STARS, STORIES, AND RISK: HOW RATING REVIEWS AND ONLINE CUSTOMER REVIEWS DRIVE HOTEL BOOKING BEHAVIOR

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Abstrak: Online word of mouth (WOM) in the form of customer reviews is a crucial element in the consumer decision-making process, particularly in online hotel booking services. This study aims to analyze the influence of review ratings and online customer reviews on customer perceived risk and purchase decisions on the Tokopedia and Booking.com platforms. Furthermore, this study explores the role of customer perceived risk as a mediating variable between online WOM and purchase decisions. The method used is a quantitative approach by distributing questionnaires to 167 respondents who have experience booking hotels through both platforms. Data analysis was conducted using WarpPLS 8.0 software to test validity, reliability, and test the research hypotheses. The results show that review ratings have a positive and significant influence on purchase decisions and customer perceived risk. Meanwhile, online customer reviews have a positive and significant influence on purchase decisions, but their influence on customer perceived risk is not significant. Furthermore, customer perceived risk is proven to have a positive and significant influence on purchase decisions. These findings confirm that review ratings and risk perception are important determinants in consumer purchasing decisions in online hotel booking services.

Keywords: *Rating Review, Online Customer Review, Customer Perceived Risk, Purchase Decision.*

1. Introduction

Indonesia's tourist sector exhibited substantial expansion in 2024. According to data from the Central Statistics Agency (BPS), international tourist arrivals were 13.9 million, reflecting a 19.05% rise from the prior year. Simultaneously, the quantity of domestic tourist excursions attained 1.021 billion, reflecting a 21.7% rise. The tourism sector is projected to contribute 4.01–4.5% to the national Gross Domestic Product (GDP), highlighting its strategic importance in bolstering Indonesia's economic growth (Doang & Kemenpar, 2025).

The rise in tourism has heightened the need for lodging services, especially hotels. With the digitalization of the sector, online hotel reservations via platforms such as Tokopedia and Booking.com have emerged as a predominant option for travelers. E-booking platforms have transformed customer travel planning and reservations, providing ease, cost-effectiveness, and

real-time information access via smartphones and other digital devices (Vlahović et al., 2024). In this setting, consumer choices are shaped not just by information from service providers but also by electronic word of mouth (e-WOM), including ratings and online reviews from prior customers.

Prior studies indicate that electronic word-of-mouth (e-WOM) significantly impacts purchase intentions and decisions (Poturak & Turkyilmaz, 2018) due to its perceived objectivity and credibility compared to traditional advertising (C. M. K. Cheung & Thadani, 2012; M. Y. Cheung et al., 2009). In the context of accommodation, customer reviews might enhance prospective travelers' assurance in the level of service they would receive (Filieri & McLeay, 2014). Negative evaluations can elevate buyers' perceived risk and diminish their purchasing intention (Sen & Lerman, 2007).

Customer perceived risk refers to a consumer's subjective evaluation of the likelihood of loss or disappointment following a purchase. In the realm of online hotel reservations, these risks may encompass service discrepancies, inconvenience, and ambiguity over the veracity of information. (Baek et al., 2012) asserted that perceived risk may significantly impede purchasing decisions for digital services. Research conducted by (K. Z. K. Zhang et al., 2014) and (D.-H. Park et al., 2007) highlighted that online reviews directly affect consumer choices and shape perceptions of the risks associated with the services provided. Consequently, perceived risk may mediate the impact of rating ratings and online customer reviews on purchasing decisions.

This study seeks to examine the impact of rating reviews and online customer reviews on purchase decisions, assess the effect of these reviews on customer perceived risk, and investigate the mediating role of customer perceived risk in the relationship between customer reviews (rating reviews and online customer reviews) and purchase decisions in hotel booking services on Tokopedia and Booking.com. This research aims to offer theoretical advancements in service-oriented digital marketing literature and practical insights for stakeholders in the digital tourist sector about the management of review systems to enhance customer trust and purchasing decisions.

