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You post and I will visit: The contrasting role of perceived risk in measuring the impact of homophily and source credibility in adoption of user generated content in context of hospitality services

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Abstract
The study examines the direct impact of homophily and source credibility on adoption intention of User Generated Content about hospitality services. Besides that, the moderating role of perceived risk is also examined. The proposed model in this study was validated empirically using the responses to a questionnaire from 393 respondents who are active users of hospitality services. The results of the study revealed that homophily has positive impact on Adoption Intention while source credibility doesn't have positive impact on Adoption Intention in contrast to past literature. The moderating role of Perceived Risk too has been rejected.

Keywords: Source credibility, homophily, perceived risk, adoption intention, user generated e-content

Introduction

Hospitality and Tourism Industry resulting into domestic and international tourism has seen several years of steady growth and has become the driving force to Global Economy. The rapid growth of web 2.0 applications by empowering Internet users made them do two-way information communications in travel and tourism, has generated an enormous number of online user-generated contents (UGC) on hotels, travel destinations, and travel services. Digitalization of Hospitality Services is imperative to appeal to technophile guests. The goal of digitalization of services is transition to a digital business model by pushing hospitality services to a guest's touchpoint. (Blackshaw & Nazzaro 2006) defines user-generated content (UGC) is the online comments, profiles, and photographs produced by consumers, particularly travellers, and it is also "a mixture of fact and opinion, impression and sentiments, experiences, and even rumour". Online user-generated reviews about travel destinations, hotels, and tourism services have become important sources of information for travellers.

In the past few years, the proliferation of Information technology specifically in the form of social media has put an influential effect on the decision making and travelling plans of prospective travellers. Social networking sites provide a platform for travel consumers to communicate by sharing their experience in the form of photos, videos, comments likes and tags etc. Reading online reviews before purchase has become common these days. Online reviews a textual form of electronic word of mouth is playing major role in the consumer decision making. Travel products are intangible and cannot be evaluated beforehand, so travel consumers tend to rely on social media as an experienced source to lower the perceived risk and uncertainty. Social media impact travel consumers' planning behaviour as they offer information that influences their booking plans. SNS (Social Networking Sites) as well travel related websites allows the creation of content generally defined as User Generated Content (UGC) or Consumer Generated Media (CGM). Social media are essential to travel consumers as they decide destinations, accommodations and activities for their travel, therefore social media will affect their travel and purchase decision making process. Social media are also considered to support consumers in their pre-travel phase (e.g. information search) and post-travel phase (e.g. share experiences, review hotels and

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destinations, and post photos and videos from the trips). Gunn (1989), in the context of a vacation travel, lists seven phases of the travel experiences: 1. Accumulation of mental images about vacation experiences. 2. Modification of those images by further information. 3. Decision to take a vacation trip. 4. Travel to the destination. 5. Participation at the destination. 6. Return travel. 7. New accumulation of images based on the experience. Sharers' previous consumption experience communicated through User Generated E-Content resulting into forming of travel destination image and that further may lead to travel intentions and post travel intentions. In particular, a common way of approximating consumer psychology is to consider the three stages of the purchase process: pre-purchase, purchase, and post-purchase. User Generated E-Content in the form of information source on social networking websites creates a destination image in the minds of prospective tourists. Hospitality Industry include services related to hotels, transportation, food service, travel agents/tour operators and attractions/ entertainment. Increasing occupancy rates and revenue by improving customer experience is the aim of modern hospitality organizations and to achieve these results, hotel managers need to have a deep knowledge of customers' needs, behaviour, and preferences. A digital service platform makes the guests able to browse, plan, and pick activities of their choice and at their own convenience, facilitating the best use of technology to enhance travel experience. Booking and reservation services, location-based services and personalized communication, and social media integration are a few examples of digital services that entice technophile guests. (Ady and Quadri Felitti 2015) in their study of the most important attributes to travellers when making a booking used the following hotel attributes: room, breakfast, service, wellness, Wi-Fi, food, cleanliness, amenities, and comfort. Studies have concluded that travel pictures and posts of friends on social networking sites like Instagram and Facebook leads to social comparison among the networking site users, as individuals show their positive side such as posting their vacation pictures. In addition, recent research has put emphasis on the role of social media to induce travel consumption by posting pictures and comments on friend's or relative's post.

