An Analysis of the Impact of Reviews on the Hotel Industry

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Abstract

Background: Technology has changed the face of the hospitality industry; a great example is the online reviews, which have become a critical facet of consideration during the hotel booking decision. In the past similar research have been conducted which elaborate on the transition from traditional word of mouth to the electronic word of mouth. While some researchers have tried to bridge the gap between the hotel’s resolutions to a negative experience to what the guest wants. However, very few have researched on how to effectively manage the increasing online reviews and how to tackle online reputation on travel portals such as TripAdvisor. Through this research we have attempted to evaluate the impact of the increasing online reviews and further, this research is to analyze the attitude of the hotels that use modern software’s to reduce the negative impact on hotel bookings.

Methods: To fulfill this research, a mixed method approach is used, a combination of qualitative tools such as semi-structured interviews and quantitative tools such as survey questionnaires. The travelers ascertained that the reviews are a critical factor they considered while booking a hotel room through these questionnaires and interviews. They also highlighted on the impact of the recovery process to a negative experience and how does it affect the hotel bookings. While interviews conducted gave the hotel’s insight to online reviews and how they are overcoming it.

Conclusion: This current research examines the relationship of these two factors and provides implications for academics and hotelier’s, while it will also contribute to future research on similar topics.

Keywords: Internet of Things, Hospitality Industry, Reviews, and Bookings

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1.Introduction:

Technology is changing the world today; all the industries are getting more technology oriented. A similar transition towards this has been seen in the hospitality industry. People have moved on to become more aware of things due to Internet and have started to surf Internet more than ever before. Internet has also given the travelers the medium to express their opinions and thoughts. Following this trend, the online reviews have taken a great leap forward and its importance has peaked in the recent years. The hotel industry has taken this trend very seriously and shifted its focus towards managing these reviews in an effective and efficient manner. This research intends to discuss the impact of online reviews on the hotel bookings. The central question is ‘How do reviews posted on TripAdvisor and the hotel’s response to them impact the customer purchase behavior in booking hotels in New Delhi and Mumbai?’ The main argument is how critical is the impact of these reviews and how do we tackle it if it is impacting the hotel to a major extent.

Evolution of the Hotel Industry: The hotel industry has witnessed an upward trend with the increase in travel, as travelers needed a place for food and shelter along the routes they traveled so the first Inns were established. As the demand for accommodation raised, the number of private
Inns grew to meet the growing needs of the travelers. As Inns grew in number, there came about competition, improved service and value additions that the Inn operators offered to the fellow travelers to attract them making this the first differentiating factor to choose a property over the other.

The Inns in modern times became hotels as the real growth was seen in the USA with The City Hotel opening in New York in 1794. In the European context, the lead was taken by the emerging nations such as Switzerland. It was in Europe that the birth of an organized hotel industry took place in the shape of small hotels and chalets, which provided a variety of services and were patronized by the aristocracy of the day.

Then came the international hotel chains which started to dominate the market with chains such as Marriott in the American subcontinent with brands JW Marriott, Ritz Carlton, Delta Hotels, Renaissance, etc., Accor Hotels in the European context with brands like Sofitel, Pullman, Novotel, Ibis, etc. the emergence of these international chains changed the ballgame of the industry completely as they are widespread in the types of services, features, and amenities offered by the various sub-brands ranging from economy or budget hotels to Upscale and luxury hotels.

Incorporation of Technology in the Hotels Industry: As time passed, Internet has been incorporated to be an essential part of the hotel industry moreover with the international brands stepping in, right from booking a hotel to seeing its features, amenities, ratings and reviews of a hotel. Especially online reviews which have been a major decision making the element in booking hotel rooms online especially amongst the millennial, in the past these reviews were not of much significance to the hotels and were not analyzed and acted upon by the hotels, until recently when these have become increasingly critical. With the fellow traveler constantly sharing his/her experiences both positive and negative through Internet review sites such as TripAdvisor, it has become more essential than ever before to understand the significance that these reviews have on hotel guests and hospitality industry.

According to Gretzel, 96.4% of guests use the Internet at some point during their pre-trip planning and booking especially the millennial audience. Online reviews are key to maintain, repair and promote a hotel’s image which will, in turn, have an impact on choosing to stay in that hotel and repeat visit of a guest i.e. intent to stay and return. Using responding to these online reviews as a tool the hotel managers are reclaiming the marketing potential provided to customers by these online review sites; this means that the customer can base their conclusions on the hotel recovery to the review while also relying on the customer’s experience at that hotel. The hotel manager must apprehend these reviews (whether positive or negative) to understand the motivation behind writing these reviews before anyone from the hotel could be in a position to respond to these reviews. In this research, we will focus on TripAdvisor as a platform to review hotels TripAdvisor as a Review Site.

Tripadvisor is world’s largest travel site, founded in 2000 with the original idea just having a button in the beginning to add a review which was just a minor element in the website, which soon became that major reason for the website to function, enabling travelers to unleash the full potential of every trip. The idea was to share ideas, thoughts, and comments about your recent experience and tell the world about it whether it is promoting a hotel or a word of caution for the fellow traveler, it helps the guest reading the review get a better insight about the place he is about to visit. With over 570 million reviews and opinions covering the world’s largest selection of travel listing worldwide, covering 7.3 million accommodation, attraction, airline and restaurants. It provides travelers with the wisdom of the people, to aid them to decide where to stay, how to fly, what to do and what to eat. Tripadvisor also acts as a meta-search engine comparing prices from more that 200 booking sites so that the fellow traveler pays the least and book what is true for them. Tripadvisor branded sites are available in 49 markets and are home to the worlds largest travel community of 455 average monthly unique visitors all looking to get most out of every trip.