2. Literature Review
2.1. Rating Review

Review ratings are an aggregated assessment presented in numerical or visual formats (e.g., stars) that succinctly encapsulate customer satisfaction regarding a product or service. In the realm of online hotel booking services, ratings serve as a quality indicator that profoundly affects buyers' initial impressions of the available accommodations. (Chevalier & Mayzlin, 2006) discovered in their study that ratings directly affect product sales in the e-commerce sector. Consumers are inclined to buy products with superior ratings, even when the disparity appears minimal. Ratings provide a cumulative expression of prior consumer trust, thereby conveying to prospective customers the anticipated quality of service or product. (Zhu & Zhang, 2010) further asserted that the impact of ratings on sales is contingent upon product and consumer attributes; however, in the realm of intangible services such as hotel accommodations, the effect of ratings is more pronounced due to the limited availability of alternative verification sources for consumers.

Luca's analysis on Yelp indicated that a one-star enhancement in ranking might substantially elevate restaurant income (Luca, 2011). This is also pertinent to the hospitality industry, where review rating systems act as a public indicator of service quality, so affecting perceived value and trust. (Filieri et al., 2015) discovered that on platforms such as

TripAdvisor, users frequently depend on ratings as an indicator of information authenticity, particularly when selecting a hotel in an unfamiliar destination. Beyond affecting purchasing decisions, review ratings significantly influence the perceived risk among customers. (Bhatnagar & Ghose, 2004) elucidate that consumers utilize evaluative information, such as ratings, to mitigate uncertainty in online transactions. Elevated evaluations can alleviate apprehensions regarding the quality, convenience, or accessibility of service facilities. This corresponds with the conclusions of (D.-H. Park & Lee, 2008), who indicated that consumers facing information overload often depend on straightforward indicators, such as ratings, to evaluate risk and make purchasing choices.

 (Z. Zhang et al., 2010) examined the impact of user reviews vs editor evaluations in the hospitality sector and determined that user reviews, including ratings, had a greater influence on the popularity of online services due to their perceived authenticity and relevance. Consequently, review ratings expedite purchasing decisions and enhance consumer confidence by mitigating perceived risk. From this explanation, two hypotheses are proposed:

H1: Review ratings exert a favorable and substantial impact on purchasing decisions.
H2: Review ratings exert a favorable and substantial impact on customer perceived risk.

2.2. Online Customer Review

Online customer reviews represent a mode of user-to-user communication that encompasses subjective evaluations and genuine consumer experiences following the utilization of a product or service. In the realm of online hotel reservations, these reviews function as a principal reference for prospective consumers to evaluate the reliability and service excellence of an establishment. In contrast to numerical ratings, textual reviews provide more comprehensive, nuanced, and individualized information, so functioning as a decision-making resource and a factor influencing perceived risk. (Erkan & Evans, 2016) asserted that electronic word of mouth (e-WOM), manifested through customer evaluations, significantly impacts consumer purchase intentions due to its perceived honesty and authenticity. In the context of information adoption, the greater the relevance and utility of the review material, the higher the likelihood that consumers would integrate it into their decision-making process. (Filieri et al., 2018) demonstrated that consumer views of review helpfulness considerably affect purchase intentions, especially in the hospitality sector.

Moreover, (C. Park & Lee, 2009) established that the polarity of information in reviews, whether favorable or unfavorable, distinctly affects consumer impressions. Adverse information is more likely to elevate customer perceived risk, but favorable reviews can enhance confidence and promote purchasing decisions. This aligns with (Sen & Lerman, 2007), who asserted that negative reviews exert a more pronounced asymmetric impact than good ratings, particularly regarding services that have not been previously utilized. (Chen et al., 2011) elucidate the dynamic evolution and extensive dissemination of online evaluations via social media, rendering them a potent marketing conduit. In the realm of hotel services, customer reviews serve as a mitigator of risk, especially in alleviating apprehensions over discrepancies between expectations and actual experiences. (Sparks & Browning, 2011) substantiate this perspective by demonstrating that customer reviews markedly enhance perceived trustworthiness and inclinations to book hotels.

Comprehensive and articulate reviews offer significant informational value to consumers and assist them in evaluating potential hazards before to making a purchasing decision. Consequently, online customer reviews serve as an informational conduit linking expectations

with consumer assurance in their choices. In light of these data, the subsequent two theories are posited:

H3: Online customer reviews exert a favorable and substantial impact on perceived consumer risk.

