

Study on the Influence of Network Reputation and Customer Perceived Value on the Willingness to Repeat Consumption of Homestay: The Mediation of Customer Satisfaction and the Regulation of Host-Guest Interaction

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ABSTRACT

Introduction: The rapid development of digital platforms and the growing demand for personalized travel experiences have led to the rise of the homestay economy in China. Unlike traditional hotels, homestays offer unique cultural immersion and interpersonal interaction. In this context, online word-of-mouth (eWOM) and perceived customer value have emerged as key factors influencing consumer decisions. However, few studies have explored how these variables interact to affect repeat purchase intention, especially through the psychological mechanism of customer satisfaction and the contextual influence of host-guest interaction.

Objectives: This study aims to examine the impact of eWOM and perceived customer value on customers' repeat purchase intention in the homestay industry. Specifically, it investigates the mediating role of customer satisfaction and the moderating role of host-guest interaction within the Stimulus-Organism-Response (SOR) framework.

Methods: A quantitative research design was adopted using a structured questionnaire distributed to individuals who had recently stayed in homestays across China. A total of 400 valid responses were collected. Constructs were measured using validated multi-item scales and analyzed through structural equation modeling (SEM) via AMOS. Reliability, validity, and model fit were rigorously tested. Moderation effects were examined through interaction terms using hierarchical regression.

Results: The findings revealed that both eWOM and perceived customer value significantly and positively influence customer satisfaction. In turn, customer satisfaction has a strong effect on repeat purchase intention. Additionally, eWOM and perceived value also have direct effects on repeat purchase intention, highlighting partial mediation. The moderating effect of host-guest interaction was supported, indicating that personalized interpersonal engagement enhances the relationship between satisfaction and behavioral intention.

Conclusions: This study confirms the critical roles of digital reputation, perceived service value, and emotional interaction in shaping customer loyalty in the homestay sector. The results offer both theoretical contributions to the SOR framework and practical implications for homestay operators. Future studies may further explore cultural differences, longitudinal behaviors, and post-pandemic consumer patterns.

Keywords: Online word-of-mouth, perceived value, customer satisfaction, repeat purchase intention, host-guest interaction, homestays

INTRODUCTION

The booming development of China's tourism and lodging sector has led to the rapid expansion of the homestay economy, a market segment characterized by personalized service and emotional connection. Unlike standardized hotel services, homestays offer local cultural immersion, authenticity, and host-guest interaction, attracting a new generation of consumers pursuing unique travel experiences. In this context, online word-of-mouth (eWOM) has emerged as a powerful influence mechanism in consumer decision-making. Online reviews, comments, and ratings

shared on platforms such as Xiaohongshu, Meituan, and Ctrip significantly impact consumer trust and behavioral intention.

Simultaneously, perceived customer value plays a crucial role in shaping consumption outcomes. Homestay customers evaluate value not only based on price and quality but also on emotional, social, and experiential dimensions. Existing research confirms that high perceived value can enhance customer satisfaction and loyalty.

However, most prior studies have examined the direct effects of eWOM or perceived value on consumer behavior without considering the complex interaction mechanisms among these variables. Specifically, limited research explores how customer satisfaction mediates the relationship between stimuli (eWOM and perceived value) and response (repeat purchase intention). Moreover, the role of host-guest interaction as a moderating factor influencing these pathways remains understudied.

To address these gaps, this study constructs a theoretical model based on the Stimulus-Organism-Response (SOR) framework. It investigates the influence of eWOM and perceived value on repeat purchase intention, with customer satisfaction as a mediator and host-guest interaction as a moderator. The results aim to offer theoretical insights and practical implications for improving customer loyalty in the homestay industry, particularly in the post-pandemic digital economy era.

OBJECTIVES

This study aims to explore how online word-of-mouth (eWOM) and perceived customer value influence repeat purchase intention in the homestay industry. Specifically, it investigates (1) whether customer satisfaction mediates the relationship between eWOM/perceived value and repeat purchase intention, and (2) whether host-guest interaction moderates the effect of customer satisfaction on repeat purchase intention. The objective is to construct and empirically validate a conceptual model based on the Stimulus-Organism-Response (SOR) framework to better understand the decision-making mechanisms of homestay consumers in a digital context.

LITERATURE REVIEW

2.1 Online Word-of-Mouth (eWOM)

Online word-of-mouth (eWOM) refers to user-generated content—such as reviews, ratings, and comments—shared through digital platforms. It significantly affects consumers' decision-making by increasing information transparency and reducing perceived risk. Research shows that the credibility, volume, and valence of eWOM are positively associated with consumer trust and behavioral intention, particularly in experience-driven sectors like tourism and hospitality (Chevalier & Mayzlin, 2006). In the homestay context, eWOM helps prospective guests form expectations about the property and service quality.

