

# The Impact of Online Review and Price on Hotel Booking Intention at Online Travel Agency: Trust as a Mediating Variable

Gabriella Anggita Dea Christin  
Universitas Kristen Satya Wacana  
[212016511@student.uksw.edu](mailto:212016511@student.uksw.edu)

Albert Kriestian Novi Adhi Nugraha  
Universitas Kristen Satya Wacana  
[albert.kriestian@uksw.edu](mailto:albert.kriestian@uksw.edu)

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## ABSTRACT

The online travel agency offers accessible and user-friendly platforms for consumers to have a quick and cost-effective solution to make a hotel reservation. However, the intangible nature of hotel service makes consumers indecisive. Consumers can only weigh the pros and cons of their decision through the hotel information on online travel agencies, including online reviews and prices. On this ground, the current study validates the impacts of online reviews and prices on hotel booking intention at an Online travel agency, with trust as the mediating variable. This study employed a non-probability and purposive sampling technique to collect data. The current study applied the validity test (i.e., factor analysis and confirmatory factor analysis) before testing the model using the structural equation modeling analysis. The results suggest that online reviews and prices indirectly impact booking intention through trust. In addition, Price and Trust directly impact booking intention.

**Keywords:** Online Travel Agency, Online Review, Price, Booking Intention, Trust

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## 1. INTRODUCTION

Online Travel Agencies (OTAs) are digital platforms that allow travelers to book accommodation with one click. DailySocial.id [1] suggested that most travelers in Indonesia rely more on OTAs'smartphone apps than traditional travel agencies. The nature of hotel service is intangible, and the risk of purchasing hotel service online is higher because potential consumers cannot evaluate the hotel directly. Potential consumers seek more assurance when purchasing hotel rooms than buying tangible goods through reading other travelers' experiences and advice on online forums or hotel review sites [2]. Numerous studies have explored further the impact of electronic word-of-mouth on online hotel booking intention as consumers contemplate available information from hotel ratings and reviews during consumer decision-making processes [3]. Such behavior is potentially one of the underlying reasons behind the growing reliance on online reviews and ratings as electronic word-of-mouth.

Social reassurance, risk reduction, and convenience and quality are the three main driving forces for consumers to look for online hotel reviews [2]. Electronic word-of-mouth can significantly influence consumer booking intention. One study states that a 10% increase in the ratings can boost over 5% of online hotel bookings [4]. Online reviews can be considered one of the significant sources to evaluate a hotel before booking since the recommendation of other consumers outweighs those of marketers and industry experts [5]. Online reviews as fundamental sources of information influence booking intention [6].

Consumers can utilize online reviews to weigh the pros and cons of staying in hotels of their choice. Putra & Riorini [7] argue that online review positively impacts online hotel booking intention [7]. A later study by Angkiriwang, Susanto, and Thio [8] supports the finding by stating that online reviews highly impact booking intention among millennials. A study conducted in Canada and United States by Liang, Choi, and Joppe [9] also proposes that electronic word-of-mouth positively affects repurchase intention. Since consumers cannot see the products or services when booking accommodation through OTAs, trust becomes more important as it impacts consumers' behavioral choices [10]. However, Waworuntu, Halim, and

Wijaya [11] found that electronic word-of-mouth is not the primary variable for consumers to book online.

OTAs provide both online reviews and prices as requisite information. Given fluctuating room rates, price influences consumers' booking intention [12]. Price cues can help consumers measure the value for money of staying in the hotel, and consumers tend to book lower-priced hotels, *ceteris paribus* [13]. From consumers' point of view, lower prices are preferable [14]. Although having a lower room rate than competitors, hotels cannot boost their market share when their reviews are poor [15]. When the hotel offer seems "too good to be true," consumers may question the credibility of the information. Consumers may regret their decision and feel dissatisfied with the service below their expectations. By looking at the significant influence of online information on consumers' decisions, hospitality marketers need to comprehend how information contents, such as online reviews and prices, impact consumers' intention to book hotels online.

Jotopurnomo, Laurensia, and Semuel [16] suggest that price and electronic word-of-mouth influence online booking intention, whereas price is the primary variable influencing booking intention. Widiandah [17] found that price can affect hotel booking intention, although Book, Tanford, Montgomery, and Love [18] state that price may no longer significantly influence a purchase decision.