Reading and writing online reviews: A great amount of research has been conducted to comprehend what motivates travelers to go online and write reviews \(^{(4)}\). It is critical to access the motivation factor associated with customer reviews as a lot of travelers are engaging in electronic word of mouth (eWOM), which results in an increase of the monetary value of travel-related purchases. About $73 billion dollars annually is spent online on the travel industry—which accounts for 35% of all online spending. The trend shows that online spending has a major influence on the travel and tourism industry. The impact of these guest reviews could aid or hinder a particular hotel to access these funds specifically a dissatisfied guest who has experienced poor service four or more times are likely to share their story with others in the form of online reviews. As we all know the impact of a negative review is much worse than a positive review, one negative review in multiple positive reviews can take the hotel down the drains, as discontent spreads through eWOM, the hotel managers need to monitor and act on these negative comments, reply promptly and try to recover the customer to increase the potential for positively marketing the hotel property.

Rationale of Interest: The main agenda to conduct this research was the emergence of technology and the sudden increase in the importance of online reviews. The hospitality industry has been affected by this too as the hotels are reviewed very often as there are 3-4 guest contact points from restaurants to rooms to events. When the guest decides to book a hotel room \(^{(5)}\) showed that 90% of respondents who pre-planned their vacations online considered Internet reviews when booking a hotel. Of those same respondents, 77.9% placed extreme importance on reviews written by others. With majority emphasis being placed on reviews, the hospitality industry needs to look at how a hotel’s response to online travel sites can influence guests. This research is trying to find out that why are guests so dependent on online reviews before making a choice.

Potential Contribution/Objective: This research mainly focuses on two main contributions. Initially, by studying the how have the review changed the hospitality business in becoming more critical than ever before. This research will try to see the significance it has on the booking behavior of the hotel. While there are other factors it also has started to play a vital role. Secondly, through these findings, the research would try to establish how to tackle these reviews especially the negative reviews which might create a potential problem for the hotel as the guest trying to book a hotel online might refrain to do so post reading a negative comment.

B. Literature Review

This section will focus on finding articles, which relate to the research question and will eventually help in fulfilling this research. This literature review is divided into three categories based on the research objectives; this research will dive on those specific topics in detail to be able to fulfill the objectives. The three sections are as follows- Importance of online review sites, which is important, as it explains why and how often do people go to these review sites and actually write reviews, the second section talks about electronic word of mouth and its implications on reviews posted online, this tells us how dependent are travelers on online reviews in the pre-planning stage of the trip and the final stage explains the importance and reasons to reply to online reviews and why is it becoming more critical than ever before.

Importance of Online review sites: Online review sites play an ever-important role in guest booking a hotel. According to trust you “95% of travelers read reviews before making a booking online” \(^{(6)}\). In this day and age customers have the right to raise their voice and today they have a platform to do so, the online customer review as told by Kelly \(^{(7)}\) all major players including Amazon.com, Yahoo.com, Hotels.com amongst others are allowing customers to rate and review the products listed on their domain”, in our case the hotels. Kelly talks about the art of storytelling and what are the crucial elements which one must consider to write a good review the very first element being trust and building trust when someone else reads your review, for him to be able to relate to it and have a sense of resonance and these reviews will be rated to be much more helpful.
than other reviews. She also said that reviews which develop character and which are more detailed are generally more helpful than those lacking attention to detail, this way the traveler who is reading can step in your shoes and get a better understanding about the situation. She also told that reviews must not have a superior tone and should not be poorly written, as they will not prove to be useful to the fellow traveler.

It is a human tendency to fall back on negative things while ignoring the positives just so with the hotels. The dissatisfaction spreads twice as fast in an electronic medium as compared to offline. This is increasingly posing a risk to the hospitality industry with people referring to online reviews more often than before and considering word of mouth as the most trusted form of information especially new and potential customers. Historically Zeithaml explains that word of mouth was obtained from a “very limited number of people as it was offline and one could only get to know from friends and family” about it, but with the integration of the world wide web into the hospitality sphere the various service providers are reviewed by various travellers across the globe from diverse backgrounds.

Likewise, 70% of reservations, which are made, are booked online, and, with the constant rise of online booking activity, this translates to eWOM having the potential to reach a vast majority of guests who are booking online while ordinary WOM only reaches friends and family. This explains that if the guest doesn’t have a trustworthy source of a hotel property by a friend or acquaintance he will look out for reviews on the internet to make his choice here we again incorporate the thoughts of Kelly with the trust which will be an influential factor. According to a research conducted by Fernández-Barcala shows that to anticipate the quality of a hotel 77.9% read online reviews quantified that 84% of all hotel guests claim that online reviews helped them plan their future vacation.

The comments posted on Internet also act as an “opportunity for the hotel and the managers to incorporate these changes”, to progress forward and finally connect the dots to complete the loop. To achieve that one must identify the key reviews about the hotel, how it is affecting the business and most importantly reply to them diligently. In the age of technology, software’s have been developed to monitored guest feedback i.e. Trust You. It collates all the information related to your hotel posted online and also your internal feedbacks to analyze and interpret this data and segregate it to focus on the key area, which needs to be improvised, thus making the job of the hotel management easier. There is a lost opportunity by the hotel staff in the inability to reply to guest comments, which could harm the hotel’s image, therefore hampering the bookings.

