Head, 2007; Gefen & Straub, 2003; Kumar & Benbast, 2002; Wang & Emurian, 2005), the main effect of

social presence on trust in this study was not significant. Social presence alone does not enhance trust, but when there is a high fairness perception of manager's responses, social presence can enhance the positive effect of fairness dimensions. One explanation for this finding could be that although respondents are familiar with elements of social presence on websites—photographs, images, video, chat, messaging—they have not been exposed to elements of social presence on online review websites. To date, online review websites, such as Tripadvisor.com, currently do not allow managers to respond with such elements, and respondents may not be familiar with seeing a photograph of a manager included with the response.

Simple Main Effects Discussion. Since the three-way interaction of procedural justice, interactional justice, and social presence was significant on trust, discussion is broken down by two components. First, interactional justice increases trust when procedural justice is high. Next, when both interactional justice and procedural justice are high, social presence does not have an additional effect on trust. However, when interactional justice is low and procedural justice is high, then social presence makes a difference. Trust was higher when social presence was high compared to low social presence. These findings suggest that the effect of social presence on trust depends on interactional justice levels under high procedural justice. When both procedural justice and interactional justice is high, social presence does not matter. Conversely, when procedural justice is high and interactional justice is low, social presence matters.

When procedural justice is low, interactional justice increases trust. Low social presence does not matter when interactional justice and procedural justice is low. However, high social presence increases trust to a larger extent when interactional justice is low compared to when interactional justice is high. When both interactional justice and procedural justice are low, low social presence increases trust compared to high social presence. However, high social presence

showed the opposite effect: when procedural justice is low and interactional justice is high, then trust is higher for high social presence compared to low social presence. These findings suggest that under low procedural justice, the differential effect of social presence on trust depends on interactional justice levels. High social presence actually increases the negative effect of the two justice dimensions being low. However, high social presence helps increase trust when procedural justice is low but interactional justice is high.

Mediation Discussion. Evidence was found suggesting trust partially mediates the relationship between the three-way interaction and behavioral intentions. The increase in the beta coefficient of the three-way interaction in the last regression of Baron and Kenny's mediation analysis suggests there is not a mediation effect. However, support from the Sobel test, bootstrap technique, and *F*-ratio comparisons leads to support for a partial mediation finding. Thus, additional mediation models were conducted to examine the specific nature of the mediation effect across conditions.

Partial evidence was found that trust mediates the relationship between procedural justice, interactional justice, and social presence and trust. Additional mediation models were conducted to provide support when trust is necessary in this relationship. In order for the independent variables to impact behavioral intentions, trust is needed in the following relationships: (a) between social presence and behavioral intentions when procedural justice is low and interactional justice is high; (b) between interactional justice and behavioral intentions when procedural justice is high; (c) procedural justice and behavioral intentions when interactional justice is high and social presence is low; (d) interactional justice and behavioral intentions when social presence is high; (e) procedural justice and behavioral intentions when

interactional justice is low; and (f) procedural justice and behavioral intentions when interactional justice is high.

Implications

Online review websites provide a medium for extensive business-to-consumer interaction. Additionally, online reviews and manager responses provide information for viewers who are seeking information about a service. Viewers' evaluation of eNWOM and a manager's response has not been fully understood by the literature. By examining the effect of company-initiated service recovery in the online context, this study adds to the literature of online service recovery, social presence, and trust. Furthermore, the results of this study provide implications for two sets of stakeholders: managers of hospitality service providers and managers of online review systems.

Theoretical Implications

This study makes three important contributions to the extant research on company-initiated service recovery literature. First, the research adds to a growing body of literature regarding eWOM communication and firms' attempts to manage eNWOM. From the marketing services literature, it is well-established in the offline world that traditional service recovery efforts can impact trust and behavioral intentions of a customer. This study attempts to fill the gap in the literature of understanding how viewers evaluate manager responses to eNWOM and also examines viewers' evaluation of trust and behavioral intentions in online service recovery. This study utilized service recovery literature to test the effectiveness of manager responses to eNWOM, thus enhancing the bridge between online and offline service recovery strategies. This

research responds to a call from research to understand how firms can mitigate the effects of eNWOM of online review websites.

Second, this study extends the understanding of social presence as a tool to enhance the effectiveness of managers' response in an online service recovery. While previous research in social presence has primarily focused on the e-Commerce domain (e.g. Cyr, 2007; Hassanein & Head, 2007), this research introduces social presence to online service recovery. Since most responses to eNWOM currently consist of text, social presence can be used as a way to be perceived as being real in CMC. By combining social presence with procedural justice and interactional justice, the results in this study show that social presence can be used to enhance the effect of the two justice dimensions on forming trust in the online context.

