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WHEN EMPATHY PREVENTS NEGATIVE REVIEWING BEHAVIOR

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Keywords: online reviews; social distance; empathy; reviewing behavior; sharing economy

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Highlights

Empathy prevents negative reviewing behavior in peer-to-peer settings

A sequential mixed-method approach improves the generalizability of the findings

We expand the social dimension of Construal Level Theory in the accommodation realm

We offer actionable levers on how to increase the reliability of reputation systems
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Abstract

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INTRODUCTION

Online reviews are a significant driver of consumer behavior, providing a way for consumers to discover, evaluate, and compare products and services on the web (Zervas, Proserpio & Byers, 2015). Several researchers have investigated the role of online reviews in influencing travelers’ decisions (Gavilan, Avello & Martínez-Navarro, 2018; Filieri, 2016; Park & Nicolau, 2015; Liu & Park, 2015; Sparks & Browning, 2011; Sparks, So & Bradley, 2016). It has been shown that online reviews reduce uncertainty and perceived risk when making trip decisions (Litvin, Goldsmith & Pan, 2008) and they influence travelers’ awareness and attitudes toward accommodations (Vermeulen & Seegers, 2009) and product sales (e.g., Ye, Law & Gu, 2009).

Given the increasing relevance of online reviews, scholars are closely examining the reviews’ trustworthiness (Choi, Mattila, Van Hoof & Quadri-Felitti, 2017; Filieri, 2016; Ayeh, Au & Law, 2013). Previous research has shown that reviews are positively biased (Fradkin, Grewal & Holtz, 2018; Resnick, Zeckhauser, Swanson & Lockwood, 2006) and are characterized by a J-shaped distribution (Hu, Zhang & Pavlou, 2009; Feng, Xing, Gogar, & Choi, 2012; Zervas et al., 2015). The value of reputation systems serves as a new kind of digital institution (Caruana & Ewing, 2010) and is at risk due to those biases. The accuracy of reputation is even more relevant within transactions belonging to what is called the “sharing economy,” where uncertainty, asymmetrical information, and risk are very high. In this regard, it has been shown that peer-to-peer settings, even more than the institutional ones (e.g., Booking.com; TripAdvisor; Yelp), suffer from a consistent reviewing bias, where ratings tend to be overwhelmingly positive (Feng et al., 2012; Zervas et al., 2015; Bridges & Vásquez, 2016). As evidenced by extant research, this occurs despite the
fact that tourists attach more informative value to negative reviews (Xie, Miao, Kuo & Lee, 2011; Bronner & De Hoog, 2011).

Zervas et al. (2015) found that, compared to TripAdvisor, the average rating on Airbnb indicates a strong positivity bias, with around 95% of properties rated as either 4.5 or 5 stars. In the same vein, Bridges and Vásquez (2016) show that only 2% of reviews in Airbnb are categorically negative. Notably, “the larger question of an explanation for why posted Airbnb ratings are so dramatically high remains open” (Zervas et al., 2015, p.12).

An emerging body of literature has been devoted to understanding the phenomenon of positive biases (Bridges & Vásquez, 2016). There are numerous factors that may contribute these biases. When specifically examining peer-to-peer settings, there are two notable variables: the interaction between the individuals involved (i.e., the host and the guest; Bridges & Vásquez, 2016) and the fear of retaliation from negative reviews (Dolnicar, 2017). However, as clarified by Zervas et al. (2015), the phenomenon has not been thoroughly investigated.

Tourism literature has highlighted that social interactions play a central role in the sharing economy context (Liu & Mattila, 2017). Particularly, it has been argued that staying at peer-to-peer accommodation generally implies more human interactions between guests and hosts, thus providing an opportunity to have closer connections (Tussyadiah & Pesonen, 2016). However, when comparing the traditional and the so-called sharing economy, it would be simplistic to assume that institutional and peer-to-peer models have two distinct rigid types of interactions. Some listings in institutional settings indeed offer a sense of personal connection and social closeness (Su, Mariadoss & Reynolds, 2015). In this research, we test whether increasing social closeness leads to an increased probability that tourists do not leave a negative
review, even though the tourists had a negative experience. Drawing from Construal Level Theory (Trope & Liberman, 2010), we hypothesize that the type of interaction affects tourists’ empathy and, in turn, the willingness to report a negative experience.

Methodologically, the study presents a mixed-method approach, adopting a Sequential Transformative mixed-method approach (Creswell et al., 2003). This involves a first phase of qualitative research followed by a second phase of controlled studies. After qualitatively exploring the phenomenon, we examine the extent of such biases by comparing the natures of the online settings, a mainly institutional setting such as Booking.com or a mainly peer-to-peer setting such as Airbnb. Going beyond settings, we also look at the nature of the relationship itself (more institutional or more personal). We then measure empathy as the underlying psychological mechanism behind the main relationship.

This research provides several theoretical and practical contributions. First, we demonstrate that social distance, in terms of more human connection in peer-to-peer settings (Tussyadiah & Pesonen, 2016), activates empathy. Second, the study shows that empathy inhibits negative reviews and hence increases reviewing biases, thus offering an alternative theoretical explanation to the well-known retaliation phenomenon (Dolnicar, 2017). We also provide evidence that empathy can be promoted within an institutional, traditional business model. Third, from a managerial standpoint, the present research shows how those in traditional hospitality can activate empathy, thus reducing the likelihood of negative reviews. Finally, the study also presents managerial implications for online platforms operators about how to deal with reviewing bias management.
1. CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMENT

1.1 Reviewing biases in the sharing economy

The sharing economy, also known as peer-to-peer economy or collaborative consumption, has gained popularity during the past decade (Bardhi & Eckhardt, 2012; Belk, 2010; Botsman & Rogers, 2010; Gansky, 2010). In the tourism and hospitality sector, the rise of the sharing economy is particularly evident (Liu & Mattila, 2017; Fang, Ye, & Law, 2016; Ert, Fleischer & Magen, 2016; Heo, 2016), and it is predicted that the challenges and changes for hospitality will be significant (Cheng, 2016; Guttentag, 2015; Oskam & Boswijk, 2016).