H4: Online customer reviews exert a favorable and substantial impact on purchasing decisions.

2.3. Customer Perceived Risk

Customer perceived risk denotes consumers' awareness of the potential for loss or disappointment while acquiring a product or service. In the digital realm, especially within service industries like online hotel reservations, perceived risk is essential as consumers are unable to directly assess service quality prior to purchase. This engenders uncertainty, frequently acting as a significant impediment to decision-making. (Featherman & Pavlou, 2003) delineated various categories of risk that consumers typically associate with e-services: performance, financial, privacy, time, and psychological hazards. In online hotel reservations, these risks manifest as apprehensions over the hotel not matching its description, possessing an atypical location, inadequate facilities, or subpar service. When consumers possess inadequate information or confidence in the service provider, the perceived risk escalates.

(Kim et al., 2008) illustrated in their trust-based decision-making model that perceived risk is a vital mediating variable connecting online information to purchasing decisions. Dependable information diminishes buyers' perceived risk, thereby enhancing the probability of purchase. In the realm of online evaluations, both favorable ratings and reviews can diminish buyers' perceived risk. (Filieri et al., 2015) highlighted that a primary reason customers trust user-generated content, such as customer evaluations, is because it aids in mitigating ambiguity. Consequently, consumer perceived risk emerges as a significant component that connects the impact of reviews and ratings on purchasing decisions. In the tourist sector, where service quality is predominantly subjective and experiences cannot be pre-experienced before to acquisition, the significance of perceived risk becomes increasingly paramount. Consequently, comprehending the determinants of risk perception is essential for formulating effective communication and marketing strategies on digital platforms.

2.4. Purchase Decision

The buy choice is the last step in the process of making a decision as a consumer, when a person decides whether or not to buy a good or service. When people book hotels online, they think about things like how much they trust the platform, how risky they think it is, how good the information is, and what other people have said about their experiences through customer reviews. (Kim et al., 2008) showed in their trust-based decision model that perceived risk and trust in the service provider have a big impact on buying decisions in digital settings. When customers trust a business more and feel less at danger, they are more likely to make a purchase. This is also important for services like hotels, because you can't check out the things before you use them.

(Featherman & Pavlou, 2003) said that the risk that customers see as a problem is a big reason why e-services, such purchasing a hotel room online, aren't used more often. People may think that there are hazards involved, such as getting bad service, being given false information, or losing money. So, using outside signs like high ratings or good reviews to lower risk can be quite important in making people decide to buy something. (Forsythe et al., 2006) devised a tool to measure the pros and negatives of buying things online. It showed that people are more likely to buy when they think the benefits outweigh the risks. (Bhatnagar et al., 2000)

found in an earlier study that when risks are properly managed, ease, access to information, and control in online transactions make people more likely to buy.

(Filieri et al., 2018) reinforced this assertion by indicating that the perceived helpfulness of information in customer evaluations significantly mitigates risk and enhances buy intentions. In service contexts like hospitality, purchasing decisions are more significantly influenced by the quality of information rather than its quantity, due to the intangible nature of services and the reliance on trust. Moreover, (C. Park & Lee, 2009) elucidated that customers' diminished sense of danger renders them more susceptible to website reputation and the impact of electronic word-of-mouth in the decision-making process. This indicates that when consumers possess confidence and adequate information to mitigate uncertainty, they are more inclined to make purchasing decisions.

These findings indicate that consumer perceived risk directly affects purchasing decisions and serves as a crucial mediator in the efficacy of user reviews and rating systems. Consequently, the subsequent hypothesis is posited:

H5: Customer perceived risk exert a favorable and substantial impact on purchase decisions.

3. Research Method
3.1. Profil Responden

Data was collected using an online questionnaire administered to individuals with expertise in booking hotels through the Tokopedia and/or Booking.com platforms. A total of 167 respondents were gathered, satisfying the minimal sampling criteria as per (Hair et al., 2022). (Hair et al., 2022) elucidated that the optimal sample size accounts for a standard power level of 80%, a significance level of 0.05, and a minimal path coefficient of 0.2, yielding a requisite minimum of 155 respondents for this investigation. The demographic data indicates a somewhat equal gender mix among respondents, with 51.50% male and 48.50% female. The 20–29 age group comprised the majority at 41.32%, followed by individuals aged 40 and above at 24.55%, those under 20 at 21.56%, and the 30–39 age group at 12.57%. This composition demonstrates that internet hotel booking services have been utilized throughout generations, especially by youth and working adults.