Finally, this study contributes to the trust literature by examining the role of trust in offsetting eNWOM in the online context. Trust is a fundamental construct that drives relationships and is a major component of online interaction. Since many online review websites are fairly new, and consumers use them as a source of information, understanding online trust formation is in the infant stage. While previous researches have proposed models for trust formation in the online context, this study contributes to the literature by providing a model that examines how viewers evaluate the antecedents of trust formation of manager responses to eNWOM.

Managerial Implications

This study provides managerial implications for two groups of stakeholders of online reviews: managers of hospitality service providers, such as those in hotel sectors, and managers of online review websites, such as Tripadvisor.com and yelp.com.

Hospitality Service Providers. Park and Allen (2013) suggest that hotel managers should consider their overall approach to utilizing online review information in their operations. For managers of hospitality service providers, there are two recommendations based on this research.

1. Comprehensive Online Review System for Response. Studies have shown the impact of eWOM, and this research adds to the recommendation that managers should monitor and respond to eNWOM. Thus, it is in managers' best interest to create a comprehensive online review system that monitors and responds to eNWOM. Although 85% of hotels do not have guidelines for monitoring and responding to online reviews (Barksy, 2009), it is recommended that firms set and create guidelines for responding to online reviews and dedicate the technology, support, personnel, and training for an online review program. Managers should create policy that addresses which department and employees should focus on responding to eNWOM. In addition, how they should respond to eNWOM, and how the information about eNWOM should be shared with organizational managers. Such information can also be used for enhanced marketing analytics and customer engagement (Park & Allen, 2013). Additionally, such information from eNWOM can be used in conjunction with traditional marketing research, such as surveys, for improving operations. Findings in this study found that viewers have higher behavioral intentions toward a restaurant that responds to eNWOM than toward a restaurant that did not respond to eNWOM. Thus, results suggest that service managers should respond to eNWOM on online review websites.

2. Specifics in the Response. Managers should identify ways to enhance procedural justice, interactional justice, and social presence into their responses. Overall, managers should

look at ways to increase the two service recovery dimensions of procedural justice (quick response time to online reviews and regular monitoring) as well as interactional justice (the inclusion of an apology and an explanation in the response). Specifically, social presence (an actual manager responding, inclusion of the manager's personal contact information, and a photograph of the manager) alone in the manager response does not increase trust. However, when social presence is added with procedural justice and interactional justice, specific managerial implications should be incorporated in the manager response. When both procedural justice and interactional justice are high, social presence in the manager response is not necessary. In other words, managers do not need to be specific, do not need to include personal contact information, and do not need to include a photograph under these conditions. However, when one of the justice dimensions is low, the inclusion of social presence in the manager response can increase trust. Surprisingly, when both procedural justice and interactional justice are low, the inclusion of social presence actually lowers trust compared to low social presence.

Trust formation occurs when manager response is quick and is conducted through a regular monitoring system, the manager is apologetic, and includes an explanation for the dissatisfying situation without the inclusion of elements of social presence. However, if a manager has a slow response time and does not have a process to regular monitor online reviews, or the manager does not include an apology or an explanation, then the manager can use elements of social presence to increase trust of viewers. Interestingly, when a manager's response is slow, the manager does not regularly monitor reviews, is not apologetic, and does not include an explanation, then the inclusion of social presence elements (an actual manager responding, personal contact information provided, and a photograph of the manager) can actually hurt viewers' perceptions of trust.

Managers of Online Review Websites. Several online review websites, such as Tripadvisor.com and yelp.com, are currently proactive in promoting managers to respond to eNWOM by providing comprehensive training materials to educate managers on how to respond to online reviews. Thus, this research presents two recommendations for managers of online review websites.

1. Support Responding to eNWOM. Managers of online review websites should continue to encourage managers to respond to eNWOM. As found in this study, viewers do have higher behavioral intentions when managers respond to eNWOM as opposed to no response. Thus, managers of online review websites should continue to offer training, development, and education for service provider managers so they have the knowledge, skills, and examples of how to respond to eNWOM. Currently, Tripadvisor.com provides managers with minimal documents that give managers limited advice on responding to eNWOM. Future endeavors could expand into training videos, simulations, and online support.