Electronic Word of Mouth (eWOM):

In order to understand eWOM, took factors such as price, hotel quality, and into consideration when analyzing guest likelihood to post a review of a hotel noticed that factors such as price and hotel quality negatively impact the online guest reviews while on the other hand location did not have any major effect in shaping. Taking an example of New Delhi as a market, which is highly priced sensitive, hence if the hotel is priced higher and has a high rating, guest tends to expect more to attain his/her perceived value of the overall hotel. These preconceived notions regarding the hotel eventually lead to negative comments posted online. When these notions are not met the guest can influence new customers as well as challenge the hotel’s overall image and reputation, if a corrective action is not taken care by the managers on time. When the guest has expectations that are not met these negative reviews result in actions that harm the hotel’s bottom line.

Similarly, Mattila revealed that there are two main driving forces behind guest’s online reviews of a property. First of all that guests review hotels is a desire to reciprocate; such instances happen if the hotel has managed to create a wow moment or any such instance which has pleased the guest and the guest intern wants the hotel and the staff to be recognized, hence promoting the hotel by writing a positive review. Though the reverse also holds true when the guest’s expectation is not met so the guest writes a negative review of the hotel. The second factor that influences
guest reviews is a desire to share with or warn others away. In case of a positive comment, the guest wants others to have the pleasant experience too, taking the contrary if travelers have had a difficult time at the hotel property; they try to warn the other guests who might book the same hotel in the coming time. However if the guest puts up a negative review, to punish the hotel or to caution the others from the upcoming experience, the hotel property has the capability and capacity to recover by responding to these posts heads on but it needs to be backed up else it can be misfired leading to an even worse situation (18).

Hotel Responses to Online Reviews:

A critical element in this research as discussed previously is managing to respond to the reviews posted online, therefore one needs to find out how ways to deal with the problem online especially the major negative reviews which impact the hotel’s image (19). Depending on the level of failure from the hotel side will set the precedence to determine whether the hotel can recover from the loss and to what extent. If the magnitude of the loss incurred is too high to be recovered, then the process of recovery is not of much significance to the guest (20). However only if a customer is retained through the process of service recovery is when it holds significance, as the cost of acquiring a new customer is much higher than to retain the same customer? The Guest should be able to relate to the response to reviews or complaints from the hotel’s side; hence there is a need for the hotel management to deploy specific techniques to handle particular complaints and feedback (21). To begin with, take a look at the situations offline.

Offline Hotel Response:

In this case O’Connor (22), talks about ‘six dimensions to an organizational response”, these dimensions are “timeliness, facilitation, redress, apology, credibility, and attentiveness”. While all these factors are critical to the success he considers attentiveness as one of the most crucial factors with the credibility of the hotel a close second when comparing it to other factors.

Attentiveness of the hotel implies on the extent to which the hotel pays attention to detail, from the hotel experience to recovering the guest while being active and prompt is also of importance, talking about credibility it deals with hotel taking ownership of their doings while also being responsible for it, whether good or bad. Davidow also found a positive correlation between “repurchase intent, customer satisfaction and WOM” and the eagerness of the hotel to admit and resolve the mistakes, which again boils down to the fact hotel managers need to own up to the mistakes committed, take the necessary actions to correct the inaccuracies to be able to retain the guest (23).

Online Hotel Responses:

Quadri-Felitti (24), analyzed 504 reviews online and found that only one had a hotelier’s response in which he asked: “the readers to ignore the reviewer”. This case suggests that the hotel managers must critically analyze the reviews before posting it online. Likewise, in a study Rosenberg (25) proved that “less than 0.5% of the reviews on TripAdvisor were responded” despite TripAdvisor providing a “right to reply” button on their website for the hotel managers to reply. In another research Lee (26) concluded that “only 31 out of the 222 reviews used had responses” that translates to about 15%. In the process, the guest is frustrated and dissatisfied and feels that the hotel company is indifferent and doesn’t care it is also referred to as “cyber ostracism” (27). Similar to the studies above stated “ 85% of hotels have no guidelines in Place for responding to online reviews.

2. Material & methods:

Copy paste the methodology section of your research here. In this chapter, we will discuss the methodology, which this paper will adapt to answer the aims and objectives to complete this research. It will include all the approach and strategies this paper shall be using to fulfill the aims of this research.

Research Questions, aims and objectives

As discussed in the previous chapters this research revolves around online reviews and how they are affecting the hotel bookings and hotel’s image, we would also observe the attitude of the hotels towards these reviews and why has it become critical to respond to these reviews. Precisely the main research question is – ‘How do online reviews on Tripadvisor and the hotel’s response to them impact the customer purchase behavior in booking hotels’. To further understand the topic this research would like to explore the following-

1. Do customers read & write reviews and rate hotels on tripadvisor pre and post stay?
2. Do customers look at tripadvisor reviews to make hotel bookings?
3. What is the hotel’s attitude towards online review?
4. Do hotels actually incorporate the suggested changes by online reviews?

These sub-questions will help in completing this research and understand the key concepts of this research, while it will also fulfill the aim which is to study the impact of online reviews and their responses on the hotel bookings and hotels overall image in the highly sensitive market of New Delhi.

Research Philosophy-

Research Design-

Mix Methods

The ideal method to complete this research is to use a combination of both quantitative and qualitative methods, which is also known as “Mixed Methods”. While Quantitative data deals mostly with objective questions (eg- survey questionnaires) that could then be represented in a numerical way on the other hand qualitative data is more subjective and usually lengthy, as they give a more detailed insight on the topic and are not predetermined but rather spontaneous responses. Both methods have their pros and cons and it is up to the researcher how to make the optimal use of them. Greene (1997) defines mix method design as "those that include at least one quantitative method (designed to collect numbers) and one qualitative method (designed to collect words)”, which in our case is critical to get to the final point.