Airbnb is the most prominent example of the sharing economy in hospitality (Priporas, Stylos, Rahimi & Vedanthachari, 2017; Liu & Mattila, 2017; Ert et al., 2016; Oskam & Boswijk, 2016). Specifically, Airbnb provides an alternative way of renting an accommodation through an online community marketplace, allowing travelers to gain economic benefits (i.e., cheaper prices) and to satisfy the need for social connection (Guttentag, 2015). Scholars have paid increasing attention to the rise of Airbnb, including its economic impact (Zervas, Proserpio & Byers, 2017), regulation issues (Koopman, Mitchell & Thierer, 2015), and online reputation (Ert et al., 2016).

While these peer-to-peer platforms are now very popular (Hajibaba & Dolnicar, 2017; Dolnicar, 2017; Zervas et al., 2017; Cheng, 2016; Fang, Ye, Kucukusta & Law, 2016), they still require tourists to trade with strangers (Ert et al. 2016). This asymmetric information and economic risk can be exacerbated by a reputation system that is not fully reliable (Filieri, 2016; Zervas et al., 2015), because negative reviews are underrepresented, although online reviews users tend to value more them compared to positive ones (Xie et al., 2011; Bronner & De Hoog, 2011). In the recent
years, some research has tried to address the phenomenon of this consistent reviewing bias. One trivial explanation might be the paid price. If prices paid in peer-to-peer platforms are lower compared to traditional accommodations, guests’ expectations are also lower. This makes tourists more indulgent when deciding whether or not to leave a negative review after an unpleasant experience (Yannopoulou, Moufahim & Bian, 2013). Another possible explanation is linked to the reciprocal review system, where tourists may fear retaliation and this fear prevents them from writing negative reviews (Dolnicar, 2017; Fradkin et al., 2018). We claim that there is an unexplored theoretical explanation related to the transaction’s nature. On average, peer-to-peer settings present more human interaction, providing guests with a feeling of “home”, that is a sense of belonging and closeness (Liu & Mattila, 2017).

As a consequence, criticizing or complaining about another person may be considered an especially ‘face-threatening act’ (Brown & Levinson, 1987).

1.2 Construal-level theory – the social dimension

Construal level theory (CLT) explains how psychological distance influences mental representation, judgment, and choice (Liberman & Trope, 1998; Trope & Liberman, 2003; Trope & Liberman, 2010). CLT proposes that people tend to have a low-level construal regarding the stimulus perceived as psychologically close; conversely, individuals are likely to have a high-level construal regarding the psychologically far stimulus (Dhar & Kim, 2007). Psychological distance can vary in terms of time, space, social distance, probability, or any dimension that removes consumers from focusing on themselves in the here and now (Liberman, Trope & Stephan, 2007). Social distance is theoretically defined as the closeness of individuals in a social exchange (Liberman et al., 2007).
Given the centrality of interpersonal relationships, social distance appears relevant for studying institutional versus peer-to-peer settings (Liviatan, Trope & Liberman, 2008). Unlike an institutional setting where there are prescribed roles, peer-to-peer settings are characterized, on average, by a close and more personal relationship (Yim, Tse & Chan, 2008). Previous work confirms that human connection is a constituent of social distance (White, MacDonnell & Dahl, 2011). Compared to traditional hospitality accommodations, peer-to-peer platforms (e.g., Airbnb) provide guests with a feeling of “home”, which creates a sense of belonging and closeness (Liu & Mattila, 2017). Accordingly, we argue that on average in traditional business models, the guest and the service provider interact in an institutional setting. In these situations, guests appraise service experiences with higher social distance, which reduces reviewing biases (i.e., not reporting a negative review). Conversely, tourists experience a low-level construal condition in a peer-to-peer business model, where the guest and the provider interact more directly and develop a balanced (i.e., same level) relationship. Therefore, in case of a negative experience, we expect the tourists’ willingness to leave a negative review to be lower. Formally:

**H1:** In the case of a negative experience, tourists’ willingness to leave a negative review is higher in an institutional setting (high social distance) than in a peer-to-peer setting (low social distance).

If social closeness is what explains reviewing biases, we might expect that even in the traditional business model (i.e., institutional setting) there are different degrees of social closeness. For instance, guests can enjoy a homely feeling (i.e., a
sense of belonging and closeness) in traditional accommodations where a personalized service and personal interaction are present (e.g., mid-scale family hotels, bed and breakfast; Guttentag, Smith, Potwarka & Havitz, 2018). Based on this, we portray that the salient aspect explaining non-reviewing behavior in case of a negative experience is the actual social distance among individuals. Formally, we propose that:

**H2: Compared to a situation where an institutional setting presents high social distance, when an institutional setting is paired with a low level of social distance, tourists will be more reluctant to leave a negative review in case of a negative experience.**

1.3 Mediating role of fear of retaliation

Reputation systems are particularly relevant in the sharing economy context, where transactions are social and allow for two-sided feedback (Fradkin et al., 2018). However, previous works (Dellarocas & Wood, 2008; Bolton, Greiner & Ockenfels, 2013; Zervas et al., 2015; Bridges & Vásquez, 2016) find that bilateral reputation mechanisms (i.e., systems where the host can also leave a review on the guest) create strategic considerations in giving feedback, which in turn cause underreporting of negative reviews due to fears of retaliation (Dolnicar, 2017). In this system, guests may be hesitant to leave a negative or poor review because the host may then retaliate by leaving the guest a bad review and this phenomenon is especially true in peer-to-peer settings (Zervas et al., 2015). Following this argument, we propose that, in the case of a negative experience, peer-to-peer contexts (i.e., Airbnb) lead to a greater fear of retaliation and greater reluctance in leaving a negative review. As a
consequence, reviewing biases of negative experiences (i.e., not leaving a negative review) are more likely to occur. Formally:

H3: Fear of retaliation mediates the relationship between the type of setting (institutional vs. peer-to-peer) and reviewing biases (i.e., not reporting a negative review), such that a peer-to-peer context activates fear of retaliation, which in turn makes tourists more reluctant in leaving a negative review in case of a negative experience.