2. Allow for Social Presence and Enhanced Creative Options. Managers of online review websites should also allow for greater opportunities to respond with social presence, specifically human warmth and sociability. Currently, on most online review websites, such as Tripadvisor.com, managers can only respond via text. For example, enhanced creative options could include uploading a photograph, audio, instant message, and linkage with other social media websites. However, as technology evolves, online review websites will become more creative and sophisticated. Thus, online review systems should continue to seek out ways and allow for enhanced and creative elements in the response, including voice, photographs, and even video. For example, the online review website www.filmuin.com allows customers to provide eWOM via video. Customers with a complaint against a service provider can upload a

video of themselves stating the complaint, and viewers are able to access and view the video. Such futuristic avenues for displaying customer complaints will enable firms to provide service recovery in creative ways.

Limitations & Future Studies

There are three limitations of this study that warrant attention and provide suggestions for future studies. First, this study only examined viewers' perceptions of the responses of managers to online complaints and did not consider additional potential influencing factors, such as ratings and rankings of a product and service. Additionally, like other studies of online reviews (e.g. Racherla, Mandviwalla, & Connolly, 2012), this study focused on negative reviews. While previous studies have shown that customers are more reactionary to negative reviews, it is not currently understood how a manager response to positive or neutral WOM impacts trust and behavioral intentions. Thus, future studies should examine how viewers evaluate manager's responses to ePWOM and how factors such as ratings and rankings of a service impact manager's responses.

Second, another limitation in this study was that subjects were asked to role-play their evaluation task in a controlled setting. A disadvantage of role play and scenario-based methods is that respondents may not respond exactly as they would in a real-life situation of reading an online review and manager response. Thus, generalizations from these findings should be made with caution and only limited to the restaurant and hotel industries. Researchers should use multiple industries in diverse settings that are impacted by eWOM, such as medical services, apartment rentals, and education to warrant further examination with these online review websites to increase generalizability of results.

Third, respondents were only exposed to one complaint and one manager response to that complaint. In real-life situations, viewers are exposed to numerous positive and negative reviews and numerous manager responses to those reviews. Furthermore, the search for reviews is complicated in that reviews are constantly changing order, as the most recent reviews are included. Because this research focused only one complaint and one manager responses at one time, viewers were only asked to focus on the one manager response, as opposed to numerous eWOM and manager responses. Future studies should examine how viewers respond to manager responses to positive and neutral WOM. Given the overwhelming nature of eWOM, future studies need to examine how consumers manage the eWOM, and how they adopt various search behaviors. Recency bias (Pain & Sharpley, 1989) suggests that recently-posted reviews may be more accessible and may have greater influence than older reviews. Future studies should explore the relationships between recent and non-recent reviews and managers' responses.

Recent work by Sirianni, Bitner, Brown, & Mandel (2013) has suggested that employee behavior that is aligned with a firm's brand position can enhance a customer's response to a brand. Future studies might examine how the effects of branded manager responses can impact eNWOM as it relates to ownership (multinational corporation vs. independent company) or product rating (lower star ratings such as a one-star rating vs. higher star ratings such as a five-star rating).

Interestingly, several service providers in the hospitality industry, such as Starwood Hotel & Resorts Worldwide, have created their own internal online review websites and encourage customers to provide feedback about a specific Starwood branded hotel on the actual hotel website. Future studies will want to investigate viewers' trust based on the evaluations of manager responses to internal online review websites as compared to third-party websites.

Conclusion

Online reviews about a service are increasingly recognized as a rich source of information, and responding to online reviews is becoming more important in efforts of company-initiated service recovery. By aligning manager responses to eNWOM, this research is one of the first to explain how managers' responses to eNWOM can affect trust and behavioral intentions of a company. Of course, service recovery is extensively studied and well-established research area in marketing services literature, however extensions of company-initiated service recovery to the online sector have been limited. Previous research has not examined how viewers interpret manager responses to eNWOM. In this regard, understanding how viewers evaluate this exchange of communication has implications for both researchers and practitioners.

Since consumers weigh negative information more than positive information, service managers tend to respond to eNWOM more frequently than to neutral or positive WOM. Additionally, the results reveal that managers should quickly respond, showcase that they monitor online reviews, show empathy, provide an explanation for service failures, and display a sense of social presence, or human warmth and connection, in the response. As a result of these actions, viewers are more likely to have higher trust levels of the service provider.

Company-initiated service recovery in the online sector will continue to evolve in the next few years as more consumers flock to online review websites to obtain information about services. Thus, a manager response can be used as a source of information for consumers to review and use it for their decision making. Researchers and managers should keep investigating ways to mitigate the effects of eNWOM. This research is the first step in examining online service recovery through manager responses to eWOM.