The current study explores further the effect of online reviews and prices on hotel booking intentions by considering the mediating effect of trust. Despite the availability of numerous studies on online reviews and prices, little is known about their impact on booking intentions via OTAs when mediated by trust.

## **2. THEORETICAL BACKGROUNDS**

### **2.1 Booking Intention**

The intention is the motivational driver, the indicator of an individual's desire to try, and the extent to which an individual make an effort to perform a specific behavior [19]. A stronger intention will result in higher likeability for an individual to execute the behavior [19]. According to Pavlou [20], online booking intention is to exchange goods and services through online

transactions. When customers are satisfied with the online booking, they are more likely to repeat booking accommodation from the same OTA or other online booking websites [21]. The antecedent of booking intention through perceived value consists of information quality, perceived interactivity, safety and privacy, electronic word-of-mouth, and price and promotion [22].

## **2.2 Trust in Booking Intention**

Halim [23] defines trust as the willingness to rely on the ability, integrity, and external motivation to act in pursuance of fulfilling one's needs. Trust is a belief, a sentiment, or an expectation that reflects reliance on other parties, and it involves susceptibility and uncertainty toward a specific party. Several variables that determine trust include information, influence, and control, in which trust is more likely to increase when the given information is accurate, relevant, and rich in content [23]. Trust refers to economic and social reciprocal action between one party to another or more [20]. Total trust means that consumers believe companies and the people within will not consider the opportunistic advantage of consumers' susceptibility [24]. Consumers trust positive information, followed by numerical ratings [25].

Several types of trust are relevant for online hotel booking intention. First, competence trust refers to the belief in a hotel's ability, skills, knowledge, and capability to provide the expected products and services during on-stay consumption as informed and portrayed at OTAs. Second, after the initial stay at a particular hotel, consumers develop predictability trust where consumers rely on the products and services' quality consistency. Last, when the hotel successfully demonstrates care, concern, honesty, and virtue to the consumers, they trust goodwill or relationship [26].

A study suggests the relationship between trust and behavioral intentions [10], implying that trust also substantially impacts purchase intentions [27]. Trust towards booking sites and hotels strongly affects booking intentions [28]. In addition, trust can also be a mediating variable to purchase intentions [20]. Based on the findings, the current study proposes the following hypothesis.

**H1.** Trust impacts booking intention.

## **2.3 Information Search in The Hotel Booking Process**

As information is available within a one-click-away, the internet has become a significant source of information for consumers to purchase tourism products [25]. In the hospitality industry, the intangible characteristics of its products and services stimulate consumers to consider the given cues during their decision-making process [3].

According to Kozak and Decrop [29], consumers experience six decision-making stages as they contemplate their travel-related decisions. The first three stages are pre-trip information search, evaluating alternatives, and booking. In the pre-trip information search, consumers search for information about destinations, offers, promotions, and packages regarding their desired stay or experience. The second stage is the evaluation of alternatives, where consumers compare available cues to decide which accommodation conforms to their travel needs. The third stage is when consumers conduct a booking process, at which consumers have finalized their decisions and made payments.

Marcevova [30] argues that young people search for travel-related information on the internet for trip planning during the information searching process. The tendency to find information online varies with three phases of hotel purchase decisions. In the early phase, people used the search engine more than brand websites, OTAs, and travel books. Consumers narrow the information source into brand websites and OTAs as consumers reach the middle stage. Consumers seek channels that facilitate both confirming decisions and finalizing the reservation during the later stage. As a result, hotel brand websites and OTAs are more prominent since booking can be made simultaneously [31].

## **2.4 Online Reviews and Booking Intention**

Online review as information for potential consumers depicts the valuation of the hotel based on previous guests' personal experience [32]. Online reviews can affect the choice of the hotel [33]. Review plays an educating role for consumers by evaluating hotel product attributes, and it helps consumers reduce the risk associated with the hotel's performance throughout those attributes [34]. Zhao, Wang, Guo, and Law [35] suggest six online review attributes: usefulness, reviewer expertise, timeliness, volume, valence (negative/positive), and comprehensiveness. Positive and negative online

reviews can affect booking intention by manifestation of the impression of the hotels [36].