1.4 Mediating role of empathy

The concept of empathy is broadly understood to be an emotional and experiential understanding of another’s perspective (Halpern, 2001; Hollan & Throop, 2011). Batson et al. (1995, p. 629) state that “empathic emotions induce an altruistic motivation to benefit the specific individual(s) for whom empathy is felt.” The empathy conceptualization clearly differs from the one of sympathy (Vischer, 1873; Einfühlung vs mitgefühlung). Empathy refers to in-feeling, i.e., vicarious experiences, while sympathy refers to with-feeling, i.e., understanding rationally the emotions. Within the service context, empathy has also been referred to the “emotional capacity to put oneself into the shoes of another” (Tucker, 2016, p. 32).

Individuals usually create a sense of connection and foster empathy toward closer people compared to distant ones (Liviatan et al., 2008). Empathy reduces impulsive reviewing behavior, especially when the experience is negative (Tassiello, Viglia & Mattila, 2018; Putrevu, 2014). On this note, Wieseke et al. (2012) found that empathic consumers are more likely to respond to a dissatisfying encounter with
“forgiveness” and empathy is able to mitigate the negative effects of customer dissatisfaction on customer loyalty.

Based on this, we propose that high feelings of empathy produce more reviewing biases (i.e., not leaving a review) in case of a negative experience. Formally:

\[ H4a: \text{Empathy mediates the relationship between the type of setting (institutional vs. peer-to-peer) and reviewing biases (i.e., not reporting a negative review), such that a peer-to-peer context activates empathy, which in turn makes tourists more reluctant in leaving a negative review in case of a negative experience.} \]

\[ H4b: \text{Empathy mediates the relationship between social distance (high vs. low) and reviewing biases (i.e., not reporting a negative review) such that a low level of social distance activates empathy, which in turn makes tourists more reluctant in leaving a negative review in case of a negative experience.} \]

[INSERT FIGURE 1 HERE]

2. OVERVIEW OF THE STUDIES

Our conceptual framework is shown in Figure 1. We argue that social distance (high vs. low) activates reviewing biases, thus leading to under-report negative reviews. We further suggest that the relationship behind social distance and reviewing biases is the activation of empathy.

As mentioned previously, there are different dimensions and facets that may drive the specific behavior of non-reviewing. Given this complexity different kinds of
research methods are needed to best understand such complexities (Greene & Caracelli, 1997).

The study adopts a sequential transformative mixed-method approach (Creswell et al., 2003, p. 182). First this study incorporates a qualitative analysis and then it is followed by two experimental studies, exploring both an institutional (i.e., Booking.com) and a peer-to-peer (i.e., Airbnb) setting characterized by different levels of social closeness.

While the qualitative phase provides firsthand vivid experiences, the experimental phase occurs in controlled laboratory conditions and allows for causal conclusions on the hypothesized relationships. Study 1 investigates through in-depth interviews whether the social/personal dimension hinders the willingness to express bad experiences through online reviews.

Study 2 is a laboratory study that, coherently with the theoretical underpinning above and the qualitative findings, examines whether, compared to tourists in Booking.com (i.e., mainly institutional setting), tourists in Airbnb are less likely to leave a review in case of a negative experience. In addition, the study assesses the role of both fear of retaliation and empathy as underlining mechanisms of the proposed relationship (H3; H4a).

Study 3 has been designed to see the pure effect of social distance (high vs. low), isolating the impact of the type of platform. The rationale here is that even in the traditional business models (i.e., institutional settings) there are different degrees of social closeness. Specifically, when a more personal connection is present, guests can also enjoy a homely feeling in traditional accommodations. Based on this and always proposing empathy as theoretical underlining mechanism (H4b), we test whether tourists are more reluctant in leaving a negative review when an institutional
setting is paired with a low level of social distance (when compared to a high level of social distance) (H2).

3. STUDY 1

Study 1 qualitatively explores the phenomenon of reviewing biases. The study adopts an inductive approach (Edvardsson, 1992) because the dimension being researched has been sparingly documented (Grove & Fisk, 1997). The interviews incorporating the Critical Incident Method (CIT) technique are often used as a companion research method in multi-method studies (Kolbe & Burnett, 1991). CIT represents a sound method to gain understanding of the incident (i.e. negative experience perceived by tourists) and take into account cognitive, affective, and behavioral elements. CIT is particularly effective when used in developing the conceptual structure to be tested (Gremler, 2004).

3.1 Data collection and sample

To avoid self-selection biases, respondents were tourists who had recently stayed in the two contexts (i.e., Booking.com and Airbnb). They were 25-50 years old, both women and men, who have recently experienced a critical incident in both contexts. To control for different price levels across experiences, we considered situations in both contexts that range between 60 and 80 euros. Informants were all active online reviewers (i.e., people who have posted at least one review in both Booking.com and Airbnb in the last two years). When empirical saturation was judged as being reached (after 31 interviews), the field data collection ceased (Tracy, 2010).

In-depth interviews ranged from 40 to 60 minutes and they were recorded and transcribed. The first author and 2 research assistants in Italy, Great Britain and Vietnam carried out face-to-face interviews to explore potential major cultural
differences. The interviews were administered in native language and then translated into English. The respondents were told the nature of the study and signed consent forms before the interview. Typically, a substantive portion of the interview was then developed by questions similar to:

“Tell me about when you were unhappy with a stay. When did it occur?”

“Tell me about what you did about it, if you complained or not.”

“If not, tell me about the emotions you felt and the reasons for not taking action. Did you privately talk about your negative experience? Did you share it with your friends or family?”

“If yes, how? Where? To whom? Describe the effects you wished to obtain.”

“Tell me about the relationship with other people of the hotel/apartment during the stay.”