Research Approach-

Inductive Research Approach

To fulfill the research we would be using the inductive approach. Inductive is a theory generating research style, in which the researcher study’s various theories associated with the research topic to understand the topic of discussion in a better way, this includes observations through past work or personal experiences. The second step involves the researcher to try to look for patterns and map the observations and try to link them. Then you must arrive at a hypothesis of the said observation or any other observation, which would help in fulfilling this research. The final step is to arrive at a theory based on the previous steps.

Research Strategies

To complete this research will use a combination of survey and case study.

Survey

Surveys are mostly linked to deductive style as they help give a qualifiable answer to your hypothesis proving it true or false. It also helps us answer the "what?" and "how?" within the research. According to Gable (1994), "survey refers to a group of methods which emphasize quantitative analysis, where data for a large number of organizations is collected through mail questionnaires, telephone interviews, or from published statistics, and this data is analyzed using..."
statistical techniques". As explained survey method involves the distribution of questionnaires which are standardized (allowing easy comparison) amongst a wider audience and are collated, at the same time the audience must be willing to help the researcher by filling the questionnaire with full consent and honestly. This method is useful as online reviews cannot be judged based on a single set of replies and this strategy will help be reach a wider audience in a very economical way to complete the said research. Therefore, This research will use this strategy to ascertain “how are online reviews and responding to them affect hotel bookings?”

Case Study

Complementarily the second strategy used in this research is a case study, which is a group of methods that emphasize on qualitative analysis (Yin, 1984) strategy that is used for research that involves an empirical investigation of a current situation with its real-life contexts using multiple sources of evidence. As a strategy, it also works well with surveys. It answers the "why?" component to a larger extent any a hint of "what?" and "how?" components as they are seldom answered in the survey approach better. This is another strategy primarily used for investigative research. In this research studying Tripadvisor is critical that is one major reason to employ case study as a strategy. In this method, data is collected from a relatively smaller audience through methods such as ‘Participant observation and in-depth interviews’.

Method of Data Collection

For conducting this research will be using a combination of two methods which are-Questionnaires and Interviews.

Questionnaires

To be able to give justice to this research strategies case study and surveys, questionnaires help to formulate the data taken from a wider audience in order to get a better perspective on the argument. Questionnaires are a method of data collection where the researcher asks the same set of questions to a sample of audience, which fits in the criteria and category, predetermined by the researcher.

Interviews

The second method that this research will employ is interview method, which is a subset of qualitative method used to get the better insight of some of your topics enquired in the questionnaire (Feather, 2012) therefore allowing to analyze the findings from both quantitative and qualitative data. Interviews gauge the participant deep into the topic and this helps us to access and interpret the information in a much better way. Interviews are of three types: the first type is structured interviews which is used to get more quantifiable data, in this the respondent is asked certain predetermined set of questions which are structured in a formal setting, they are hence also referred to as ‘qualitative research interviews’.

3. Results and Discussion:

CopyThis chapter will elaborate the on the main research objective, which revolves around the impact of online reviews, and how does it affect the booking of the hotel. This research has observed that mostly leisure guest review the hotels online and they are the one's who go online to check a review about a hotel. In most cases, a hotel is viewed online because you are not aware of the hotel and want to get a better understanding about the hotel you would stay in future, especially if one of your friends or a family member has not visited that property. The reviews, comments, and photos posted by fellow travelers are of greater significance than the content posted by the hotel online on a travel website or on the brand website.

Location of Research
The research is conducted and based in India, further, this research have primarily targeted two of the most popular metropolitan cities in the Indian subcontinent which are New Delhi and Mumbai. A major reason to choose these cities out of the others is the reason that these cities get the most demand in terms of inbound and outbound travelers while the residents of these cities are mostly well traveled amongst the entire population of India. These cities, which host the best air and rail connectivity within India, the inhabitants of these cities travel the most domestically and to other countries internationally. In addition, these cities have the more hotels than any other city in India with most major domestic brands including Taj Hotels, ITC, Oberoi, etc while also hosting an array of international hotel companies like Marriott, Accor, Hyatt, Hilton amongst many others. As these cities have the highest city demand amongst other cities in India, this increases the awareness of the people staying in these cities and thus leads to increased expectations as they have the most seasoned travelers who travel both for business and leisure.

HYPOTHESIS 1 – Trend of reading and writing reviews about hotels on tripadvisor Pre and Post stay

Survey Findings-

In this research the survey of people staying in New Delhi and Mumbai while also grouping them into 3 different age groups to identify how each of them responds differently. In the recent past, there has been a sudden upward shift in the number of travelers using the Internet; this has a major impact on the hotel industry with people looking for hotels online, and in this process also seeing the ratings and reviews posted by people who have stayed there in the past. This has now become a major part of the hotel business, which has started to affect the hotel sales as the consumer is spoilt for choices for the same price and now he does not have to blindly trust the hotel’s content which is published online. The traveler now has a right to express his thoughts on social media and make the other fellow travelers aware about the property.