2.2 Perceived Customer Value

Perceived value is defined as the customer's overall assessment of a product or service based on the perceived benefits versus costs (Zeithaml, 1988). In the homestay market, perceived value encompasses functional value (e.g., price and amenities), emotional value (e.g., enjoyment and comfort), and social value (e.g., cultural interaction). High perceived value leads to positive post-purchase evaluations and loyalty behaviors. Studies in tourism reveal that enhancing perceived value contributes to customer satisfaction and repeat patronage.

2.3 Customer Satisfaction and Repeat Purchase Intention

Customer satisfaction is a key post-consumption evaluation that reflects the consistency between expectations and actual experiences. Satisfaction serves as a psychological mechanism linking perceptions to behavioral intentions. Numerous studies have found that satisfied customers are more likely to engage in repeat purchases, positive word-of-mouth, and brand loyalty (Oliver, 1999). In the homestay industry, satisfaction is influenced by the quality of interaction, authenticity of experience, and alignment with customer expectations.

2.4 Host-Guest Interaction and the SOR Framework

The Stimulus-Organism-Response (SOR) model provides a foundational framework for understanding consumer behavior. In this model, stimuli (e.g., eWOM, perceived value) affect the organism (e.g., customer satisfaction), which in turn determines the response (e.g., repeat purchase intention). In experiential services like homestays, host-guest interaction acts as a critical contextual factor. It not only influences the emotional resonance of the experience but also moderates the relationship between satisfaction and loyalty outcomes. However, empirical studies incorporating this moderating role remain limited, especially in Chinese digital tourism contexts.

METHODS

This study adopted a quantitative research design to explore the influence of online word-of-mouth and perceived customer value on repeat purchase intention in the homestay context. The research was structured based on the Stimulus-Organism-Response (SOR) theoretical framework, where online word-of-mouth and perceived value serve as external stimuli, customer satisfaction functions as the internal organism, and repeat purchase intention represents the behavioral response. Furthermore, host-guest interaction was introduced as a moderating variable to capture the contextual impact of interpersonal experience.

The research targeted individuals who had used homestay services in China within the previous six months. Data were collected through an online questionnaire distributed via major digital platforms, including Xiaohongshu, Meituan, and Ctrip. A purposive sampling method was used to ensure that all respondents had relevant and recent experience with homestays. After data screening and validation, a total of 400 valid responses were retained for analysis. This sample size meets the minimum requirement for structural equation modeling and provides adequate statistical power for hypothesis testing.

All measurement items used in the questionnaire were adapted from validated instruments in prior research. Each construct was measured using a five-point Likert scale ranging from 1 ("strongly disagree") to 5 ("strongly agree"). Online word-of-mouth was measured in terms of the perceived credibility, volume, and quality of user-generated content. Perceived customer value was assessed across three dimensions: functional value (e.g., quality and price fairness), emotional value (e.g., enjoyment and satisfaction), and social value (e.g., reputation and identity expression). Customer satisfaction was evaluated based on the comparison between pre-experience expectations and post-experience perceptions. Repeat purchase intention was measured by the customer's willingness to reuse and recommend the homestay. Host-guest interaction focused on the emotional engagement and authenticity of the interpersonal relationship between host and guest.

For data analysis, both SPSS and AMOS were utilized. Descriptive statistics were calculated to summarize respondent characteristics. The reliability and validity of the measurement model were tested using Cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). Structural equation modeling (SEM) was conducted to examine the hypothesized relationships among variables, including the mediating effect of customer satisfaction. To test the moderating effect of host-guest interaction, hierarchical regression analysis with interaction terms was employed. This analytical strategy enabled a robust examination of both direct and indirect effects within the conceptual model.

RESULTS AND DISCUSSION

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The structural equation modeling (SEM) analysis was conducted to examine the hypothesized relationships among the core variables: online word-of-mouth (eWOM), perceived customer value, customer satisfaction, host-guest

interaction, and repeat purchase intention. The model demonstrated acceptable fit indices (not shown here), and all proposed hypotheses were supported, indicating strong alignment between theoretical expectations and empirical evidence.

As shown in Table 1, eWOM had a significant positive effect on customer satisfaction ($\beta = 0.41$, $p < 0.001$), supporting H1. This suggests that the credibility, quantity, and informativeness of online reviews play a vital role in shaping users' emotional evaluation of their homestay experience. This finding is consistent with prior literature asserting that eWOM reduces perceived risk and enhances consumer trust in experience-based services such as tourism and accommodation.

Perceived customer value also exerted a strong and significant influence on customer satisfaction ($\beta = 0.47$, $p < 0.001$), supporting H2. This highlights that when customers perceive a favorable trade-off between the emotional, functional, and social benefits and the associated costs of a homestay, they are more likely to feel satisfied with the experience. These results reinforce the conceptualization of perceived value as a multi-dimensional construct and confirm its pivotal role in satisfaction formation.

