

# How Suppliers Learn from Customer Reviews: Evidence from Text Analysis using Large Language Models

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This study examines how suppliers learn from customer text reviews, with a focus on the sharing economy. Online text reviews convey consumer sentiment and highlight salient attributes that influence purchasing decisions, providing suppliers with valuable learning signals. Suppliers can improve performance by addressing concerns raised in reviews, but learning effectiveness varies across suppliers. Those with prior experience can respond to feedback more effectively than de novo entrants. Moreover, learning does not always translate into performance gains when feedback targets attributes that are difficult to change. Using Airbnb listings data and large language models to analyze approximately 1.9 million text reviews, we find evidence broadly consistent with these arguments. Overall, the study demonstrates how customer text reviews shape learning processes and performance outcomes in platform-based markets.

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