The relationships among formation of destination image, overall satisfaction, and travel intention have been investigated in many studies. In addition, the relationship between perceived risk and Thailand destination has been explored. However, there is still a need to study the moderating effect of perceived risk towards the adoption of User Generated E-content specifically in Hospitality sector. Therefore, the purpose of this paper is to 1) study the Impact of Homophily and Source Credibility towards adoption Intention of User Generated E-content specifically posted on social media networking 2) study the moderating role of perceived risk on this relationship.

Review of Literature
Homophily: (Leonhardt *et al*, 2020) social media is a melting pot where people of all backgrounds-political conservatives and liberals, extroverts and introverts, meat lovers and vegetarians-are likely to communicate. Customers are generally less inclined to ask individuals who are different from them for product-related information (Moore & Lafreniere, 2020) [8]. According to Cao *et al*.

(2025) [2], perceived homophily in livestream commerce fosters affective trust by giving audiences and content creators a sense of commonality and likeness. According to research, emotional trust boosts viewers' confidence to take TikTok product recommendations into consideration, which raises their buy intentions. Similarly, Chu *et al*. (2024) observe that when viewers perceive parallels between TikTok content creators and themselves, they feel a deeper bond with them. Fashion style, age, interests, likes and dislikes, education, humor, hobbies, and other aspects may all be similar. Researchers also highlight the connection between this perceived resemblance, increased content engagement, and a stronger emotional bond with the artist. Considering the extant literature, it is hypothesised that:

- **H1:** Homophily has positive impact on Adoption Intention towards User Generated E-Content.

Source Credibility
Source credibility emphasizes the importance of source qualities in information diffusion, as first suggested by Hovland *et al*. (2015) in communication studies. It is a critical statistic for evaluating the information's utility, especially in terms of the provider's perceived competence and trustworthiness. It refers to the consumer's perception of the source's dependability, objectivity, and honesty. According to research on travel agencies in the tourism industry by Baker and Crompton *et al*. (2022), travel brochures supported by respectable organizations have a greater chance of influencing travellers' destination selections. Nowadays, travellers are more likely to believe suggestions from influencers and user-generated material on social media than conventional travel brochures. Through their genuine and customized vacation experiences, social media-based travel influencers have become a significant factor in travellers' choices. These content producers' knowledge, sincerity, and openness not only raise the information's perceived legitimacy but also have a significant impact on destination branding and visitor behaviour. Based on the past studies, it is hypothesised that

- **H2:** Source Credibility has positive impact on Adoption Intention on User Generated E-Content.

Perceived Risk
As it was mentioned earlier, the perceived risk can be defined as the customer's perception of lack of trust and the potential adverse effects of purchasing a good or service. The perceived risk is considered as an important factor which influences customer behaviour (Pavlou *et al*. 2003) [3]. Researchers in the field of as perceived risk theory (PRT) (Featherman *et al* 2003) [4] identified perceived risk as the combination of several dimensions. These dimensions include performance, financial, social, psychological, security, privacy, and physical risks. Also, in context of online information sharing it is observed that perceived technological risk can hinder consumers' acceptance and use of technology due to their fear of losing information, money, time and social status (Kaur and Arora, 2023; Roh *et al*., 2023) [1, 9]. Based upon past studies it is hypothesised that