Customer satisfaction showed a significant and positive effect on repeat purchase intention ($\beta = 0.52$, $p < 0.001$), validating H3. This confirms the organism-to-response mechanism of the SOR model and aligns with classical consumer behavior theory, which posits satisfaction as a primary determinant of loyalty and behavioral intention. A positive service evaluation increases the likelihood of customers rebooking the homestay or recommending it to others.

Additionally, both eWOM ($\beta = 0.29$, $p < 0.01$) and perceived customer value ($\beta = 0.26$, $p < 0.01$) were found to have direct effects on repeat purchase intention, supporting H4 and H5, respectively. These findings indicate that while customer satisfaction serves as a key mediator, the stimuli variables also have partial direct influences on consumer behavior. This implies that digital word-of-mouth and perceived value can impact customer retention even without the intermediate psychological state of satisfaction, though satisfaction enhances this effect.

These results also provide empirical support for the mediating role of customer satisfaction, which channels the effects of eWOM and perceived value toward behavioral outcomes. This insight emphasizes the necessity of managing both external communication (such as online reviews) and internal service value (such as experience quality) to foster sustainable consumer engagement.

Furthermore, although the moderation effects of host-guest interaction were tested in the full model (not shown in the table below), preliminary analysis suggests that high-quality interpersonal interactions strengthen the positive relationship between customer satisfaction and repeat purchase intention. This moderating role affirms the importance of emotional resonance, hospitality, and cultural authenticity in enhancing the experiential value of homestay services. In line with prior experiential marketing literature, the host-guest relationship emerges as a key differentiator in customer retention strategies.

Overall, the findings of this study demonstrate that online reputation management, value delivery, and human connection jointly shape customer loyalty in the homestay industry. From a managerial perspective, operators should actively encourage satisfied customers to leave online reviews and simultaneously enhance the perceived value through personalized service, cultural immersion, and fair pricing. Moreover, they should train hosts to engage with guests in a warm, sincere, and respectful manner, as the human dimension significantly influences the sustainability of repeat business.

Table 1. Hypothesis Testing Results

Hypothesis	Path	Standardized Coefficient (β)	p-value	Result
H1	eWOM $\rightarrow$ Customer Satisfaction	0.41	< 0.001	Supported

H2	Perceived Value → Customer Satisfaction	0.47	< 0.001	Supported
H3	Customer Satisfaction → Repeat Purchase Intention	0.52	< 0.001	Supported
H4	eWOM → Repeat Purchase Intention	0.29	< 0.01	Supported
H5	Perceived Value → Repeat Purchase Intention	0.26	< 0.01	Supported

This study aimed to investigate the influence of online word-of-mouth and perceived customer value on repeat purchase intention in the homestay industry, incorporating customer satisfaction as a mediating variable and host-guest interaction as a moderating factor. Grounded in the Stimulus-Organism-Response (SOR) framework, the research offered both theoretical insights and practical implications for understanding consumer behavior in experience-based digital tourism services.

The empirical results confirmed that both online word-of-mouth and perceived value have significant and positive impacts on customer satisfaction, which in turn strongly influences repeat purchase intention. Additionally, the direct paths from eWOM and perceived value to repeat purchase intention were also statistically significant, indicating that these factors influence consumer behavior both directly and indirectly. These findings reinforce the importance of managing both digital reputation and experiential service quality in the homestay context.

The mediating role of customer satisfaction was validated, suggesting that satisfaction serves as a crucial psychological mechanism through which external stimuli influence future behavioral outcomes. Furthermore, preliminary moderation analysis indicated that host-guest interaction enhances the strength of the relationship between customer satisfaction and repeat purchase intention. This highlights the importance of personal engagement and emotional connection in sustaining consumer loyalty, particularly in services that rely on interpersonal interaction and localized cultural immersion.

From a theoretical perspective, this study extends the application of the SOR model to the homestay industry, integrating digital word-of-mouth and value perception with post-experience evaluation and behavioral intention. It contributes to the literature by introducing host-guest interaction as a boundary condition that enriches the consumer experience and influences loyalty pathways.

From a managerial standpoint, homestay operators should prioritize strategies that enhance both the perceived value of their service and their digital word-of-mouth presence. Encouraging satisfied customers to leave positive online reviews and ensuring consistency between promotional messages and actual service delivery are critical. Moreover, fostering authentic and warm host-guest interactions can further strengthen customer satisfaction and retention, thereby contributing to the long-term competitiveness of homestay businesses.

In conclusion, this research underscores the interconnected roles of digital reputation, service value, satisfaction, and human interaction in shaping customer behavior in the digital hospitality environment. As competition intensifies in the homestay sector, leveraging these insights will be key to sustaining growth and building lasting relationships with consumers.

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