“Did the people you interacted with during your stay have a role in shaping such good/bad experience?”

“Did you feel close to the people you interacted with during your stay? What kind of interaction occurred?” (this question was left as last so not to interfere with the others).

3.2 Procedure

The study adopts an interpretive methodology to identify themes emerging from the analysis of the data. According to Yin (2013), the analytic framework comprised three stages: (1) analysis of individual interviews and transcripts, (2) identification of common recurrent themes and (3) analysis of shared themes.

Each transcript was analyzed separately as a unit of analysis to understand both the experience of those individuals and to identify the emerging themes. The coding scheme was unrestricted, imaginative, and was not content specific (Miles &
Huberman, 1994). The first author undertook initial coding. The second stage, undertaken by all four investigators, involved categorical aggregation and the search for emerging patterns. The data was revisited to search for relationships between the shared themes and the different concepts that had emerged. Potential patterns and relationships within and between the shared themes and the core theme of “response-bias” were examined to determine how exactly they influenced the shared aspects of the informants “lived experience.” Consequently, the search for meaning was a search for patterns and consistency within certain conditions. Reliability assessment was independently repeated by two of the authors analyzing a randomly chosen 5 questions per 10 interviews as a reliability check, which scored 81%. The items on which there was no initial consent were shared, discussed and agreed on.

3.3 Results

Our focus is on phenomenographic conceptions, in terms of tourists’ understanding of their lived negative experiences and their willingness to leave a feedback about it. In the interviews, the main categories were i) the value of negative reviews during decision making, ii) the negative experience of the stay, iii) reviewing behaviors of the negative experience, iv) non-reviewing behaviors of the negative experience. A specific emphasis to non-reviewing behaviors was given during the interviews.

In order to explore reviewing behavior after negative experiences, the key starting point was understanding the importance that tourists assign to negative reviews. The qualitative findings clearly unveil that negative reviews were highly valued by informants in their decision-making process, considering them more informative and useful than positive ones; “Negative information is much more useful
... if someone writes negative things there must really have been a reason to do it.”

(Maurizio).

The following analysis highlights the motives behind non-reviewing behaviors after a negative experience and the kind of social interaction between the individuals. Table I provides a set of illustrative examples of coding and the themes behind reviewing and non-reviewing behaviors, which are conceptually relevant from the phenomenographic interview analysis and provide the essence of the experimental studies.

[INSERT TABLE 1 HERE]

In the institutional context, findings show that only a few informants reported to have opted to remain silent after having encountered a negative experience. Shortage of human connection emerges as a determinant, as put forward: “I felt like I was talking to myself, as if I were talking to a chatbot.” The lack of real personal interaction becomes the powerful discriminator in deciding to leave a negative review. When service providers perform in a professional but cold and detached manner by not taking charge of the tourist’s problem, the frustration experienced by respondents turns into a negative review. Understanding the service providers’ feelings does not prevent against a negative review: “I wanted to share the negative experience so that others know and avoid that hotel.” The overall goal of writing a negative review is both to punish the hotel and to avoid other people choosing it.

Contrary to what emerged in the traditional context, in the peer-to-peer context there were clearly empathic vicarious experiences which prevented guests from posting a negative review. This takes place whenever hosts and guests have interacted on informal and emotional elements, which allow the guest to experience a “home feeling”. During a stay, self-disclosure and self-revelation are means for such
personal and human connection to occur and key factors in building a low social psychological distance.

Consistent with one primary theme presented in Table 1, Julia explained what prevented her to write a negative review: “I don’t know how we stayed up until 1am and she (the host) told me how her Egyptian husband had left her with two kids as soon as he managed to get a permit. Now she was on her own without knowing where he ended up. I couldn’t give her a bad review. It almost felt I couldn’t betray her.”

What is described is an unpredictable script, social in nature, where there is genuine concern between the host and the tourist. These social factors mirror participants’ mental interpretation of a low-construal regarding the service, as shared by Yen: “He (the host) looked apologetic and regretful, and excused a lot. I was really touched by it.”

Instead, a high construal emerges when respondents refer to a more rational process of understanding providers’ emotions and struggles. “The problem was the bathroom. We had booked the whole flat with two bathrooms but one was out of order. The owner arrived only after two days of complaining, probably because she had many apartments. She was old and very tired. I was sorry for her being so old and still needing to sort of ‘work’ but this didn’t prevent me to leave a negative review” (Carol).

Two interviewees chose not to report the negative experience in the peer-to-peer context just for fear of retaliation, supporting previous research (Bolton et al. 2013; Dolnicar, 2017). Ercole, for example, was unsure sure of the consequences of his potential negative review decided not to give one: “I didn’t leave a review because I intended to use the same account also to host. I wasn’t sure of the process of my
privacy and I didn’t know if I would have given visibility to the people to whom I had given a bad review.”

4. STUDY 2

4.1 Design and procedure

Study 2 is a laboratory study run in Italy with a local sample of participants, as the qualitative phase of the study did not detect any significant difference due to cultural background. A sample of 118 respondents took part in the study. We used a sample of people registered to the lab and specifically required prior booking experience and reviews posting in Booking.com and Airbnb (at least one review for each platform in the last two years). This stratified sample included students and workers, both free-lance professionals and employees.

Respondents were randomly assigned to one of the two conditions (high social distance – Booking.com; low social distance – Airbnb) and they were asked to imagine that they had booked a stay in one of the listings. Then they were presented with the description of their hotel (Booking.com condition) or their hosts (Airbnb condition) and a scenario reporting a negative experience which was based on the firsthand contextual insight results of the qualitative phase (see Figures 2a, 2b and 2c). Afterwards, we measured their fear of retaliation, empathy levels, and intention to leave a negative review using a 7-point Likert scale (1 = strongly disagree; 7 = strongly agree). We included a manipulation check to measure, when compared to the Booking.com situation, whether the stay on Airbnb was perceived to be socially closer. Additionally, we included a second manipulation check to measure whether the negative experience explained in both scenarios was really perceived as negative (see Figures 2a, 2b and 2c). Finally, we collected demographics data (age and
gender). Participants provided ratings of empathy ($\alpha=0.79$) by using a 4-item measure adapted from Batson et al. (1995): “I feel moved toward the receptionist’s (Jerry and Jane’s) feelings,” “I share the receptionist’s (Jerry and Jane’s) feelings,” “I imagine what it would be like to be in the receptionist’s (Jerry and Jane’s) situation,” “I relate with the receptionist’s (Jerry and Jane’s) feelings.”