- **H3:** Perceived Risk moderates the relationship between Homophily and UGC Adoption Intention.
- **H4:** Perceived Risk moderates the relationship between Source Credibility and UGC Adoption Intention.
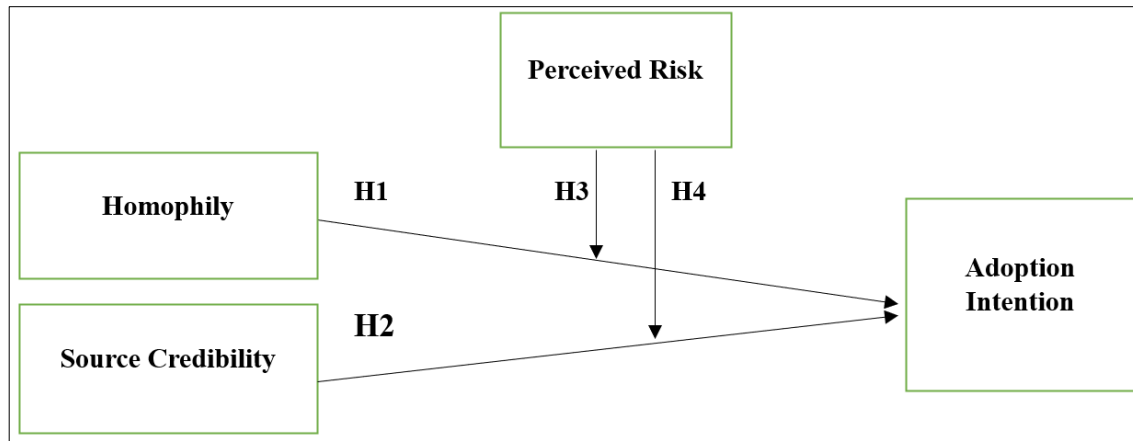
Fig 1: Conceptual Framework

Data and Research Methodology
Present study has used adapted questionnaire and used purposive sampling technique to collect the responses from the ones who are frequent users of social media and travel websites. An analysis of 393 responses (which includes 218 males and 175 females) was done on PLS SEM software. Data collection is restricted to North Indian population who often visit hotels and restaurants. Variables Homophily, Source credibility, Perceived Risk and Adoption Intention include multiples statements adopted from past studies. The variables were measured on 5-point Likert's scale (1-Strongly Disagree to 5-Strongly Agree). Values of factor loadings threshold limit is generally 0.7 or higher which indicates a strong, desirable relationship (good validity), and values in Table1 below are above 0.7 showing validity of statements.

Table 1: Summary of Measurement Scales and Factor Loadings for Research Variables

Variable	Statements	Factor Loadings
Homophily	I feel I have much in common with the person who has posted content on social media.	0.930
	The person posted content on social media is similar to me.	0.937
	I am a similar type of person to the person posted content on social media.	0.929
Source credibility	Person posted content on social media about hospitality services is knowledgeable.	0.773
	The content on social media about hospitality services is posted by an expert.	0.868
	Person posted content on social media about hospitality services is trustworthy.	0.913
	Person posted content on social media about hospitality services is reliable.	0.863
Perceived risk	I would worry that booking a hospitality service using social media e-content will not provide value for my money.	0.775
	I would worry about hospitality service quality/equipment problems if I took services using social media content.	0.856
	I would worry about physical danger or injury if I took services using social media content.	0.873
	I would worry about disappointment with the hospitality service experience if I took services using social media content.	0.845
	There is a risk of disapproval from friends/family/associates of my hospitality service choice if I took services using social media content	0.789
Adoption intention	Content posted on social media has made it easier for me to finalize hospitality services.	0.935
	Content posted on social media has enhanced my effectiveness in selection of hospitality services.	0.882
	Content posted on social media has motivated me to make a selection of hospitality services.	0.907
	The last time I saw content posted on social media, I adopted consumers' recommendations.	0.856
	Information from the content posted on social media contributed to my knowledge of discussed service.	0.838

Analysis of the results
Reliability and validity: To see the internal consistency and reliability of the statements Cronbach's Alpha is used. Values of Cronbach's above 0.7 is the ideal and acceptable value. It is evident from the Table 2 & Table 3 that all the values Cronbach's Alpha AVE and Discriminant validity shown in the form of HTMT (Table-4) and VIF values (Table-5) within ideal limits is proved well.