The predominant occupation among respondents was students (52.69%), followed by private sector employees (27.55%), entrepreneurs (12.57%), and others, including civil servants (3.59%), housewives (1.80%), and smaller categories such as investors, AI freelancers, and retirees, each representing 0.60%. This illustrates the varied spectrum of internet hotel booking services, encompassing educational, professional, and autonomous domains. In terms of platform preference, 56.29% of respondents utilized Booking.com, 25.75% utilized Tokopedia, and 17.96% utilized both platforms. This signifies that Booking.com is the preeminent platform for online hotel bookings among participants. Regarding hotel booking frequency over the past 12 months, the majority of respondents made 1–2 bookings (83.23%), followed by 3–5 bookings (11.38%), and more than 5 bookings (5.39%). The predominant reason for hotel bookings was vacations (76.00%), succeeded by family events (15.00%), business trips (6.00%), and various other objectives, including office activities, business excursions, utilization of free coupons, wellness, and non-hotel related activities, each comprising 0.60%. This data indicates that the consumers of online hotel booking services in this study are primarily young and active adults, specifically students and private sector employees, who infrequently make hotel reservations, predominantly for leisure activities. This illustrates that computerized hotel booking services have become integral to contemporary travel habits, especially for practical and adaptable vacation requirements.

Table 1. Profile of Responden

Profile of Responden	Frequency	%
Gender		
Man	86	51,50%
Woman	81	48,50%
Ages		
< 20 years old	36	21,56%
20–29 years old	69	41,32%
30–39 years old	21	12,57%
≥ 40 years old	41	24,55%
Job		
Student	88	52,69%
Private Employee	46	27,55%
Civil Servant	6	3,59%
Entrepreneur	21	12,57%
Investor	1	0,60%
Housewife	3	1,80%
AI Freelancer	1	0,60%
Retiree	1	0,60%
Platforms used to Book Hotels		
Tokopedia	43	25,75%
Booking.com	94	56,29%
both	30	17,96%
Hotel Booking Frequency in the Last 12 Months		
1 – 2 times	139	83,23%
3 – 5 times	19	11,38%
> 5 times	9	5,39%
The Main Purpose of Hotel Booking		
Vacations	127	76,00%
Business Trips	10	6,00%
Family Events	25	15,00%
Office Activities	1	0,60%
Using Free Vouchers	1	0,60%
Healing	1	0,60%
Business Travel	1	0,60%
Non-Hotel Related	1	0,60%

3.2. Measurement and Data Analysis

This study examines four main variables: rating review, online customer review, customer-perceived risk, and purchase decision. Each variable is measured using several indicators (items) adapted from relevant literature and tailored to the context of online hotel bookings. Measurements are made using a 5-point Likert scale, where a score of 1 indicates strong disagreement, and a score of 5 indicates strong agreement. The indicators used in this study are as follows:

Table 2. Variable dan Items

Variabel	Items
Rating Review	1. I consider hotel ratings before making a booking (RR1)
	2. A high hotel rating gives me confidence in choosing that hotel (RR2)
	3. I tend to avoid hotels with low ratings (RR3)
	4. Ratings reflect the overall quality of hotel service (RR4)

Online Review	Customer	1. I read customer reviews before choosing a hotel (OCR1)
		2. Customer reviews provide a true picture of the hotel's quality (OCR2)
		3. Detailed reviews help me compare hotels (OCR3)
Customer Risk	Perceived	1. I'm worried that the hotel I booked won't match the online description (CPR1).
		2. I'm unsure about the security of my hotel booking transaction (CPR2).
		3. I feel at risk if I book a hotel through an online platform (CPR3).
		4. I'm worried that I might have a bad experience during my stay that isn't detected on the platform (CPR4).
Purchase Decision		1. I felt confident booking a hotel after reading the ratings and reviews (PD1)
		2. I booked a hotel through this platform because I trusted the information (PD2)
		3. I was satisfied with my decision to book a hotel online (PD3)
		4. I would book through this platform again for my next trip (PD4)

To analyze the data, researchers used the WarpPLS version 8.0 application with the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. There are two main approaches in this analysis: the measurement model and the structural model. The measurement model is used to test the validity and reliability of each item against the construct being measured, while the structural model is used to examine the relationships between variables and test the hypotheses proposed in the study.