Positive and negative online reviews impact online hotel booking intention [7]. However, negative online reviews are more valuable than positive ones for risk-averse travelers [37]. The readers of online hotel review further develop initial trust in the hotel if the writers have similar travel preferences. Hence, the quality and credibility of online reviews impact consumers' initial trust in hotel services [38]. The form of reviews includes customer-generated content and manager-generated content. Sparks [39] suggests that customer-generated content is more trustworthy than manager-generated content because it demonstrates specific and persuasive content. Subsequently, trust is a mediating variable between online reviews and booking intention [40]. Therefore, the current study proposes the hypothesis:

**H2a.** Online review impacts booking intention.

**H2b.** Online review impacts trust.

**H2c.** Trust mediates the relationship between online review and booking intentions.

## **2.5 Price**

Price is the aggregate value buyers exchange for the advantage of using the service [41]. Perceived price is the consumers' valuation of the given price [42]. Perceived price is classified based on the difference between observed and expected prices. When the result is positive, the price is classified into perceived price gain, and when the effect is negative, it is classified into perceived price loss [42].

Matzler, Würtele, and Renzl [43] describe six price satisfaction dimensions. First, price fairness is the perception that the difference between the price in the market or other comparative prices and quoted prices is reasonable, acceptable, or justifiable. Second, price transparency refers to quoted prices that are clear, direct, comprehensive, and up-to-date. Third, the price-quality ratio is the trade-off between financial costs and service quality. Fourth, relative price is the quoted price compared to prices offered by competitors. Fifth, price confidence is the prices consumers are sure to be approved. Last, price reliability is when the raised price expectations are fulfilled, and negative surprises from the price difference are avoided.

In the hospitality industry, price is a significant consideration for consumers, especially those with a limited budget [44]. A study conducted in Indonesia has proven that price influences repurchase intention at OTA, specifically Traveloka [45]. Reference price and electronic word-of-mouth play a role in influencing consumers' willingness to purchase [46]. When the price is deemed cheaper than the market price, consumers may assume that the quality of the product is lower yet higher in value, thus, driving higher purchase intention. Hence, the perceived price can, directly and indirectly, influence purchase intention through value [47]. In addition, El Haddad, Hallak, and Assaker [48] suggest that the price fairness perception of potential consumers most likely influences their purchase intentions.

Price, with electronic word-of-mouth, can avert the negative impact of unfavorable ratings, and it has a more significant effect on booking intention than brand [3].

Consumers will exhibit higher confidence in their decisions when the prices are fair and satisfying [49]. Therefore, with fair-priced products, consumers can develop trust, which is more potent when more benefits for a given price are obtained [24]. In short, based on the findings of the previous studies, the current study proposes the following hypotheses:

- H3a.** Price impacts booking intention
- H3b.** Price impacts trust
- H3c.** Trust mediates the relationship between price and booking intentions

Subsequently, the current study generates the proposed research model that includes online review and price as antecedents of booking intention and trust as an intervening variable.

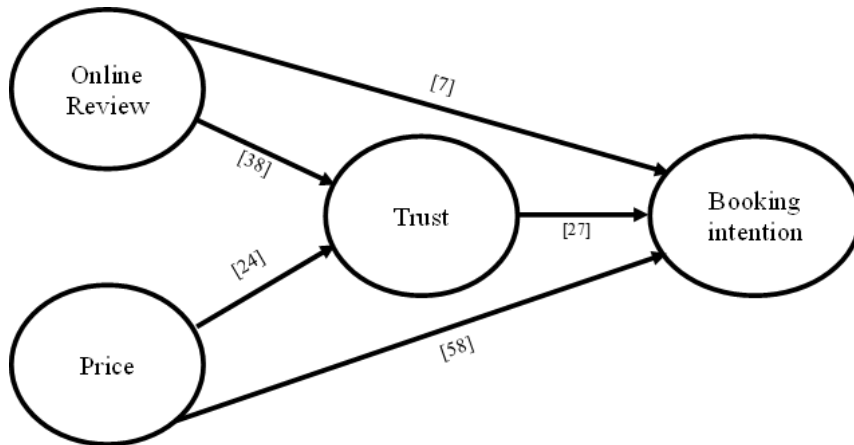


Figure 1. Proposed research model

### 3. RESEARCH METHOD

#### 3.1 Sample and Data Collection

The current study population is consumers of hotels available on Online Travel Agencies in Indonesia. The appendix shows that the researchers formulated measurement items based on previous studies to test the proposed research model. This research employs primary data as its source of data, obtained by distributing a 5-point Likert scale questionnaire. The data collection period started from February 3rd, 2020, to March 20th, 2020; 256 respondents filled out a self-administered questionnaire through various social platforms. The respondents must meet the eligibility criteria as follows:

1. Consumers who are between the 19-37 age range.
2. Consumers had an experience searching hotel information online.

#### 3.2 Data Analysis

The current study applied structural Equation Modeling (SEM), which allows the researchers to determine to what extent the sample data support a theoretical model. SEM helps understand the complexity of the relationship between constructs through hypothesis testing of theoretical models using the scientific method [50]. SEM applies the most efficient and suitable estimation technique for estimating separate multiple regression equations synchronously. In SEM, the path model is the structural model that portrays the relationship between independent and dependent variables. In contrast,

the measurement model allows the researcher to employ independent and dependent variables [51].

Before testing the structural model, a preliminary test is necessary to screen the appropriateness of measurement items. Missing data analysis is one of the pretests [51] and was conducted in this study using the frequencies table in SPSS to detect missing values [52]. In addition, respondents may give the same response for all questions, resulting in unengaged responses at which the data set has no variability. Standard deviation estimates average variability to spot zero variance, indicating that the data has no discrepancy [52]. Lastly, outliers need to be removed due to their effect on the estimated regression coefficients' values, thus making the model biased [52].

In multivariate analysis, the assumption of univariate normality is vital [51]. Data meet a normal distribution when the skewness value is within  $\pm 1$  [51] and the kurtosis value is within  $\pm 2$  [53]. As the sample size for the current study is considered large - i.e., above 200 [52], researchers may cast their worries away against non-normal variables [51]. Large samples can strengthen statistical power by decreasing sampling error and eliminating nonnormality undesirable effects.

Afterward, factor analysis was employed to describe the underlying structure among the constructs to achieve data reduction, variable selection, construct, and discriminant validity. It can also denote second-order factors [51]. Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy and Bartlett's test of Sphericity are the sample adequacy estimation criteria. Sample adequacy is when the KMO value is between 0.50 and 1 [54], and the p-value for Bartlett's test of Sphericity is expected to be  $<.001$  [55]. Reducing variables can be conducted using the Measure of Sampling Adequacy (MSA), where variables with an MSA less than 0.50 are excluded from factor analysis. This study utilized the Varimax rotation method to interpret the correlation between items because it generates the maximum possible simplification of factors. In the case of cross-loadings, the researcher can delete variables because it is the most common remedy unless the state of cross-loadings is theoretically justified [51]. This study conducts further reliability and model fit tests once factor analysis explains the variables meet the validity criteria.

The reliability test is fundamental as individual items must denote consistent results, *ceteris paribus*, for most of the questionnaire. This study employs

Cronbach's alpha reliability test, calculated using SPSS [52]. The reliability of a variable is acceptable when the value of Cronbach's alpha is above 0.5. However, the ideal reliability score is above 0.7, with 0.8 and 0.9 considered good and excellent, respectively [53].

Confirmatory factor analysis (CFA) generates substantial fit indices that depict how the model fits a set of observations. It must be conducted as a unified measurement model, especially when constructs with less than four items are incorporated [56].

## **4. RESULTS**

### **4.1 Data Screening**

In case of missing data, the researchers run a test on SPSS. The result shows no missing data. After computing the standard deviation that shows two responses with zero variances, two unengaged responses were omitted. Outliers were identified by creating a boxplot diagram for each construct, where the results are later used to justify removing several responses in case of normality issues. This research employs skewness and kurtosis values due to the sample size. The initial data set has several items far from the required normality threshold for skewness and kurtosis. By removing outliers in a piecemeal approach, the modified data set shows acceptable skewness and kurtosis values as only two items are identified as slightly further from the required threshold. The overall data screening process resulted in 24 unusable data, leaving 222 usable data to be analyzed further in factor analysis.