The total number of respondents for the paper was 110. Amongst the people who filled the survey 44, people traveled more than 5 times a year amongst them 3/4th of the people belonged to the age group of 25-40. They are the people who travel the most out of any other age group and also have one of the highest spending powers as many reported an annual income of above Rs. 2,000,000. The second most well traveled group was 40 years and above which also reported a similar income. Contrastingly there were a few respondents who showed opposite statistics amongst these age groups, they were mostly homemakers, who don’t travel as much and don’t earn significantly. A similar statistics were observed amongst the respondents who were between 18-25 years of age, they traveled less due to limited financial resources making travel 1-2 times the second highest with 30% as the survey respondents had a fair mix of students and interns. While almost one-fourth of the respondents traveled 3-4 times in a year that included bankers, self-employed people and others from the service industry where travel is not so frequent.
The respondents were also asked how often do their read and write reviews online. It was seen that people in general preferred reading rather than writing reviews. 30 respondents out of 110 read reviews 1-2 times a year this consisted of people who were over 40 years of age as they were not used to this rapid shifting technology. 28 respondents read reviews 3-4 times of the year and 9 respondents read more than 7 times, these are the more tech-savvy students and millennial’s who have a lower income but have a very high internet usage. It was observed when it came to writing reviews most of the respondents were not very active writers. 53 respondents wrote 1-2 reviews per year while 28 of them never wrote any review online. This shows that the people still shy expressing themselves on a common platform, which is accessible to the public. This also includes females which were mostly housewives amongst others are people with the age group of 40 this consisted 20 of the 28 respondents who have never written a review. There were 2 students who have not written any review because they were not well traveled. Contrastingly there were 11 respondents who wrote 7 or more reviews these included people who very active on social media and also people who stayed in hotels very often, who were the pilots, top businessmen, the hotelier’s amongst others.

While we consider all these factors, another important factor is what kind of trip you are planning to go on, 42 travellers who go on a leisure trip value online reviews contrastingly only 7 business travellers value online reviews, while 64 people value it for both out of that most leisure guest are more concerned as they have to pay for the product rather than the company paying for your travel. A large share of guest i.e. 30% when traveling prefer to stay in luxury hotels, these include people who have an average annual income of above than Rs.2,000,000 and travel on company expense while there were about 3 businessmen who financed their trip like to travel in luxury hotels. While 30 respondents choose to stay in midscale property these include students, people from the education sector, homemakers, people from the service industry and mostly people who have a lower average income ranging from Rs. 1- 10 lakhs per annum. 4 students were of a different opinion and picked budget hotels as they were not earning and did not have the financial means to stay in a better hotel. Other responses included Airbnb, which is a new entrant in the
hospitality industry; some pet lovers chose hotels, which were pet-friendly irrespective of the scale and type of hotel.

Fig 3. Pie chart showing the category of hotel chosen by the travelers

During the course of this research, we also wanted to ascertain what are the other factors, which travelers consider in the pre-planning stage to make hotel bookings. Given that the demand in these two cities are relatively high while to compensate the demand the supply of hotels are also increasing to cater to this increasing demand. 95 out of 110 respondents mentioned that price and location were the two most important factors, which they consider other than the reviews before making their choice. These cities have a very price sensitive population as they have many choices for the same price, so they try and look out for an option, which is a good bargain between price and good reviews. The second most critical factor is the rating of the hotel, which has emerged as a factor in the recent past with the review's coming into the picture. The amenities and Facilities were important as well with 25 and 26 respondents choosing that option as it is also a value add when considering a hotel. On the other hand, there was one businessman who chose brand as a critical factor.
Interview Findings-

This research interviewed experienced industry professionals working in hotels across New Delhi and Mumbai markets. This would give us a picture of the other side of the table. Most of the hotelier's said that there has been a sudden rise in the online movement of travelers. Across their careers, they have seen this develop to be a critical factor, which people consider before booking a hotel. With the high demand the hotel managers said that the impact is still not at its peak, however, it is playing a critical part and is affecting the hotel bookings as it gets people in dual minds. Hotelier's say that the content published online by the hotel on the brand website and on other travel websites is not of much significance to the travelers, but the photo's and comments written by fellow travelers post stay are most valued.

Hotels these days have started using software's to keep them up to date and to cope with the increased traffic online. Travelers have started posting content online while they are still staying in a particular hotel, hotelier's said that it is a great opportunity for the hotel to recover the guest while also monitoring the activities of the guest. A general manager of the hotel said

"We are receiving almost 15-20 reviews everyday this year as compared to 5-7 reviews everyday previous year" he also elaborated by saying that this is due to the increased number of point of sales from food and beverage outlets to banquets to rooms. Hotels have started to employ specific people to handle the immense amount of online content across various channels. The software's like hotels use trust you, which is online guest experience managing software, widely. While to monitor and improvise the guest experience software’s like local measure which are more hands-on are used which track a guest's social media as a whole to observe his comments and other online activity while also increasing your hotel's online reach.

Inference-

In the findings above we have observed that there is an upward trend of the content posted and reviewed online. Out of the 110 respondents 104 chose to look at a travel website at the pre-stay stage. This indicated how dependent we have become on these travel portals. While the travel is on a rise most people prefer to read than write reviews online. People who write reviews are very
active online and are of the age group between 25-40 years of age. While the people who have crossed the 40-year mark do not prefer to express themselves on a public platform. While Tripadvisor was the most popular travel website with 60% respondents choosing it as one of the most preferred travel websites while the respondents also chose MakeMyTrip as the second most preferred website. In India, MakeMyTrip is seen as a popular travel portal, which offers promotions and has captured a large market share. Tripadvisor is a key portal for checking the rate parity along with the review and content along with photographs posted online by travelers.

Hypothesis 2- Dependency on online reviews posted on tripadvisor to make hotel bookings and conversion of potential guest.