4. Result and Discussion
4.1. Result
Measurement Model

Validity testing evaluates each item in the instrument to determine whether it accurately represents the desired concept. Validity is classified into two types: convergent and discriminant validity. According to (Bagozzi, 1981), convergent validity is the internal consistency of indicators that measure the same construct. Convergent validity is measured using two key indicators: the loading factor and the Average Variance Extracted (AVE). (Hair et al., 2022) state that the minimal loading factor value is 0.700 and the minimum AVE value is 0.5. Table 3 confirms that the proposed instrument's loading factor and AVE values exceed the minimum requirement, indicating convergent validity.

The second form of validity is discriminant validity. Discriminant validity determines how dissimilar a construct (latent variable) is from the other constructs in the model. This implies that the construct measures a distinct concept and is not combined with other constructs. This study used the Fornell-Larcker criteria to assess discriminant validity (Fornell & Larcker, 1981). Discriminant validity is regarded as met when the square root of a construct's AVE score is greater than its correlation with other constructs (Hair et al., 2019, 2022). Table 4 shows that the instrument employed in this investigation meets the criteria for discriminant validity.

Reliability refers to measuring consistency, which means that when researchers complete an instrument to assess motivation, the results should be substantially constant each time the exam is conducted. There are two types of reliability: Cronbach's alpha and composite reliability. The optimal Cronbach's Alpha and Composite Reliability values are 0.70 (Hair et al., 2019, 2022). According to Table 3, all items in the proposed instrument met the required reliability values; hence, the instrument can be regarded as consistent in measuring the desired variables.Furthermore, the study's instrument met scientific standards for evaluating latent variables, as evidenced by its validity and reliability criteria. With excellent convergent and

discriminant validity, as well as high reliability, this instrument not only accurately describes the concept under study but also maintains measurement results consistency across time and responders. This requirement is critical to ensure that the data acquired from this instrument is reliable during hypothesis testing and overall research decision-making.

Table 3. validity and Reliability Testing

Variable dan Indicator	Loading Factor	AVE	Cronbach's Alpha	Composite Realibility
Rating Review		0.649	0.819	0.881
RR1	0.820			
RR2	0.815			
RR3	0.754			
RR4	0.830			
Online Customer Review		0.772	0.852	0.910
OCR1	0.870			
OCR2	0.870			
OCR3	0.895			
Customer Perceived Risk		0.637	0.810	0.875
CPR1	0.766			
CPR2	0.830			
CPR3	0.821			
CPR4	0.774			
Purchase Decision		0.816	0.924	0.947
PD1	0.903			
PD2	0.918			
PD3	0.936			
PD4	0.854			

Table 4. Determinant Validity

	RR	OCR	CPR	PD
Rating Review (RR)	(0.805)	0.716	0.305	0.663
Online Customer Review (OCR)	0.716	(0.879)	0.307	0.608
Customer Perceived Risk (CPR)	0.305	0.307	(0.798)	0.427
Purchase Decision (PD)	0.663	0.608	0.427	(0.903)

Stuctural Model

The table 5 show that the first hypothesis, H1, explains that rating reviews show a positive and significant relationship with purchasing decisions, and the analysis outcomes indicate that rating reviews do have a positive and significant relationship with purchasing decisions, and therefore, H1 is substantiated and accepted. H2 states that rating reviews is positively correlated with customer-perceived risk. This hypothesis is proven correct as rating reviews positively and significantly influence customer perceived risk, therefore H2 is accepted. H3 states that online customer reviews have a positive influence on customer perceived risk. The analysis shows that even though the influence is positive, it is still weak and therefore H3 is not substantiated and rejected. H4 states that online consumer reviews positively and significantly influence purchasing decisions. The result of the analysis is that online customer reviews positively and significantly influence purchasing decisions, and therefore H4 is substantiated and accepted. H5 states that customer risk perceptions positively and significantly

influence purchasing decisions. The study's findings indicate that this association is statistically significant; hence, H5 is proven (accepted).