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APPENDIX A
STUDY 1 INSTRUCTIONS FOR CODERS

INSTRUCTIONS FOR CODERS

1. You will be provided with a set of manager responses to online reviews. Each review is from the online review website Tripadvisor.com and is from a dissatisfying complaint.
2. You will be asked to categorize each of the manager responses into one of 9 categories, based on your perception of the manager responses in the attached Microsoft Excel document. Sorting rules and definitions of categories are detailed below in the Coding Framework which includes the code, definition, key words, and example from a manager response that includes the code. You are allowed to use more than one category.
3. It is suggested that you read through each of the manager responses before you attempt to categorize it. If an incident does not appear to fit within any of the 9 categories, leave it blank. Additionally, do not attempt to create new categories.

Coding Framework

Code	Definition	Key Words	Example from Manager Response
FOLLOW-UP	The manager asks the reviewer to follow up with the manager via email, phone, or another method.	Contact Me, Follow Up with You	“At you convenience, please contact me at...”
APOLOGY	The manager provides remorse for the dissatisfying situation.	Apology, Sorry, Regret	“I am sorry for the dissatisfying experience.”
APPRECIATION	The manager recognizes the customer.	Appreciate, Thank You, Thanks, Welcome	“Thank you for bringing the matter to our attention.”
COMPENSATION	The manager provides an award for the dissatisfying situation.	Coupon, Reimbursement, Payment	“I will email you a coupon for your next stay.”
CORRECTION	The manager states the dissatisfying situation would be fixed or corrected.	Fix, Solution, Repair	“Since your stay, we have clearly screened each room from your feedback.”
EXPLANATION	The manager provides a clarification.	Explanation, Description, Reason, Excuse	“The reason of your dissatisfying situation was because of ongoing extensive renovations.”
FUTURE REPATRAONAGE	The manager invites the customer for a future stay	Visit Future/Stay, Repeat, Invite	“Please stay with us the next time you are visiting our area.”

(continued)

Code	Definition	Key Words	Example from Manager Response
SOCIAL PRESENCE	The manager adds an element of social presence to the response.	Emoticon, Photograph included, Bold, Color	“Thanks for staying with us ☺!”
FLEXIBILITY	The manager provides evidence of a flexible procedure in service recovery, NOT flexibility in operation effort (NOT: for example, NOT late check in/out)	Options, Geographic divide, personal phone number/personal email (NOT company contact info)	“Although you live in a different city than where our hotel is located, we can...” Personal phone number, personal email of manager

APPENDIX B
STUDY 2 SURVEY INSTRUMENT

In the last six months, have you read an online review about hospitality services, such as a review about a restaurant, bar, lounge, or hotel from an online review website like Tripadvisor.com, Yelp.com, or GooglePlus.com?

_____ Yes _____ No (please mark one answer)

Imagine you are planning to go out to eat at a restaurant this upcoming weekend, and you decide to utilize online reviews to get more information about potential restaurants. Because you are not too familiar with the restaurants in the area, you seek out comments left by others who have eaten at the restaurant before. Please read the online review carefully below and answer the following questions.

Customer Complaint

“So Disappointed”

●○○○○ **Reviewed June 13, 2013**

I had read online about the Pizza Company and talked a friend into going today. We ordered the pizza with extra sauce, white cheddar, cheese, and garlic on the crust. I felt that this would be the perfect pizza. When we got the pizza the bottom was burnt, the pizza was not very warm, there was no garlic on the crust, there was hardly any sauce or cheese, and the only thing that gave the pizza any flavor was the chicken that we had to pay \$2.00 to add. The pizza was \$16 and I believe I have had \$5.00 pizzas that tasted better. I won't go there again.

Manager Response

Manager Response Left on June 15, 2013

I am so sorry you had a bad time at our restaurant. We always have managers on duty to handle any complaint. You may have misunderstood the menu as there is no garlic on this pizza. We make our sauce in house daily, we add a good bit of spices in. The cheese we use is white cheddar, a mild cheese, about as flavorful as mozzarella. We grill the chicken to order. As far as our prices, everyone is being affected by food inflation, and our prices are lower than many places around. Once again, I am sorry for your bad experience, we stand by our food and quality, we would not have charged you if we had an indication you were not happy.

Eric Strum
General Manager

How realistic was the scenario?

Highly unrealistic 1 2 3 4 5 Highly realistic

How difficult/easy was it for you to imagine a customer having this situation?