### **4.2 Demographic Profile**

The respondents' demographic and hotel booking behavior profile, shown in Table 1, explains that female respondents prevail in the current study, accounting for 66.2%, while the remaining 33.8% are male. Students are the majority of the respondents' job profiles, accounting for 51.8%, followed by employees and civil servants with 34.7% and 6.3%, respectively. Out of 222 respondents, the majority of respondents use Mobile Apps to access the OTA for information search (85.1%) and hotel booking (77.0%).

**Table 1.** Respondent Demographic Profile and Hotel Booking Behavior

No	Category	Sub-Category	Frequencies	%
1.	Year of Birth	20-24	150	67.6
		25-29	49	22.1
		30-34	13	5.9
		35-39	10	4.5
2.	Gender	Male	75	33.8
		Female	147	66.2
3.	Job	Student	115	51.8
		Civil Servant	14	6.3
		Employee	77	34.7
		Freelance	11	5.0
		Others	5	2.3
4	Media for Information	Mobile App	189	85.1
	Search via OTA	Website	33	14.9
5	Hotel Booking	Yes	200	90.1
	Experience via OTA	No	22	9.9
6	Media for Hotel	Mobile App	171	77.0
	Booking via OTA	Website	29	13.1
		Not applicable	22	9.9

### 4.3 Factor Analysis

As a measure of construct validity, factor analysis was conducted to test whether the variable operationalizations measure the constructs (Kang, 2013). The factor analysis was performed using SPSS version 25 using the data set

that had been screened. The result shows that the data used in this research has a KMO value of 0.878, indicating overall sampling adequacy. Bartlett's test of Sphericity was conducted concurrently, and the value of Chi-square was 2426.055 at  $p < 0.001$ , supporting the notion that the correlation matrix diverges significantly from the identity matrix.

Owing to the results above, running factor analysis is appropriate. The results of the principal components analysis show that item BookInt\_1 has factor loading less than 0.5, and item Trust\_2.3 has cross-loadings which depict that the item has not achieved discriminant validity [51]. A further model modification was conducted to accomplish both construct and discriminant validity. As shown in the appendix, Item Price\_2, Trust\_2.3, and BookInt\_1 were removed, which allows all items to have factor loadings of more than 0.5, indicating that the model has achieved construct validity [51]. Furthermore, the modified model has no cross-loadings, which explains that each construct is distinct from others. Hence, the model has achieved discriminant validity.

The result of factor analysis indicates second-order factors, as shown in the appendix. OnRev\_A emphasizes evaluating reviewer expertise, the review's usefulness, and the review's update. Furthermore, OnRev\_B evaluates review quantity, valence, and comprehensiveness. In addition, the current study also suggests that trust items developed into second-order factors where competence and predictability trust were analyzed concurrently into Trust\_ComPre while relationship trust was analyzed separately. Competence trust and predictability trust similarly represent trust. In this study, user-friendly media, information accuracy, and payment feature efficiency are items of competence trust, and payment feature and personal information safety are items of predictability trust. Coordination between OTA and the hotel, OTA's responsibility for problems associated with consumers' hotel reservation issues, and consumers' trust in hotel reservation service at Online Travel Agencies are the items for relationship trust.

#### **4.4 Reliability**

The current study utilized Cronbach's alpha for the reliability analysis. As a result of factor Analysis, second-order factors were discovered. OnRev\_5, OnRev\_6, Trust\_Compre, and Trust\_Relation are constructs derived from correlations among Online Review and Trust items as primary variables. The

appendix shows low Cronbach's alpha values are still present for OnRev\_A and BookInt. Despite their less reliable results, the researchers decided to keep them in the model because they are still usable according to the reliability threshold mentioned above by George and Mallery [53].

#### 4.5 Confirmatory Factor Analysis

Data validity was examined using confirmatory factor analysis (CFA) with maximum likelihood estimation. Table 2 indicates that some fit indices from the initial model do not meet the minimum threshold value to justify the goodness of model fit. Hence, the current study applied error covariance to improve measurement model fit based on the value of modification indices [57].