Survey Findings

In the second objective, we focus on the importance of online reviews in our daily lives. These days we have been surrounded by online reviews whether we have to buy a toothbrush or a car or for that matter a hotel room. As discussed earlier the major reason for this is the increase in the number of options available to the end customer. In this surplus supply, the traveler wants the best possible deal at the cheapest price, while the rating of the property should be great as well and should have minimalistic negative reviews. As humans we have a tendency of overlooking the good for the bad, similarly the online reviews we look for the bad reviews and try to overlook the positive reviews of the hotel property.

The survey was filled by 110 respondents and 95% were seen to have visited a travel website before making a hotel booking. This way they are trying to judge the property and comparing it to other hotels available in the similar price points. This satisfies our objectives partially. While Tripadvisor was a clear leader in the travel websites with 60% travelers reading and writing reviews, it was also seen amongst the Indian population MakeMyTrip is also a close second with 55% reviewing it before traveling. While booking.com and Expedia were also on the list of 30% and 20% travelers respectively. The most important reason to visit these websites according to 60 respondents is for planning a trip, while 40 visit these sites for a combined purpose of planning a trip and just for fun. There was also 1 respondent who used this website for bookings, while there was another who has only viewed these sites for fun.

Fig 5. Chart showing the preferred travel websites.

In another question we also asked the effect of negative reviews about a hotel property and how does it influence the bookings of a hotel. 5 respondents replied saying that there would not stay in that property, which means that the online reviews are a critical decision making factor especially if they can relate to it. While 55 out of 110 respondents said that the review changes their opinion about the hotel or makes them search for other alternatives. This results in these people getting in two minds to book a room at that hotel. The respondents which got fickle minded after reading were mostly people who were above 40 years old or less than 25 years old who were mostly traveling for leisure than business. Contrastingly there were about 20% travelers who were not affected by the negative review as they look at both sides of the picture and focus more on the positives than the negatives, these are the progressive generation of millennial-aged between 25-40 years especially if they are from the service industry and face similar issues in their workplace. Ahead of the negative reviews, the respondents were also asked their opinions after reading a negative review online 50 respondents said that they feel somewhat negative about the overall impression of the hotel. This indicates the overall image of the hotel is lost amongst these people, which need to be rectified unless the hotel will not be a preferred choice. Further, this could lead to negative word of mouth. While 40 people said they were neutral about it and it was not a very critical factor to access a hotel, the respondents further said they look at the broader picture rather than one review affecting their purchase decision.

Fig 6. Bar graph showing the impact of a negative review of a hotel.

The hotel must reply to these reviews especially if the review is negative, as the person has spared time to review your product. It does not matter if the review is of significance to the hotel or not, the traveler must be replied to especially if it is a serious issue. In the survey the respondents were asked what is their perception of a review without a response from the hotel and 80% of the respondents felt negative or somewhat negative about it this is a warning for the hotel and shows how crucial it is to reply to the reviews online unless they are bound to lose a share of their online business. We also looked at the review in which the manager disregarded the review and analyzed that it was a losing point for the hotel too with 72 feeling negative in some way or the other. Contrastingly it was seen that if the manager replied diligently to the review more than 55 respondents felt positive or somewhat positive about it, which is a green signal for the hotel and clearly an indication of the importance of replying to the reviews online.
Interview Findings

Taking into consideration the other side of the table, from the hotelier’s perspective it is very critical to maintain a healthy image of the hotel online. Recently most of the hotels have specifically employed people to manage the guest experience of the hotel as the online traffic of reviews has significantly increased and is following the upward trend. According to a front office manager of a hotel in New Delhi "The hotel has seen the reviews doubling up this year as compared to the previous year” she further explained that it is extremely important to reply to each and every review and analyze it to avoid similar incidents in the future while at the same time protecting the hotels overall rating and reputation.

While TripAdvisor is a major review website according to the hotels MakeMyTrip also affects certain midscale and upper midscale hotels. TripAdvisor is also used to compare the rate parity of the hotels, which makes it even more popular amongst the travelers. Hotelier's also told that now Google has emerged as a major review site itself and is growing in a major way. Google now showcases as a platform, which has both reviews and various room prices of a property. While the hotels are stuck on the fact that reviews are still not a major disrupters for the hotels as the location and the ever-increasing demand of the cities is what makes the hotels hit the high occupancy mark. They further added that though there are immense competition and the supply increase, yet there are limited hotels, which offer quality, and competitive pricing most of them belong to a chain of hotels and hence have a huge financial backing. This way we understand that the impact is significant but not to the level of disturbing the occupancies of the hotel.

Inference

In the end, we have a broader picture of the importance of reviews as part of the booking decision. While the hotels say that the online reviews don't have a very high impact on the demand of the hotel. This is because they benefit from the high demand levels of the city while a prime location also acts as a USP and is a plus. On the other hand, the travelers in this day and age think that the hotel must be viewed online as it is completely unknown to the new customer and through the medium of reviews one could judge the property in a better way. Another important aspect was that the reviews must be viewed and acknowledged by the hotels and must be responded to irrespective of the fact whether it would add value to the hotel or not.
They further added and said that reading a negative review about a hotel has a negative affect on them and especially if it is not replied to by a manager. While if the manager replied to the review but disregarded the reviewer it was not a good sign from the hotel's side and the respondents still had a negative feeling about it. Contrastingly if the hotels replied to the review meticulously it gave an opportunity to the hotel to recover that guest and avoiding the negative review to overpower their decision of booking the hotel. In the end, after observing the replies and the interviews there is still scope for the hotel to improve it's bookings if it regularly monitors the reviews and acts on it and avoids people being influenced not to book the hotel.