Very difficult 1 2 3 4 5 Very easy

The customer experienced a dissatisfying experience.

Strongly Disagree 1 2 3 4 5 Strongly Agree

This section is about your perceptions of the responsiveness of the restaurant. Please indicate your level of agreement with the following statements.

1 = Strongly Disagree 5 = Strongly Agree

This restaurant keeps customers informed as to when services will be performed.	1	2	3	4	5
This restaurant provides prompt service to customers.	1	2	3	4	5
This restaurant is willing to help customers.	1	2	3	4	5
This restaurant is always ready to respond to customers' requests.	1	2	3	4	5

This section is about your perceptions of the restaurant. Please indicate your level of agreement with the following statements.

1 = Strongly Disagree 5 = Strongly Agree

I feel that this company is trustworthy.	1	2	3	4	5
I have confidence in the products of this company.	1	2	3	4	5
I feel that this company has the ability to provide good products.	1	2	3	4	5

This section is about your perceptions of the restaurant. Please indicate your level of agreement with the following statements.

1 = Strongly Disagree 5 = Strongly Agree

I would dine at this restaurant in the future.	1	2	3	4	5
There is a likelihood that I would dine at this restaurant in the future.	1	2	3	4	5
I will recommend this restaurant to my family, friends, or others.	1	2	3	4	5
I will say positive things about this restaurant to others.	1	2	3	4	5

This section is about your perceptions of the responsiveness of the restaurant. Please indicate your level of agreement with the following statements.

1 = Strongly Disagree 5 = Strongly Agree

This restaurant keeps customers informed as to when services will be performed.	1	2	3	4	5
This restaurant provides prompt service to customers.	1	2	3	4	5
This restaurant is willing to help customers.	1	2	3	4	5
This restaurant is always ready to respond to customers' requests.	1	2	3	4	5

This section is about your perceptions of reading the scenario. Please indicate your level of effort regarding following statements.

1 = Not a Lot of Effort 5 = A Lot of Effort

When I buy a product online, I always read reviews that are presented on the website.	1	2	3	4	5
When I buy a product online, the reviews presented on the website are helpful for my decision making.	1	2	3	4	5
When I buy a product online, the reviews presented on the website make me confident in purchasing the product.	1	2	3	4	5

This section contains some general questions about you. Please answer to the best of your ability. This information will be kept strictly confidential and used for statistical purposes only.

What is your gender?

Male _____ Female _____

What is your age? _____

What best describes your ethnic background?

- _____ Non-Hispanic White, Caucasian
- _____ African American or Black
- _____ Hispanic or Latino
- _____ American Indian or Alaska Native
- _____ Native Hawaiian or Other Pacific Island
- _____ Asian or Asian American
- _____ Other, please list _____

How often do you eat out every week? _____ times a week

How many hours do you spend on the Internet every day? _____ hours a day

How many hours do you spend looking at online reviews every week? _____ hours a week

APPENDIX C
STUDY 2 IRB LETTER



University of Central Florida Institutional Review Board
Office of Research & Commercialization
12201 Research Parkway, Suite 501
Orlando, Florida 32826-3246
Telephone: 407-823-2901 or 407-882-2276
www.research.ucf.edu/compliance/irb.html

Approval of Exempt Human Research

From: UCF Institutional Review Board #1
FWA00000351, IRB00001138

To: Eric D. Olson

Date: November 21, 2013

Dear Researcher:

On 11/21/2013, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review: Exempt Determination
Project Title: Customer Evaluation of Managers' Responses to Online Complaints
Investigator: Eric D. Olson
IRB Number: SBE-13-09801
Funding Agency:
Grant Title:
Research ID: N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the Investigator Manual.

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

Signature applied by Joanne Muratori on 11/21/2013 10:18:25 AM EST

IRB Coordinator

APPENDIX D
STUDY 3 SCENARIOS

Customer Complaint



Jamey R.

Contributor

3 reviews

1 hotel reviews

2 helpful votes

“Disappointing wi-fi, but good location”

●●●○○ Reviewed April 28, 2013

I was kind of disappointed in the ABC Hotel. The room was clean, but the room’s décor was somewhat outdated and could definitely use some updating. The thing I really liked about the hotel was the location and the free wi-fi. However, the free wi-fi did not work in my room and I had to pay for the high speed one to connect. Anyway, this hotel was not for me, but it might be fine for others.