Table 2: Construct Reliability and Validity Assessment

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Adoption Intention	0.930	0.937	0.947	0.782
Homophily	0.925	0.931	0.952	0.869
Moderating Effect 1	1.000	1.000	1.000	1.000
Moderating Effect 2	1.000	1.000	1.000	1.000
Perceived Risk	0.886	0.895	0.916	0.686
Source Credibility	0.877	0.886	0.916	0.733

Table 3: Discriminant Validity

	Adoption Intention	Homophily	Moderating Effect 1	Moderating Effect 2	Perceived Risk	Source Credibility
Adoption Intention	0.884					
Homophily	0.794	0.932				
Moderating Effect 1	0.546	0.359	1.000			
Moderating Effect 2	0.370	0.070	0.740	1.000		
Perceived Risk	0.539	0.525	0.534	0.438	0.828	
Source Credibility	0.691	0.641	0.559	0.398	0.533	0.856

Table 4: HTMT Ratio

	Adoption Intention	Homophily	Moderating Factor 1	Moderating Factor 2	Perceived Risk	Source Credibility
Adoption Intention	-					
Homophily	0.845	-				
Moderating Factor 1	0.569	0.370	-			
Moderating Factor 2	0.384	0.070	0.740	-		
Perceived Risk	0.586	0.569	0.571	0.468	-	
Source Credibility	0.758	0.703	0.596	0.426	0.596	-

Table 5: VIF Values

Indicator	VIF Value
AI1	4.687
AI2	3.382
AI3	4.104
AI4	2.697
AI5	2.549
HMP1	3.221
HMP2	3.744
HMP3	3.723
HMP>PR	1.000
PR1	2.173
PR2	3.005
PR3	2.750
PR4	2.255
PR5	1.914
SC1	1.648
SC2	2.618
SC3	3.441
SC4	2.607
SC>PR	1.000

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P values	Hypothesis
HMP>AI	0.675	0.687	0.095	7.084	0.000	Supported
SC>AI	0.143	0.135	0.130	1.094	0.275	Not Supported
Moderating effect 1>AI	0.066	0.039	0.124	0.530	0.596	Not Supported
Moderating effect 2>AI	0.224	0.233	0.140	1.599	0.110	Not Supported

Conclusion

The present study examined the direct impact of Source Credibility and Homophily on Adoption Intention also the moderating impact of perceived risk. The results of the study proved that homophily positively influence Adoption Intention which is in consistent with the studies of (Chawdhary *et al*, 2025; Li *et al*, 2013; Machado *et al*, 2024) [3, 5, 7]. On the other hand, Source Credibility doesn't positively influence Adoption Intention in consistent with the past study by (Tormala *et al*, 2006) [11] in which it is mentioned that people having positive thoughts in response to a message from a highly credible source impacts positive attitude however when people have negative thoughts in response to a message even though the message is from highly credible source it leads to negative attitude and intention. The hypothesis that Perceived Risk moderates the relationship between homophily and adoption intention is rejected as it is observed that the influence of like people (homophily) has more even though there is a risk (generally low) in adoption intention. Also, the moderating role of perceived risk in source credibility and adoption intention is not supported as like homophily if the source is credible the influence of source credibility is more on adoption intention even if there exists perceived risk. Limitation of present study is that the study is focused on North Indian hospitality services consumers only making the sample size limited. Future research can be directed towards the larger sample size by increasing the regional area as well covering other industries. The study can be a comparative study between different countries. Further study can be focused to explore other factors such as information quality, user-based factors like user expertise, knowledge etc.

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