Table 5. Hypotheses Testing

Hypotheses	Result	Explain
H1 : Rating Review → Purchase Decision	$\beta= 0.414; \rho<0.001$	H1 is accepted
H2 : Rating Review → Customer Perceived Risk	$\beta= 0.304; \rho<0.001$	H2 is accepted
H3 : Online Customer Review → Customer Perceived Risk	$\beta= 0.104; \rho=0.085$	H3 is rejected
H4 : Online Customer Review → Purchase Decision	$\beta= 0.239; \rho<0.001$	H4 is accepted
H5 : Customer Perceived Risk → Purchase Decision	$\beta= 0.210; \rho=0.003$	H5 is accepted

4.2. Discussion

The analysis results indicate that rating reviews have a positive and significant effect on purchase decisions; thus, the first hypothesis (H1) is accepted. This finding supports previous research stating that ratings serve as important evaluative signals in consumer decision-making, especially on digital platforms such as Tokopedia and Booking.com. (Chevalier & Mayzlin, 2006) stated that high ratings reflect positive previous user experiences and build trust in the service. (Zhu & Zhang, 2010) also emphasized that ratings can influence purchasing decisions because they are considered to represent collective consumer judgment (social proof). In the context of hotel bookings, visual information such as ratings forms the basis for initial evaluation before reading detailed reviews. (Filieri et al., 2015) stated that consumers rely on ratings to speed up selection and reduce uncertainty. (Luca, 2011) even showed that a one-star increase in a review could increase business revenue, demonstrating the real influence of ratings on consumer behavior. Furthermore, (Kim et al., 2008) emphasize that ratings build trust in e-commerce and drive purchasing decisions through perceived information security. Thus, these results align with the theory and empirical evidence that rating reviews are a key factor influencing consumer purchasing decisions on online hotel booking platforms.

The analysis shows that rating reviews have a positive and significant effect on customer-perceived risk, thus supporting the second hypothesis (H2). This finding suggests that the higher a hotel's rating, the greater the consumer's confidence that the risk of booking will be lower. In other words, ratings not only directly influence purchasing decisions but also shape consumers' perceptions of potential losses or inconveniences. According to (Bhatnagar & Ghose, 2004), in online transactions, consumers rely heavily on information signals such as ratings to assess risk because they cannot directly evaluate the service. High ratings are often associated with high levels of satisfaction and serve to reduce uncertainty regarding the stay experience. (Filieri et al., 2015) also explained that user-generated signals such as ratings help consumers assess the credibility and security of a service, especially when faced with risks such as inconsistencies in facilities or transaction security. (Kim et al., 2008) added that ratings, as a form of collective evaluation, strengthen trust and reduce perceived risk. In their trust-based decision-making model, ratings are an external factor that enhances consumers' perceived security in digital services. Therefore, it can be concluded that rating reviews not only encourages purchases but also significantly reduces perceived risk in online hotel bookings.

The results showed that online customer reviews had no significant effect on customer-perceived risk. Therefore, the third hypothesis (H3), which states that online customer reviews positively and significantly influence customer-perceived risk, was rejected. This finding contradicts several previous studies that suggest that customer reviews can serve as a risk reducer in the consumer decision-making process. In theory, customer reviews, especially those

that are honest and informative, should help consumers identify potential service risks not explicitly visible on the product page, such as service quality, accuracy of information, and actual user experience (Filieri et al., 2018). In the context of online hotel bookings, negative reviews are often associated with increased perceived risk (Sen & Lerman, 2007). However, in this study, this relationship was not significantly demonstrated. One possible reason for this insignificance is respondents' perceptions of the credibility of the reviews they read. Some customer reviews on digital platforms are often perceived as exaggerated, irrelevant, or even false, making them less effective in shaping risk perceptions (C. Park & Lee, 2009). Furthermore, if the majority of available reviews are general and do not provide detailed or useful information, consumers may not perceive them as sufficiently compelling to change their risk perceptions. Furthermore, trust in the platform (such as Tokopedia or Booking.com) may be more influential in shaping risk perceptions than the content of the reviews themselves. In these cases, consumers may perceive the platform's security guarantees, verification system, or refund policy as more influential in alleviating their concerns.