Stayed April 2013

●●●○○ Value

●●●●● Location

●●○○○ Rooms

●●●●● Cleanliness

●●○○○ Service

Was this review helpful? **YES**
[Ask Jamey R. about ABC Hotel](#)

[Problem with this review?](#)

Scenario 1: Procedural Justice: High x Interactional Justice: High x Social Presence: High

Gareth W., Guest Service Manager at ABC Hotel
Responded to this review April 30, 2013

Dear Jamey R.,

My name is Gareth Wilson, and I am the Guest Service Manager at ABC Hotel. I would like to thank you for taking the time to share your feedback about your recent stay at ABC Hotel. I routinely monitor online reviews and found this review that you left 2 days ago. I am very sorry to hear that we did not live up to your expectations, and I hope you accept my sincere apology!

Our hotel is now under new ownership, and we have recently started updating the décor in all of the rooms. Our basic wi-fi service is free and we could have reset your room for a better connection.

We are very sorry for your inconvenience. Please feel free to contact me directly at the hotel at 407-903-8227 or gareth.wilson@abchotel.com. We look forward to seeing you again at our hotel in the future!

Sincerely,



Gareth Wilson
Guest Service Manager, ABC Hotel

Scenario 2: Procedural Justice: High x Interactional Justice: High x Social Presence: Low

Guest Service Manager at ABC Hotel
Responded to this review April 30, 2013

ABC Hotel would like to thank you for taking the time to share your feedback about your recent stay at ABC Hotel. We routinely monitor online reviews and found this review that you left 2 days ago. We are very sorry to hear that we did not live up to your expectations and hope you accept our sincere apology.

The hotel is now under new ownership, and we have recently started updating the décor in all of the rooms. The basic wi-fi service is free and we could have reset your room for a better connection.

We are very sorry for your inconvenience. Please contact us at 1-800-ABC-HOTEL or guestservice@abchotel.com. We hope to welcome you back to ABC Hotel in the future.

Sincerely,

Guest Service Manager, ABC Hotel

Scenario 3: Procedural Justice: High x Interactional Justice: Low x Social Presence: High

Gareth W., Guest Service Manager at ABC Hotel,
Responded to this review April 30, 2013

Dear Jamey R.,

My name is Gareth Wilson, and I am the Guest Service Manager at ABC Hotel. I would like to thank you for taking the time to share your feedback about your recent stay at ABC Hotel. I routinely monitor online reviews and found this review that you left 2 days ago.

Please feel free to contact me directly at the hotel at 407-903-8227 or gareth.wilson@abchotel.com. We look forward to seeing you again at our hotel in the future!

Sincerely,



Gareth Wilson
Guest Service Manager, ABC Hotel

Scenario 4: Procedural Justice: High x Interactional Justice: Low x Social Presence: Low

Guest Service Manager at ABC Hotel

Responded to this review April 30, 2013

ABC Hotel would like to thank you for taking the time to share your feedback about your recent stay at ABC Hotel. We routinely monitor online reviews and found this review that you left 2 days ago.

Please contact us at 1-800-ABC-HOTEL or guestservice@abchotel.com. We hope to welcome you back to ABC Hotel in the future.

Sincerely,

Guest Service Manager, ABC Hotel

Scenario 5: Procedural Justice: Low x Interactional Justice: High x Social Presence: Low

Gareth W., Guest Service Manager at ABC Hotel

Responded to this review July 2, 2013

Dear Anthony R.,

My name is Gareth Wilson, and I am the Guest Service Manager at ABC Hotel. I would like to thank you for taking the time to share your feedback about your stay at ABC Hotel. I am very sorry to hear that we did not live up to your expectations, and I hope you accept my sincere apology!

Our hotel is now under new ownership, and we have recently started updating the décor in all of the rooms. Our basic wi-fi service is free and we could have reset your room for a better connection.

We are very sorry for your inconvenience. Please feel free to contact me directly at the hotel at 407-903-8227 or gareth.wilson@abchotel.com. We look forward to seeing you again at our hotel in the future!

Sincerely,



Gareth Wilson

Guest Service Manager, ABC Hotel

Scenario 6: Procedural Justice: Low x Interactional Justice: High x Social Presence: Low

Guest Service Manager at ABC Hotel

Responded to this review July 2, 2013

ABC Hotel would like to thank you for taking the time to share your feedback about your stay at ABC Hotel. We are very sorry to hear that we did not live up to your expectations and hope you accept our sincere apology.

The hotel is now under new ownership, and we have recently started updating the décor in all of the rooms. The basic wi-fi service is free and an employee could have reset your room for a better connection.