4.2 Results

Before running the actual experiment, we performed a pre-test to assess if our manipulations work as intended. Thirty participants ($M_{age}=27$; 72% male) were randomly assigned to one of two conditions (Booking.com or Airbnb) and they were asked to rate to what extent the listing presented a sense of close social connections and to what extent the experience was perceived as negative. The null hypothesis of this ancillary test predicts no difference in terms of social closeness between peer-to-peer and institutional settings. Results revealed that compared to the Booking.com condition, participants in the Airbnb condition expressed significantly greater sense of closeness ($M_{closebooking} = 3.05$, $M_{closeairbnb} = 4.93$, $p < 0.01$). In addition, participants in both conditions rated the presented experience as negative ($M_{expbooking} = 2.47$, $M_{expairbnb} = 2.21$, $p < 0.01$).

One hundred and eighteen participants took part in the actual experiment for Study 2. The sample comprised 66% male, while the average age was 27.9 years (s.d. = 7.42). We first checked for the manipulations. Compared to the Booking.com condition (i.e., high social distance), participants in Airbnb (i.e., low social distance) express significantly greater social closeness ($M_{closebooking} = 2.95$, $M_{closeairbnb} = 4.47$, $p < 0.01$).
In addition, participants perceive the experience as negative in both conditions
\((M_{\text{expbooking}} = 2.60, M_{\text{expairbnb}} = 2.65, p < 0.01)\).

A one-way ANOVA was performed to test whether the type of settings has a
direct effect on the intention to leave a negative review (H1). The results show a
statistical difference between the two conditions \((F(1, 116) = 4.05, p < 0.05)\),
supporting H1. Specifically, tourists in Booking.com (i.e., high social distance
condition) report a higher intention to leave a negative review \((M_{\text{revbooking}} = 4.86)\)
compared to those in Airbnb (i.e., low social distance condition; \(M_{\text{revairbnb}} = 3.83)\).

We predicted that tourists are less willing to leave a negative review because
the type of settings (institutional vs. peer-to-peer) activates a different level of fear of
retaliation and empathy (H3; H4a). We therefore tested a parallel mediation model
using PROCESS macro (Model 4) by Hayes (2017), with the type of setting as the
independent variable and fear of retaliation (mediator 1) and empathy (mediator 2) as
mediators. The Booking.com condition was coded as 0 while the Airbnb condition
was coded as 1. Finally, we included gender and age as controls.

As can be seen graphically in Figure 4, the type of setting has a significant
effect both on mediator 1 \((\beta = 1.01, \text{SE} = 0.20, t (118) = 4.99, p = .000)\) and on
mediator 2 \((\beta = .73, \text{SE} = 0.22, t (118) = 3.23, p < .05)\). However, while the impact of
fear of retaliation on the intention to leave a negative review is barely significant \((\beta =
-.20, \text{SE} = 0.12, t (118) = -1.68, p = 0.09)\), empathy has a significant and negative
effect \((\beta = -.21, \text{SE} = 0.10, t (118) = -1.95, p < .05)\). The type of setting is no longer a
significant predictor of the intention to leave a negative review after controlling for
the mediators \((\beta = -.16, \text{SE} = 0.29, t (118) = -0.54, p = 0.589)\), which indicates a fully
mediated model.
5. STUDY 3

5.1 Design and procedure

Study 3 is a laboratory study run in Italy with a local sample of participants, as the qualitative phase of the study did not detect any significant difference due to cultural background. A sample of 131 respondents participated in the study. Similarly for study 2, we used a sample of people registered to the lab that were online active reviewers with at least one booking experience in Booking.com. This stratified sample included students and workers, both free-lance professionals and employees.

Respondents were randomly assigned to one of the two conditions both based on Booking.com (high social distance vs. low social distance) and they were asked to imagine that they had booked a stay in one of the listings. In the high social distance condition, the hotel was described as follow: “The worldwide hotel company has decided to open The Wood Hotel to give visitors a great experience in London. Visitors can enjoy their stay counting on our receptionists. You will be in professional hands” (Figure 3a). In the low social distance condition, the hotel was presented as follow: “With all the family, Lisa and Jerry decided to open The Wood Hotel to give visitors a great experience in London. Visitors can enjoy their stay counting on Lisa and Jerry. You will feel at home.” (Figure 3b). As in Study 2, participants were presented a scenario based on the firsthand contextual insight results of the qualitative phase, reporting a negative experience happened during their stay (see Figure 3c).

After that, they were asked to complete measures of empathy and intention to leave a negative review, using a 7-point Likert scale. Since Study 3 focuses on traditional settings only (i.e., hotels), we did not include fear of retaliation. Consistent with Study 2, we also included manipulation checks on the perceived social distance and
perceived negative experience. Finally, we collected demographics data on age and
gender. Again, consistent with Study 2, empathy ($\alpha=0.80$) has been assessed by using
a 4-item measure adapted from Batson et al. (1995).

[INSERT FIGURES 3a, 3b and 3c HERE]

5.2 Results

As for Study 2, before running the actual experiment we performed a pre-test.
Thirty-six participants ($M_{age}=26.8$; 67% male) were randomly assigned to one of two
conditions (high social distance; low social distance) and they were asked to rate to
what extent the listing presented a sense of close social connections and to what
extent the experience was perceived as negative. Results reveal the intended effect of
our manipulations. Compared to the high social distance condition, participants in the
low social distance condition express significantly greater sense of closeness
($M_{closeshighsocial}=2.65$, $M_{closelowsocial}=5.19$, $p<0.01$). In addition, participants perceive
the experience as negative in both conditions ($M_{exphighsocial}=2.65$, $M_{explowsocial}=2.50$,
$p<0.01$).