Hypothesis 3- Hotel’s attitude towards online reviews-

Survey Findings-

During the process of conducting this research one key factor to address was the hotel's attitude towards the ever-rising online reviews. The trend of reviewing hotels has been around for some time now, however, the importance to analyze these reviews has just started in the recent past. The reviews posted on travel sites back in the days were just neglected by the hotels as they did not think that it was important to reply to these reviews, however, they soon realized that it was critical to respond to these reviews as they saw the reviews affecting their sales. Gradually hotels started responding to these reviews diligently and saw a change, which was a missed opportunity earlier.

It was seen that 104 of the guest have had an exceptional experience with a hotel, further 70% respondents also added that they have had an extremely dissatisfying experience, these were guest who preferred to stay in the upscale and luxury hotels and 80% had an average annual income of above Rs. 2,000,000. The expectations of this guest were high as they paid a hefty amount for their stay and with the emergence of the online reviews; they voiced their comments on the internet. The hotels today are very careful about these reviews as they spread bad word of mouth about the hotel and these guests must be handled with care. The recovery process must take place in the attempt to retain the guest. These guest who had a dissatisfying experience need to be compensated for and the hotel may choose different methods to do so. 70 respondents replied saying that an apology was given against the negative experience, while 46 were given a meal voucher as a gesture to compensate them for the undesirable experience. Amongst the other popular steps taken included a free upgrade and a discount to 35% and 25% respectively. This indicated that hotels compensated the guest critically analyzing the situation while also taking the guest profile into consideration.
In the above paragraph, we saw what are the most common steps taken for guest recovery against a negative experience. Now we would further look at the most preferred recovery option according to the guest. Apology topped the list of the most preferred response to compensate while discount and free upgrades were the 2nd and 3rd most preferred choice of the guest while they were not same from the hotel's perspective as it is a high-cost option and hotel restricted it to a very few guests. Meal voucher was next on the list as the 4th while spa voucher and substitution stood 5th and 6th respectively and was the least preferred options. The meal voucher were seen to be used by the hotels extensively after apology, as it is a cost saver as compared to the discount or free upgrade that was a more preferred choice for the guest.

As discussed earlier people shy from writing reviews online, they were asked if they had a negative experience did they write a review about it to a surprise 48 respondents said that they did not write a review about it. Another interesting factor was that the hotel did not reply to 65% of the reviews posted, which meant that hotel was neglecting the review posted. While some of them were replied to by the manager and most cases reported an apology for the issue faced by the guest, while there were some that were neutral and certain positive which also were specific and addressed the issue of the guest to which the respondents felt obliged. When asked to rate the hotel staff on the recovery process of the negative experience 55 respondents thought that the hotel staff had good professionalism and were efficient while about 35 thought that they were very good in their approach. Further, the guest also mentioned that they were very responsive with 42.5% rating it a good, on the other hand, most guest i.e. 42.5% guest thought that the staff was very polite and gave it a very good rating. In the end, it seems that 60% of the guest were satisfied or somewhat satisfied with the overall approach to retain the guest while 27.5% were neutral about the attitude of the hotel and 1/8th of the guest were dissatisfied by the strategy.
Interview Findings-

Reviews are a necessary evil for the hotel industry, while we want it to increase our reach and showcase our product to the customers and share our positive experiences. This also has the other side of it which no hotel wants to face the as it is the negative comments posted about a hotel online. The online contribution has followed an ascending trend in the past years and is still growing at a faster pace. Hotels are reviews more than ever before, according to a hotel manager his hotel receives an average of 20 reviews a day this is a contribution from his guest staying in his rooms using the food and beverage outlets while some also come from the people who use the event spaces. The guest profile who are writing these reviews are 25-40 years old as they have seen processes evolve in front of their eyes.

In the present day, we are surrounded with technology and the hotels are using the same to tackle the reviews with the integration of software's which help them to manage the content posted online and analyze where are they going wrong and recover the possible missed opportunities. The aim in the past has changed from replying to certain specific reviews to replying to all the reviews within a stipulated time frame of 24-48 hours. The reviews, which have a lower rating, are critically analyzed and brought to the notice of the general manager of the hotel and a collective decision is taken to recover the guest, while a root cause analysis is also conducted to find out why the incident occurred and how to rectify the process to avoid similar issues in future. The hotels are taking the review business very seriously and discuss these as part of the morning and evening meetings and the resolution with a complete report is sent to the general manager by the concerned departmental head. This way the problem could be countered and avoided in the future stays.

Inference-

We have broadly touched upon the key aspects of the reviews and how are the dynamics are changing, with the need to reply and analyze the reviews, which were not a practice done in the past. Hotels have become more cautious while handling these reviews, as they are aware that the cost of acquiring a new customer is much higher than retaining an existing customer, hence the negatives must be turned to positives and guest must be happy to leave the hotel and must speak well about the property. The aim at the end of the day is to reduce such incidences and look out for
all the possible solutions to recover the guest. In most hotels, a root cause analysis is followed which means the department concerned along with the departmental head must justify and find out why the problem occurred and submit a report to the general manager. With the evolution of technology, hotels have resorted to software’s, which handle guest experience and could help them to get a swift action to prevent future issues and strive for a continual increase in the positive reviews and a better rating of the hotel.

Hypothesis 4 - Incorporation of the suggestions by the reviewers for improvement of the hotel.