The results of the study indicate that online customer reviews have a positive and significant influence on purchase decisions; thus, the fourth hypothesis (H4) is accepted. This finding reinforces the understanding that customer reviews play a crucial role in shaping purchasing decisions, especially in the context of services that cannot be previously tested, such as online hotel bookings. This research aligns with the views of (Erkan & Evans, 2016), who stated that electronic word of mouth (e-WOM) through online reviews can increase consumer trust and directly influence purchasing decisions. Consumers often place their trust in the experiences of other users, particularly when they perceive these reviews as relevant, honest, and informative. (Filieri et al., 2018) also found that the perceived usefulness of reviews is a key determinant of purchase intentions. Detailed reviews help consumers compare options and form realistic expectations of the service. Positive reviews strengthen perceptions of quality, while negative reviews encourage risk aversion. (Sparks & Browning, 2011) added that in the hospitality industry, customer reviews significantly increase perceptions of trust and influence booking intentions. This phenomenon is due to the intangible nature of services, so consumers rely heavily on information from fellow users to reduce uncertainty. Thus, the results of this study indicate that online customer reviews are a highly influential source of social information in shaping consumer purchasing decisions, particularly on digital platforms that provide experience-based services such as Booking.com and Tokopedia.

The results indicate that customer-perceived risk has a positive and significant effect on purchase decisions, thus accepting the fifth hypothesis (H5). This finding indicates that consumers' perceived risk does not always inhibit purchases but can actually encourage decisions when the risk is perceived as manageable through available information, such as ratings and reviews. (Featherman & Pavlou, 2003) explain that in digital services, perceived risk not only reflects fear but also functions as a rational consideration that drives information seeking before making a decision. When risks are recognized but perceived as minimizable, consumers are more likely to act immediately. This finding supports the trust-based decision-making model developed by (Kim et al., 2008), which states that perceived risk is part of the evaluation process that helps consumers make more informed decisions. When booking a hotel, consumers typically first assess risks, such as unsuitable facilities or location, and then make decisions based on available mitigation efforts. Furthermore, (Forsythe et al., 2006) showed that when consumers feel they have adequately evaluated risks and obtained relevant information, they are more confident in making a purchase, even under conditions of uncertainty. This is relevant in digital platforms, where purchases are heavily influenced by

perceived control over risk. Thus, these results suggest that customer-perceived risk is not only a barrier but can also strengthen purchasing decisions, especially when the risk has been evaluated and deemed manageable by the consumer.

5. Conclusion

This study was conducted to examine how rating reviews and online customer reviews influence purchase decisions, with customer-perceived risk as a mediating variable, in the context of online hotel bookings through the Tokopedia and Booking.com platforms. This focus is relevant to the development of digital consumer behavior, where purchasing decisions for intangible services are increasingly influenced by information sourced from other users' experiences. The analysis results show that rating reviews have a positive and significant influence on purchase decisions (H1 is accepted) and on customer-perceived risk (H2 is accepted). This indicates that consumers not only use ratings as an indicator of reputation but also as a representation of the level of risk in purchasing decisions. In the digital world, high ratings provide the perception that hotel services are safe, high-quality, and trustworthy, thus accelerating consumer purchase intentions. Conversely, although online customer reviews are proven to have a positive and significant influence on purchase decisions (H4 is accepted), their influence on customer-perceived risk is not significant (H3 is rejected). This indicates that although customer reviews can strengthen purchasing decisions, they are not necessarily strong enough to reduce perceived risk. Factors such as review quality, author credibility, and perceived authenticity of the content determine whether reviews are truly considered a reference for identifying risk.