A new independent sample of one hundred and thirty-one participants took
part in Study 3. The sample comprised 61% male, while the average age was 27 years
(s.d. = 6.92). Results show that compared to the high social distance condition,
participants in the low social distance condition express significantly greater social
closeness ($M_{closeshighsocial}=2.75$, $M_{closelowsocial}=4.73$, $p<0.01$). In addition, participants
rate the experience presented as a negative one in both conditions ($M_{exphighsocial}=2.61$,
$M_{explowsocial}=2.36$, $p<0.01$).
To test H2, a one-way ANOVA was performed. The results show a statistical difference between the two conditions (F(1, 129) = 4.01, p < 0.05), supporting our hypothesis. Specifically, tourists in the high social distance condition are more willing to leave a negative review (M_{revhighsocial} = 4.45), compared to those in the low social distance condition (M_{revlowsocial} = 4.03).

We also predicted that this result is mediated by the activation of an empathic feeling (H4b). In order to test whether differences in social distance is related to a diverse level of empathy, we tested a mediation model using PROCESS macro (Model 4) by Hayes (2017), with the social distance as the independent variable and the empathy as the mediator. High social distance (i.e., institutional relationship) was coded as 0 while low social distance (i.e., personalized relationship) was coded as 1.

As can be seen graphically in Figure 5, the social distance has a significant effect on empathy (mediator) (β = .50, SE = 0.20, t (131) = 2.49, p < .05), which in turn has a significant and negative effect on the intention to leave a negative review (β = -.18, SE = 0.09, t (131) = -2.03, p < .05). Social distance was no longer a significant predictor of the intention to leave a negative review after controlling for the mediator (β = -.32, SE = 0.21, t (131) = -1.53, p = .126), which indicates that empathy fully mediates the interaction.

[INSERT FIGURE 5 HERE]

6. DISCUSSION

Online reviews have become an important information source with detailed and reliable information for tourists (Liu & Park, 2015; Gretzel, Fesenmaier, Lee, & Tussyadiah, 2011). Tsao et al. (2015) indicated that over 80% of travelers read
numerous reviews before making a decision in which hotel to stay and 53% indicated that they would not be willing to book a hotel with no reviews.

Across a qualitative study and two laboratory experiments, this research discusses the conditions under which tourists are more (or less) likely to report a review after a negative experience. Overall, our results indicate that a low level of social distance produces severe reviewing biases, and this because of the activation of empathy.

Study 1 shows that, when comparing an institutional setting with a peer-to-peer one, tourists experience a different level of social connection. Specifically, in case of the institutional setting, respondents tend to experience a high-level construal regarding the service, which is perceived as psychologically far. The interaction takes place according to prescribed roles, and normed scripts.

In peer-to-peer settings, despite a contractual and economic agreement between hosts and guests, social aspects such as home feelings clearly emerge. This result is in line with previous literature (Liu & Mattila, 2017; Ert et al., 2016; Guttentag, 2015) which highlights that in case of peer-to-peer settings (i.e., Airbnb) guests experience a sense of belonging and social closeness. This is the reason why tourists might opt for a peer-to-peer context rather than staying at a traditional hotel where they are served by uniformed receptionists (Liu & Mattila, 2017). The relationship between hosts and guests is enacted through a personal interaction where empathy plays a key role in explaining what prevents guests to write a negative review in case of an unpleasant experience. Such contextual firsthand insights have then been corroborated under controlled laboratory conditions.

Studies 2 and 3 test the effect of social distance (Trope & Liberman, 2010) in reviewing biases showing that social distance (high vs. low) activates reviewing
biases. Specifically, Study 2 shows that, in case of a negative experience, tourists in an institutional setting (i.e., Booking.com) are more willing to leave a negative review compared to the ones in a peer-to-peer setting (i.e., Airbnb). Study 2 also examines the mediating role of fear of retaliation and empathy on this relationship. While empathy emerges as a key element driving the effect, our results found mixed support for fear of retaliation. Specifically, compared to institutional settings, peer-to-peer settings induce a much higher fear for retaliation ($p < 0.01$). Nonetheless, fear for retaliation has just a barely significant effect on the probability of leaving a negative review ($p < 0.10$), despite it has been suggested as the main factor in reviewing biases (Zervas et al., 2015; Bridges & Vásquez, 2016; Dolnicar, 2017).

Study 3 removes the simplistic assumption that all the listings on Booking.com are based on strict institutional relationships, recognizing that some listings in institutional settings offer a clear sense of personal connection (Su et al., 2015). The results support that tourists are reluctant in leaving a negative review when an institutional setting (i.e. a hotel) is paired with a low level of social distance. The mediation analysis is consistent with Study 2 and confirms that empathy is the underlying effect explaining the impact of social distance on reviewing biases. This implies that even in the traditional business models it is possible to activate low construal levels and that this effect is not exclusively dependent on the business model or platform per se.

Figure 6 visually summarizes our theoretical contribution.
CONCLUSIONS

The motivation of this study is understanding why peer-to-peer platforms present almost no negative reviews (Feng et al., 2012; Zervas et al., 2015; Bridges & Vásquez, 2016). Such evidence occurs despite consumers assigning great informative value to negative reviews, as suggested by our qualitative findings and by previous evidence (Xie et al., 2011; Bronner & De Hoog, 2011). One discussed explanation for negative reviewing biases is fear for retaliation that guests might perceive when leaving hosts a negative review (Dolnicar, 2017). However, on a day-to-day basis we claim that something more profound is behind the huge review disparity between institutional and peer-to-peer settings. Specifically, we propose that the reduced social distance in peer-to-peer settings prevents guests to leave a negative review and this phenomenon is explained by empathy activation.