Survey Findings-

The Internet has given everyone a medium to express his or her views online. While some people have made effective use of it especially in the hotel industry with expressing their feelings about their post stay experience in a hotel. On the contrary, for some, it is a tool, which is destructive and is misused by many to cause harm to the hotel. The hotel industry has faced the brunt of these negative reviews, which affect the hotel's image while also changing the perception of the traveler who is viewing the hotel on a travel portal. The hotel receives a very high number of reviews, which offer their views about the hotel, while certain are generic whereas others are specific and tell the hotel to change a service or product.

![Pie chart showing the likeliness of recommending a hotel to another guest.](image)

Interview Findings-

The importance of online reviews is on a rise in the hotel industry, the hotels with all the top management value are the hotel's online image. In the past hotel’s have use the no response technique to resolve the problem however it is no longer a practice used by hotels. Hotels have now resorted to employing skilled people to understand the dynamics of online image and handle online review traffic. The hotels have made it mandatory to respond to online reviews within a stipulated time frame of 24-48 hours post the review has been posted. There is a standard template followed for the introduction and end of the response however the body is customized according to each review. The more critical 1-3 star reviews (out of 5 stars) are reviewed by the general manager.
manager of the hotel on a daily basis while they are also discussed in the morning meetings. The reviews are critically analyzed by the department related to the issue addressed in the review post for which a detailed report is to be submitted to the general manager with the action taken by the team. There is a fair bit of these reviews, which the hotel receives in regular intervals however all the suggestions of the guests are not implemented.

Inference-

In the above analysis we discussed the importance of responding to online reviews and how it has become a mandatory process over time due to the increasing importance to preserve the online reputation of the hotel. This, however, does not indicate that the hotel must incorporate all the suggestions that a guest has suggested. It was observed that although the hotel replied to all the reviews, all the suggestions were not implements due to practical challenges, which could also involve huge time and money that has to be invested. Suggestions ranged from process to the structure of the hotel. The process related issues were looked into, whereas the structural changes or change in fixed assets were not taken into consideration for the same reasons as stated above. The hotel also did research on the reviewer to check the background of the reviewer before taking action as they were plenty of fake reviews who just reviewed for fun and did not have any good intention towards the betterment of the hotel. As the example stated above regarding the check-in experience of a hotel, such changes are usually discussed thoroughly with the general manager and are implemented to make the stay experience better. Finally all reviews are important, however, the hotel must critically access what to consider and what not to, hence minimizing the negative reviews online.

4. Conclusion:

This research was started with the aim to prove that online reviews and replying to them impact the hotels booking behavior. This chapter will broadly summarize the findings and analyses to answer the research question. The chapter is divided into 4 sections; the first section gives an overview of the research and elaborates on our findings from the previous chapter. Section two gives key recommendations, which were observed during this research, and might help the hotels, recover it’s guests. The third section talks about the limitations of this research paper and the final section elaborates on the scope of conducting further research, as there is alot that can be researched on this topic research. To begin with, this research saw the evolution of the hotel industry, which in today’s day and age has become technology driven. A recent entrant is an online review, which as we saw started impacting the hotels. While studying various literatures we discussed the word of mouth and its gradual transition to electronic word of mouth as people started expressing their views on social media.

A. Limitations

There is no perfect research paper as we are all bound by our limitations, being it geographical or time bound. This research could only take a limited geographical location of two cities i.e. New Delhi and Mumbai; however, the data could differ in other cities within India and also outside of India. Another aspect was the time in which we were bound to do this research. While collecting and collating data another challenge was to manage time effectively and travel to each place to take interviews and fill questionnaires as everybody has their own priorities. To solve this problem, this research took the help of Google surveys for questionnaires while interviews were conducted over the phone. Although TripAdvisor is one of the leading review sites in the world other sites also play an equally important role like MakeMyTrip, recently Google has also emerged as a review site as told to us by one of the general managers, hence focusing on one channel could lead to skewed results. These were some of the limitations amongst other, which were faced during this research.

B. Future scope

The hotel and hospitality industry is evolving at a very fast pace, trends are changing every day and customers are becoming more aware and demanding. There are various factors, which concern

the booking pattern of the hotel during this research we looked at one of them i.e. online reviews, while research could be conducted on other factors such as price, location that is equally important to make a choice. The geographical location is also another aspect, which could change the responses the research was conducted taking India as an emerging market with two of the most popular and high demand cities. Further research could be done on other cities within and outside of India to study the different trends. Research could also be done on other research sites, which are region-specific such as Ctrip in China or MakeMyTrip in India, while Google surveys could also be researched. One could further study on the technological advancements in the hotel industry especially software’s which help manage the social media of the hotels. In the end, this research would conclude by saying there is still much to be researched in the hospitality sphere as it is evolving at a rapid pace.

The research led to clarification of many aspects related to online reviews impacting the booking pattern of a hotel. Firstly through the research, this research found that it is critical to respond to all the reviews now as previously hotels used to respond only to certain reviews only. Secondly, there is a need to retain the customers who have had a negative experience in the hotel, as they will also spread a bad word of mouth about the hotel, also the hotel’s overall reputation is at stake. Thirdly, from the research, this research found that replying to these reviews is an opportunity for the hotel to regain the customers but they need to acknowledge and address the issue diligently while also offering a resolution to the problem faced by the guest. Most guests felt positive about the hotel after the issue was addressed; this is one of the most suitable solutions to recover the guest. Finally, as technology has a played a vital role in today’s industry hotels have seen to employ software’s which have helped them to improve this situation however it could be used by many other hotels to improvise the current position, expert help could be offered a more such tools could be implemented to solve and better the present situation.

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