We are very sorry for your inconvenience. Please contact us at 1-800-ABC-HOTEL or guestservice@abchotel.com. We hope to welcome you back to ABC Hotel in the future.

Sincerely,

Guest Service Manager, ABC Hotel

Scenario 7: Procedural Justice: Low x Interactional Justice: Low x Social Presence: High

Gareth W., Guest Service Manager at ABC Hotel

Responded to this review July 2, 2013

Dear Anthony R.,

My name is Gareth Wilson, and I am the Guest Service Manager at ABC Hotel. I would like to thank you for taking the time to share your feedback about your stay at ABC Hotel.

Please feel free to contact me directly at the hotel at 407-903-8227 or gareth.wilson@abchotel.com. We look forward to seeing you again at our Hotel in the future!

Sincerely,



Gareth Wilson

General Manager, ABC Hotel

Scenario 8: Procedural Justice: Low x Interactional Justice: Low x Social Presence: Low

Guest Service Manager at ABC Hotel

Responded to this review July 2, 2013

ABC Hotel would like to thank you for taking the time to share your feedback about your stay at ABC Hotel.

Please contact us at 1-800-ABC-HOTEL or guestservice@abchotel.com. We hope to welcome you back to ABC Hotel in the future.

Sincerely,

Guest Service Manager, ABC Hotel

**APPENDIX E STUDY 3
SURVEY INSTRUMENT**

Are you a U.S. citizen? ___ Yes ___ No

In the last six months, have you read an online review about a hospitality service, such as a review about a restaurant, bar, lounge, or hotel from an online review website like Tripadvisor.com, yelp.com, or GooglePlus.com? ___ Yes ___ No

Are you at least 18 years or older? ___ Yes ___ No

Imagine you are planning on going out of town next weekend, and you need to book a hotel room. Since you are not too familiar with the hotels in the area you are traveling to, you decide to utilize online reviews to get more information about potential hotels. Specifically, you seek out online reviews left by others who have stayed at the hotel.

Please read the following online review and response to the online review.

[Scenario: the customer complaint and one of the eight manager's response descriptions]

Please indicate your level of agreement with the following statements regarding the manager response to the online review.

	<i>1 = Strongly Disagree 7 = Strongly Agree</i>						
It took the hotel a reasonable time to react to the complaint.	1	2	3	4	5	6	7
The hotel was very prompt in responding to the complaint.	1	2	3	4	5	6	7
The complaint was taken care of as quickly as it could have been.	1	2	3	4	5	6	7
The hotel has good policies and practices for dealing with complaints.	1	2	3	4	5	6	7
The hotel routinely monitors online reviews for feedback.	1	2	3	4	5	6	7

Please indicate your level of agreement with the following statements regarding the manager response to the online review.

1 = Strongly Disagree 7 = Strongly Agree

The customer received a sincere “I am sorry” from the manager.	1	2	3	4	5	6	7
The response included a genuine apology.	1	2	3	4	5	6	7
The response provided an explanation why the problem occurred.	1	2	3	4	5	6	7
The explanation of the problems in the response was convincing.	1	2	3	4	5	6	7

Please indicate your level of agreement with the following statements regarding the manager response to the online review.

1 = Strongly Disagree 7 = Strongly Agree

There is a sense of human contact in the response.	1	2	3	4	5	6	7
There is a sense of personalness in the response.	1	2	3	4	5	6	7
There is a sense of sociability in the response.	1	2	3	4	5	6	7
There is a sense of human warmth in the response.	1	2	3	4	5	6	7
There is a sense of human sensitivity in the response.	1	2	3	4	5	6	7
There is a real person in the response.	1	2	3	4	5	6	7

This question is about your perceptions of the customer in the scenario.

1 = Strongly Disagree 7 = Strongly Agree

The customer who wrote the review had a dissatisfying experience at the hotel.	1	2	3	4	5	6	7
--	---	---	---	---	---	---	---

The section is about your perceptions of the complaint and the response.

1 = Very Unrealistic 7 = Very Realistic

How realistic was the customer complaint?	1	2	3	4	5	6	7
How realistic was the response?	1	2	3	4	5	6	7
Overall, how realistic was the description of the online review and the manager’s response above?	1	2	3	4	5	6	7

This question is about your perceptions of reading the scenario.

1 = Very Difficult 7 = Very Easy

How difficult/easy was it to imagine yourself as a viewer reading these messages online?	1	2	3	4	5	6	7
--	---	---	---	---	---	---	---

This section is about your perceptions of the hotel. Please indicate your level of agreement with the following statements based on the response to the online review.