Our paper provides four clear theoretical implications. First, this research expands the social dimension of Construal Level Theory (Liberman et al., 2007; Trope & Liberman, 2010) in the accommodation realm, by highlighting how human and personal connections are pillars in building social close relationships.

Second, this work builds on Yim, Tse and Chan (2008), Liu and Mattila (2017), Ert et al. (2016), Guttentag (2015), Tussyadiah and Pesonen (2016), who propose that peer-to-peer settings are characterized, on average, by close and personal relationships. We find that despite the contractual and economic agreement between hosts and guests, social aspects shape the elaboration of the experience. We also demonstrate how, in a peer-to-peer setting, human and personal connections between providers and guests, favour high empathy.

Third, when assessing and reflecting on the service experience (Albinsson & Perera, 2012), our findings show how empathy fosters reviewing biases. Among other
factors, empathy generates a framework in which tourists perceive their service providers in a more indulgent way, and they behave accordingly.

Fourth, this research asserts and finds evidence that it is simplistic to assume a strict institutional/peer-to-peer categorization to distinguish between low and high empathy conditions. In fact, a familiar bed and breakfast, despite being advertised in an institutional platform, would be prone to similar reviewing biases compared to peer-to-peer accommodations.

A sequential transformative mixed-method approach (Creswell et al., 2003) presents a level of breadth as well as depth of results. Such approach helps to improve the utility and generalizability of the phenomenological findings, and should be considered a strong methodological contribution of this work to the tourism field.

This research has also at least two clear managerial implications. First, we proved that empathy increases a more indulgent and compassionate attitude toward the service provider. This affects whether or not guests would leave a negative review. Institutional operators should therefore expand on personal elements, favoring human connections with their guests to support higher ratings. In this sense, traditional businesses with the ability to provide high quality and personalized service at a reasonable cost have an initial competitive advantage (Buhalis & Law, 2008; Rust & Miu, 2006). On this line, using handwritten notes to welcome guests is a possible way to increase closeness and empathy between property and guests (Mogelonsky, 2017; Tassiello et al., 2018). Institutional providers should hence embrace this direction.

Second, peer-to-peer platforms should devote attention in giving a voice to the silent negative experiences. The avoidance of complaining through negative reviews can indeed create a bad experience for future guests, harming the whole system in the
end. If the flaw in the review system cannot be fixed, the entire sharing economy is at risk of falling apart because of lack of informativeness (Fradkin et al., 2018). Along with the efforts of neutralizing the fear of retaliation and ensuring guests are aware that they will not be penalized for being honest, companies facilitating peer-to-peer transactions should show the proportion of the guests who have left a review out of the total number of guests who have experienced the service. Low proportions might be a strong indicator of the presence of reviewing issues.

The main limitation of this work is the lack of a field experiment, within the actual setting and experience, to test the proposed causal relationships. However, by using a qualitative and an experimental approach within the same study, this work has partially neutralized this limitation.

Another limitation of our studies is that, apart from some exploratory findings in the qualitative phase, we do not consider different types of stay in the Airbnb context (e.g., shared flat vs. full flat). Moreover, we did not consider the distinction between more institutional vs. more human interactions in the peer-to-peer context as predictors of willingness to negatively review. Finally, our research supports that, in the case of negative experiences, the likelihood of a tourist’s negative review is higher in institutional settings. We do not measure possible uplifting review judgments in peer-to-peer settings, which might even increase bias severity. We leave this for future research.
REFERENCES


Botsman, R., & Rogers, R. (2010). *What’s mine is yours How collaborative consumption is changing the way we live.* London: Collins.

Bridges, J., & Vásquez, C. (2016). If nearly all Airbnb reviews are positive, does that make them meaningless?. *Current Issues in Tourism, 1*-19.


Statement of Contribution: The Annals review policy asks all authors to supply a supporting statement which addresses two questions:

1. **What is the contribution to knowledge, theory, policy or practice offered by the paper? 100-150 words**

This research investigates the psychological drivers that prevent tourists writing a negative online review in peer-to-peer settings. The paper highlights how empathy is the psychological mechanism that explains why tourists are reluctant to leave a negative review in the sharing economy realm and, in general, when social distance is low. A series of studies provides evidence that these results are robust even when controlling for retaliation (i.e. strategic considerations in leaving feedback).

This work offers clear theoretical and practical implications. First, this research expands the social dimension construct of Construal Level Theory (Liberman, Trope & Stephan, 2007). Second, this research asserts – and finds evidence for it – that it is simplistic to assume a strict institutional/peer-to-peer categorization depending on the online platform where guests had a transaction. Third, we offer clear actionable insights for companies facilitating peer-to-peer transactions on how to increase the reliability of reputation systems.

2. **How does the paper offer a social science perspective / approach? 100-150 words**

This paper takes a social science perspective in that it draws from the psychology literature to offer a better understanding of reviewing behavior. Although there is evidence from previous research that peer-to-peer settings have overly positive reviews, the question on why ratings are so dramatically high remains open. Empathy, the proposed mechanism that explains the relationship between social distance and subsequent online rating scores, is a socio-psychological construct that favours a connection between individuals on the basis of social functions. The resulting emotional process provokes a vicarious experience that benefits the specific individual for whom empathy is felt. In sum, taking the perspective of others influences tourists’ own intentions to leave a negative review in case of a poor experience.