The modified model fit shows the value of  $\chi^2/df$  is satisfactory with 1.369. As a measure of an incremental fit index, the TLI value has increased to 0.949, indicating marginal fit. CFI and GFI values are 0.959 and 0.907, respectively, demonstrating favorable results for the goodness-of-fit index. The RMSEA value indicates a good fit with 0.041 as a measure of a badness-of-fit index, respectively.

All constructs have achieved a good model fit, albeit with an index with the marginal fit. It is important to note that the measurement model has significant samples and measurement items; hence, strict standards on key goodness-of-fit measures are far-fetched [51]. Subsequently, the current study implemented hypothesis testing using the modified measurement model.

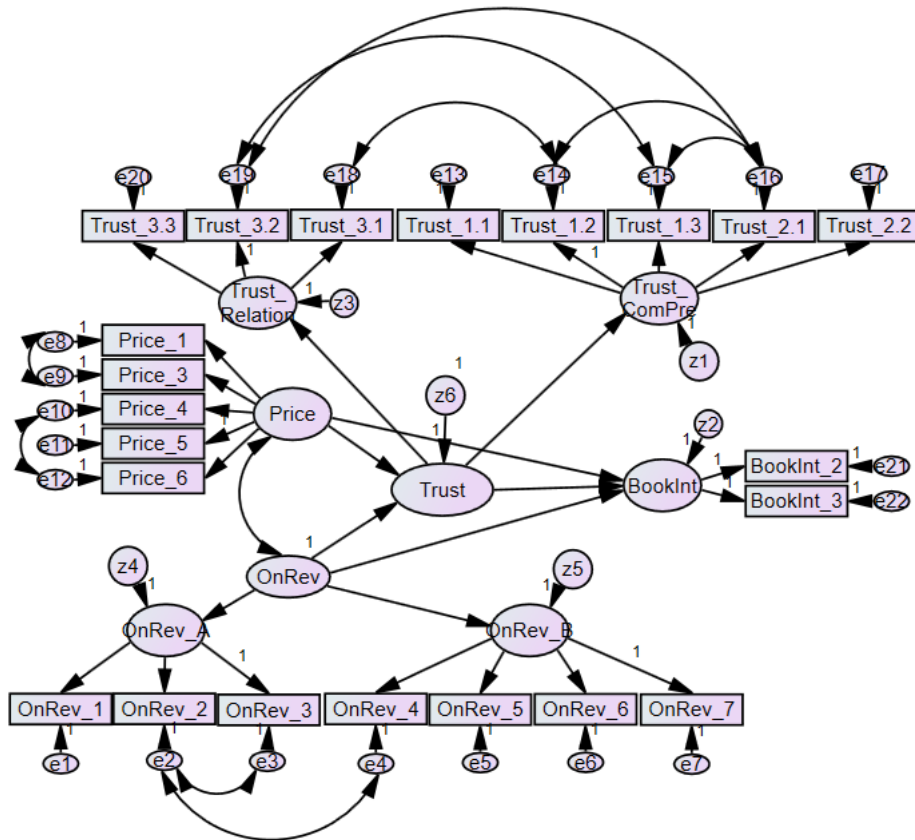
**Table 2.** Confirmatory Factor Analysis for Measurement Model

Fit Indices	Cut-Off Value <sup>a</sup>	Initial	Modified	Conclusion
CMIN/DF	$\leq 2.00$	1.711	1.369	Fit
TLI	$\geq 0.95$	0.902	0.949	Marginal Fit
CFI	$\geq 0.95$	0.918	0.959	Fit
GFI	$\geq 0.90$	0.880	0.907	Fit
RMSEA	$\leq 0.08$	0.057	0.041	Fit

Note: a [51]

## 4.6 Testing Structural Model

After testing the measurement model, the following stage tests the relationship between designated variables: online review, price, trust, and booking intention. Figure 2 depicts the hypothesized research model. Before analyzing the results, another assessment of model fit presents an overall fit of the casual model. The value of  $\chi^2/df$  is favorable with 1.444. As a measure of an incremental fit index, the TLI value of 0.939 indicates marginal fit. A CFI value of 0.949 and a GFI value of 0.900 show a satisfactory result for the goodness-of-fit index. The RMSEA value of 0.045 shows good results for absolute fit and badness-of-fit indices. As a result, the current study continues to apply the structural model for further analysis.