1 = Strongly Disagree 7 = Strongly Agree

I feel that this hotel is trustworthy.	1	2	3	4	5	6	7
I have confidence in the services of this hotel.	1	2	3	4	5	6	7
I feel that this hotel has the ability to provide good services.	1	2	3	4	5	6	7

This section is about your booking intentions of this hotel if you had a future need for a hotel in this city based on the response to the online review.

1 = Strongly Disagree 7 = Strongly Agree

I would stay at this hotel in the future.	1	2	3	4	5	6	7
The likelihood of booking this hotel is very high.	1	2	3	4	5	6	7
The probability that I would consider booking this hotel is very high.	1	2	3	4	5	6	7

This section is about your general perceptions of reading the online review and the manager response. Please indicate your level of effort with the following statements.

1 = Not involved 7 = Very Involved

How involved were you in this task?	1	2	3	4	5	6	7
-------------------------------------	---	---	---	---	---	---	---

1 = Not at All 7 = A Lot

To what extend were you trying hard to evaluate the scenario?	1	2	3	4	5	6	7
How much effort did you put into evaluating the given information of the scenario?	1	2	3	4	5	6	7

This section is about your perceptions of online reviews.

1 = Strongly Disagree 7 = Strongly Agree

I always read reviews that are available on online review websites.	1	2	3	4	5	6	7
The reviews presented on online review websites are helpful for my decision making.	1	2	3	4	5	6	7
The reviews presented on online review websites make me confident in making reservations of hospitality services.	1	2	3	4	5	6	7

What is your gender?

- Male
 Female
 Transgender
 Other (Please list) _____

What is your sexual orientation?

- Heterosexual
 Gay
 Lesbian
 Bisexual
 Other (Please list) _____

What is your age? _____

What state do you live in? _____

What best describes your ethnic background?

- | | |
|--|--|
| <input type="checkbox"/> Non-Hispanic White, Caucasian | <input type="checkbox"/> Hispanic or Latino |
| <input type="checkbox"/> African American or Black | <input type="checkbox"/> America Indian or Alaska Native |
| <input type="checkbox"/> Native Hawaiian or Pacific Islander | <input type="checkbox"/> Asian or Asian American |
| <input type="checkbox"/> Other, please list _____ | |

What is your marital status?

- Single
 Divorced
 Married
 Civil Partnership
 Domestic Partnership
 Long Term Relationship
 Other (Please specify) _____

What is your highest level of education level obtained?

- Some high school
 High school
 Some college credits
 College degree
 Graduate degree

What is your household income level?

- Under \$20,000
 \$20,000 - \$39,999
 \$40,000 - \$59,999
 \$60,000 - \$79,999
 \$80,000 - \$99,999
 Over \$100,000

On average, how many nights in a year do you stay in a hotel within the U.S. for business/leisure purposes? _____ nights

On average, how many nights in a year do you stay in a hotel outside the U.S. for business/leisure purposes? _____ nights

How many hours do you spend on the Internet every day? _____ hours a day

How many hours do you spend looking at online reviews every week? _____ hours a week

APPENDIX F
STUDY 3 IRB LETTER



University of Central Florida Institutional Review Board
 Office of Research & Commercialization
 12201 Research Parkway, Suite 501
 Orlando, Florida 32826-3246
 Telephone: 407-823-2901 or 407-882-2276
www.research.ucf.edu/compliance/irb.html

Approval of Exempt Human Research

From: UCF Institutional Review Board #1
 FWA00000351, IRB00001138
 To: Eric D. Olson
 Date: February 28, 2014

Dear Researcher:

On 2/28/2014, the IRB approved the following activity as human participant research that is exempt from regulation:

Type of Review:	Exempt Determination
Project Title:	Customer Evaluation of Managers' Responses to Online Complaints
Investigator:	Eric D Olson
IRB Number:	SBE-14-09996
Funding Agency:	
Grant Title:	
Research ID:	N/A

This determination applies only to the activities described in the IRB submission and does not apply should any changes be made. If changes are made and there are questions about whether these changes affect the exempt status of the human research, please contact the IRB. When you have completed your research, please submit a Study Closure request in iRIS so that IRB records will be accurate.

In the conduct of this research, you are responsible to follow the requirements of the Investigator Manual.

On behalf of Sophia Dziegielewski, Ph.D., L.C.S.W., UCF IRB Chair, this letter is signed by:

Signature applied by Joanne Muratori on 02/28/2014 12:58:31 PM EST

IRB Coordinator