Another important finding is that customer-perceived risk actually has a positive and significant influence on purchase decisions (H5 is accepted). This indicates that consumers who are aware of potential risks do not necessarily avoid making a purchase. Instead, they tend to evaluate rationally, and when they feel sufficiently informed, they become more confident in making a purchase. In this context, perceived risk acts as a cognitive catalyst, not an emotional barrier. Overall, these findings confirm the strategic role of rating reviews as a digital information source that can encourage purchases while simultaneously alleviating consumer concerns. Online customer reviews function as decision-making reinforcement, but their effectiveness in reducing risk depends heavily on the quality of the narrative and its credibility. Customer-perceived risk, meanwhile, acts as a psychological link between the information received and the final conviction in making a purchase decision.

The findings of this study have wide-ranging implications, both for the hospitality industry and digital platform managers, as well as for the development of academic studies in the field of digital consumer behavior. In a practical context, these results emphasize the importance of establishing and maintaining an accurate, transparent, and trustworthy rating and review system. Maintaining service quality, which impacts ratings, is a strategic priority, given that ratings significantly influence consumer decisions and risk perceptions. Businesses need to encourage consumers to provide ratings after their stay to foster a positive feedback loop.

Despite the lack of significant reduction in customer-perceived risk, online customer reviews continue to play a significant role in bolstering purchasing decisions. Therefore, platforms and service providers need to ensure that review content is authentic, relevant, and provides specific information, rather than just general comments. Campaigns or incentives to educate consumers to write honest and helpful reviews can enhance platform credibility and foster trust in new consumers. We should also underscore the significance of establishing message credibility in digital communications. Inconsistent, hyperbolic, or manipulative

information will damage perceptions and reduce the effectiveness of user-generated content-based strategies. Therefore, digital communication strategies must be based on the principles of transparency, consistency, and authenticity to maintain long-term consumer loyalty.

Theoretically, this research contributes to the understanding that in the digital environment, perceived risk is not merely a psychological barrier but also functions as an evaluative mechanism that reinforces purchases when available information is deemed sufficient to reduce uncertainty. This broadens the theoretical framework regarding the role of customer-perceived risk as an active mediator in the relationship between online information and consumer behavior. Furthermore, this research emphasizes the importance of a psychological approach in exploring how digital consumers process information sourced from user communities (user-generated content), particularly in service-based industries such as hospitality. Amidst increasing consumer preferences for personalized and trust-based experiences, rating and review-based communication strategies must be managed strategically, structured, and authentically. Thus, in the increasingly competitive online hotel booking ecosystem, success is determined not only by price or offerings but also by how effectively platforms and service providers shape consumer perceptions of quality and risk. This research emphasizes that perception management is not merely a complement to digital marketing strategies but is fundamental to building trust, reducing uncertainty, and driving faster and more confident purchasing decisions.

Limitation and Future Resarch

This study has several limitations that should be considered when interpreting the results. First, the data collection process was conducted over a limited period of time and online, using a questionnaire survey method. This may limit the diversity of respondents and demographic range, as the majority of participants were students and private sector employees, predominantly young (aged 20–29 years old, 41.32%). Therefore, the results of this study may not fully represent the broader population of online hotel booking service users, particularly among the elderly, housewives, or senior professionals. Second, although data were obtained from 167 respondents, which met the minimum sample requirements according to Hair et al. (2022), the distribution of platforms used by respondents was uneven, with the majority using Booking.com (56.29%) compared to Tokopedia (25.75%). This imbalance may influence perception bias toward reviews and ratings on each platform, making the results less generalizable across the two platforms.

Third, limitations in hypothesis testing also arise from the insignificant results for the relationship between online customer reviews and customer-perceived risk. This indicates that other factors, such as level of involvement, digital experience, or perceived review credibility, have not been included in the model and could be important intervening variables that have not been further investigated. Therefore, the theoretical model used in this study can be expanded to include other relevant psychological dimensions. Finally, although the research instrument has been validated and meets validity and reliability criteria, the perception-based measurement scale still carries the potential for subjective bias from respondents. Personal preferences, individual expectations, and perceptions of previous experiences can influence their answers and lead to cognitive biases in risk assessment and purchase decisions.

Considering these limitations, future research should expand the demographic scope, compare more hotel booking platforms, and include additional variables such as platform trust, review information quality, or digital user experience as mediating or moderating factors.

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