**Figure 2.** Structural model

Table 3 indicates that trust significantly influences booking intention; therefore, hypothesis H1 is accepted. As for the relationship between online reviews and booking intention, the path coefficient and p-value indicate an

insignificant direct positive relationship, resulting in the rejection of hypothesis H2a. The positive direct impact of online reviews to trust is significantly proven, meaning that hypothesis H2b is accepted. The significant negative direct relationship between price and booking intention implies the acceptance of hypothesis H3a. Finally, the positive direct relationship between price and trust is significantly proven; thus, hypothesis H3b is accepted.

**Table 3.** Estimation Results

Relationships	Direct Effect	S.E.	C.R.	p-value
Trust ← Price	0.330	0.239	3.331	<0.001 <sup>s</sup>
Trust ← OnRev	0.445	0.176	3.470	<0.001 <sup>s</sup>
BookInt ← Trust	0.786	0.060	6.113	<0.001 <sup>s</sup>
BookInt ← OnRev	0.199	0.087	1.459	0.145 <sup>ns</sup>
BookInt ← Price	-0.346	0.119	-3.260	0.001 <sup>s</sup>

Note: s, significant at  $p < 0.05$ . ns, not significant at  $p < 0.05$

Table 4 indicates the bootstrap results of mediation analysis which show a significant mediation effect of trust in the positive direct relationship between online reviews and booking intention. Therefore, hypothesis H2c is accepted. In addition, the mediation effect of trust in the negative relationship between price and booking intention is significantly supported; hence, hypothesis H3c is accepted.

**Table 4.** The Results of Testing Mediation Effect

Hypothesis	Indirect Effect	p-value	Conclusion
OnRev --> Trust --> BookInt	0.349	0.001 <sup>s</sup>	Full Mediation
Price --> Trust --> BookInt	0.260	0.012 <sup>s</sup>	Partial Mediation

Note: s, significant at  $p < 0.05$ . ns, not significant at  $p < 0.05$

## 4.7 Discussion

The finding indicates that trust significantly impacts booking intention. As the majority of respondents in this research have booked a hotel through Online Travel Agencies, this result is plausible as their sense of trust towards both Online Travel Agencies is most likely developed from their personal

experience. Positive experience in some respects, such as ease of use, information reliability, transaction efficiency, and security, results in trust formation. The increased trust significantly influences their future booking intention.

Online reviews help prospective consumers keep the probability of risking unfavorable booking intentions at a minimum [34]. Online review acts as a source of information for respondents before product/service evaluation, and respondents utilize online review in the information search stage rather than product/service evaluation. Therefore, an online review does not immediately influence booking intention. A variable must be required to intervene/mediate the relationship between the online review and booking intention.

The current study verifies that online reviews significantly influence trust. This finding is in line with the study from Kusumasondjaja et al. [38], which suggests that the credibility and quality of online reviews impact consumers' initial trust in hotel services. An online review allows first-time consumers to evaluate the intangible nature of online hotel reservations. Albeit having no direct impact on booking intention, the result of this study indicates online review holds a positive indirect effect on booking intention through trust as a mediating variable. This result aligns with Danish et al. [40], suggesting that trust mediates the relationship between positive and volume reviews and booking intention. Trust plays a critical role in fully mediating favorable online review into booking intention, and Online review is not sufficient to stand alone in forming booking intention.

Price significantly influences booking intention. This situation might occur when respondents consider the price-quality ratio acceptable and assume they need to make a hotel booking shortly. The price-quality ratio indicates that consumers consider the trade-off between the service quality they want to receive and the associated financial cost. Moreover, price encourages respondents to directly intend to book hotel service as they perceive a better relative price of OTA offer than others. Relative price is the quoted prices compared to competitors [43]. In this sense, a better relative price might occur due to special offers, discounts, vouchers, and many other benefits that may provide financial gain for consumers.

The positive effect of price on trust follows Hart and Johnson [24], suggesting consumers might develop trust when they can get more benefits from a given

product price. Moreover, the mediation test shows that trust partially mediates the positive relationship between price and booking intention. The result implies that when consumers trust that the room rates offered are fair, reliable, and relatively more beneficial than other competitors, they intend to book hotel service through an OTA. However, the partial mediation effect of trust indicates that respondents might only utilize price when they make a hotel booking intention given time constraints and their previous positive experience using OTA.