The proposed mixed-method approach, which combines a first qualitative phase with two controlled experiments, provides a hypothesis-generating exploratory phase along with causal conclusions on the phenomenon.
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## Table 1. Illustrative coding

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<thead>
<tr>
<th>Informants</th>
<th>Illustrative coding examples</th>
<th>Peer-to-Peer</th>
<th>Non-review</th>
<th>Review</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Giles</strong></td>
<td>My two children and I had to stay in a room in London with only two beds provided, despite the booking option clearly stating that an extra bed is available. You do understand that if you have more than one child this is not a family room provision hotel. The receptionist looked everywhere, but there was no extra bed. We were in the process of replacing it. Well, that was the hotel’s problem, certainly not mine!</td>
<td>It felt as being in a “lab” hotel. Everything was so aseptic, the flat had no charm, no warmth, it collected dust from the safety box, no welcome at all, not even a bag of tea for breakfast! It was like a “morgue experience” but on holiday. I never knew who the owner was and I just left a bad review saying the neighbors just had behaved so rude to us because they had enough of so many visitors.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Natasha</strong></td>
<td>I was expecting to leisure over an abundant breakfast in the flat, forgetting I was in Italy and not in Germany. Just bread, butter and jam is certainly not my cup of tea in the morning! However, Alessandro, the owner of the place went out of his way when I told him I wasn’t very happy and found not such a bad croissant. We ended up having coffee together with the croissant chatting for an hour on his gardening skills!</td>
<td></td>
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</tr>
<tr>
<td><strong>Min</strong></td>
<td>The hotel was under refurbishment (which I didn’t know of). I arrived with a friend who suffers with such severe allergies. After we checked into our room, there were strong paint smells from the new carpet, which is fine for the average person but we had no warning and were not made aware of this on booking or checking in. Within 5 minutes, my friends allergies began acting up which led to us asking the receptionist if we could be moved. The receptionist tried calling the owner who clearly didn’t feel it was such a big issue as they didn’t manage to find another room for us. We understood the reasons but still left a horrid review.</td>
<td>You cannot risk to rent a flat like that one. What looked to be an earth cable was hanging over the sink! Good job that time I had no young children! When I confronted the host while he just dropped by at the end, he didn’t seem concerned with the idea of wet hands and cables. Quite unacceptable! I didn’t leave a review only because I was worried it would harm my general profile. I am still not completely sure of how it works.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Ezio</strong></td>
<td>The hotel was totally misrepresented from the pictures on the website. It was a sad looking hotel. Tiny stuffy room, but I couldn’t be bothered. At the end of the day it was not bad to complain. When I complained at the desk, there was no kind of recognition of the problem, they just didn’t care, they (the staff) kept staring as if I weren’t properly there!</td>
<td>Terrible noise at night, I could not sleep at all. However, it was not Maroulo’s fault (The Host). He did his best to let me feel at home. Even to walk our dog after dinner! I did not want to write a negative review, such a nice person.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
LIST OF FIGURES

Figure 1. The relationship between social distance and reviewing behavior in institutional vs. peer-to-peer settings
The Wood Hotel
London - UK

The Wood Hotel opened in London 10 years ago.

Visitors can enjoy their stay in London counting on the support from the Wood hotel staff.

We care about our customers. Our staff at the reception is happy to offer you travel tips.

WELCOME!
Hi from Jerry and Jane!

We are a well-traveled couple who has lived in London for the last 10 years. We feel part of the Airbnb community.

Airbnb helps us to cope with our expenses and has enabled us to meet people from all over the world, giving us lots of energy and inspirations.

We are really eager to meet new people and offer you travel tips.

WELCOME!
Figure 2c: Scenario negative experience

Now imagine that during the experience you find out that, contrary to what explained in the Booking.com (Airbnb) description, your room presents several issues. The air conditioning doesn’t work and there is a lack of hot water in the bathroom. You call the receptionist (Jerry and Jane) and explain the situation. She is (they are) very responsive and she immediately takes (they take) action to fix the problems. Although the issues remain unsolved, she calls (they call) you personally and looks (look) genuinely apologetic.
The Wood Hotel was opened in London 10 years ago by a worldwide hotel company. This company has been working in the hotel sector for many years. The worldwide company has decided to open The Wood Hotel to give visitors a great experience in London. Visitors can enjoy their stay counting on our receptionists. You will be in professional hands.

WELCOME!
The Wood Hotel was opened in London 10 years ago by Lisa and Jerry Wood's family.

Lisa and Jerry Wood are a lovely couple that have been working in the hotel sector for many years.

With all the family, Lisa and Jerry decided to open The Wood Hotel to give visitors a great experience in London.

Visitors can enjoy their stay counting on Lisa and Jerry.

You will feel at home

WELCOME!
Figure 3c: Scenario negative experience

Now imagine that during the experience you find out that, contrary to what explained in the Booking.com description, your room presents several issues.

The air conditioning doesn’t work and there is a lack of hot water in the bathroom.

You call the receptionist (Lisa and Jerry) and explain the situation. She is (they are) very responsive and she immediately takes (they take) action to fix the problems.

Although the issues remain unsolved, she calls (they call) you personally and looks (look) genuinely apologetic.
Figure 4: The mediating role of fear of retaliation and empathy

Empathy

Fear of retaliation

Type of setting (Booking.com vs. Airbnb)

Intention to leave a negative review

.73** [.283, 1.17] → Empathy

-21** [-.428, -.003] → Intention to leave a negative review

-0.53** → Intention to leave a negative review

-1.66 [-.755, .431] → Intention to leave a negative review

1.01*** [.611, 1.41] → Fear of retaliation

-0.20* [-.444, .036] → Intention to leave a negative review

*** p<0.01, ** p<0.05, * p<0.1
Figure 5: The mediating role of empathy

![Diagram showing the mediating role of empathy]

b = 0.50** [.104, .902]

-0.18** [-.364, -.005]

Social distance (high vs. low) → Empathy

-0.972**

Intention to leave a negative review → Empathy

-0.32 ns [-.744, .093]

*** p<0.01, ** p<0.05, * p<0.1
Figure 6. Theoretical contributions

**Institutional interaction**
- (Institution)
- Predictable
- Formal/Impersonal
- Prescribed roles
- Normed scripts

↓

**Low Empathy**
- Accurate perception of others’ emotion
- Intellectual understanding

↓

**High-Level Construal**

**Human interaction**
- (P2P)
- Unpredictable
- Informal/Personal
- Self-disclosure
- Amorphous scripts

↓

**High Empathy**
- Vicarious emotional response to emotions
- Human connection

↓

**Low-Level Construal**