#### **4.8 Conclusion**

Trust is essential in mediating online reviews and prices on hotel booking intention. Trust mediates the relationship between the online review and hotel booking intention via OTA, indicating that respondents posit online review in the information search stage and process within a sequence of consumer decision-making processes. There is a need for further evaluation (i.e., trust) to validate the role of online review on hotel booking intention via OTA. Furthermore, the position of trust to mediate price and hotel booking intention is partial. This result indicates that in a particular situation (i.e., respondent already had previous experience using OTA to book a hotel), the price can act as a stand-alone variable that can directly influence hotel booking intention.

Online review and price are significant antecedents of trust that indicate that both variables are relevant in forming trust as a mediating variable. However, the direct effect of both variables differs in hotel booking intention. The only price directly influences booking intention given the assumption that previous use experience of OTA to book hotel had been satisfactory. Price becomes a shortcut to increase the value for future purchases. Meanwhile, an online review is one source of information that respondents utilize to form trust. Respondents create trust based on an online review, influencing hotel booking intention. Online review is basically within the domain of information acquisition and processing. Online review does not necessarily affect booking intention because it is among various variables considered by respondents when evaluating service offers (i.e., hotel service).

#### **4.9 Implications**

This study in the hospitality industry implies that hotel providers need to nurture trust through positive online reviews by maintaining actual positive experiences, as stated on Online Travel Agencies website. Also, Online

Travel Agencies need to facilitate a user-friendly interface and incentive for customers to post an online review. In addition, hotel providers may apply price tactics to attract customers to book hotels online instead of offline. Hotel providers should consider that booking intention may be susceptible to price changes; hence, hotel marketers need to apply some essential principles, such as keeping the price reliable, beneficial, and relatively fair compared to competitors.

#### **4.10 Limitation and Further Research**

It is important to note that the study's timeline was early in Indonesia's Coronavirus disease (COVID-19) pandemic. Consequently, the findings from the current study are potentially not applicable during the pandemic. Future study needs to replicate the present study after the pandemic to confirm the robustness of the proposed research model.

OnRev\_A and booking intention have a low-reliability score though it is still acceptable. Therefore, a future study that tests a research model with the same constructs should consider different measurement items. Future research may also extend the sample size to improve the reliability of both variables. In addition, the current study examined the proposed model in the setting of Online Travel Agencies in general; therefore, future research can also test the model's robustness to a specific OTA.

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## APPENDIX: Factor Analysis

Factor	LF1	LF 2	LF3	LF4	LF5	LF6	Cronbach's $\alpha$
Factor 1 – Online Review							
OnRev_A							.639
• OnRev_1 – Review usefulness.					.571		
• OnRev_2 – Reviewer expertise					.772		
• OnRev_3 – Review update					.736		
OnRev_B							.705
• OnRev_4 – Review quantity			.559				
• OnRev_5 – Positive valence of review			.758				
• OnRev_6 – Negative valence of review			.701				
• OnRev_7 - Comprehensiveness of review			.702				
Factor 2 - Price							
• Price_1 – Price fairness		.579					
• Price_3 – Price-quality ratio		.751					
• Price_4 – Price confidence		.700					
• Price_5 – Relative price		.771					
• Price_6 – Price reliability		.629					
Factor 3 - Trust							
Trust_ComPre							.818
• Trust_1.1 – The platform is user-friendly.	.683						
• Trust_1.2 – Information accuracy.	.605						

Factor	LF1	LF 2	LF3	LF4	LF5	LF6	Cronbach's $\alpha$
• Trust_1.3 – Efficient transaction cost	.773						
• Trust_2.1 – Secure payment transaction.	.803						
• Trust_2.2 – Secure personal data.	.590						
							.809
Trust_Relation							
• Trust_3.1 – Good coordination between OTA and hotel.				.734			
• Trust_3.2 – Responsible to fix any issue regarding reservation service.				.824			
• Trust_3.3 – Trust on hotel reservation service.				.660			
Factor 4 – BookInt							
• BookInt_2 – Hotel booking intention in 2020.						.617	.574
• BookInt_3 – Hotel booking intention in near future						.896	

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LF=loading factor

