A Study on Impact of Online Reviews on Hospitality Business Performance

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ARTICLE DETAILS	ABSTRACT
Research Paper **Keywords :** *Online Reviews, Hospitality Industry, Reputation Management, Online Reputation, collaboration with stakeholders.*	This study investigates the impact of online reviews on hospitality business performance, recognizing the critical role of digital reputation management in today's competitive landscape. Through a comprehensive literature review, the study explores existing research on online reviews, encompassing topics such as quality certification, service robots, and customer experience management. Building upon this foundation, the research aims to address gaps in understanding by assessing the prevalence of online review management tactics, evaluating their impact on reputation, and identifying challenges faced by hospitality businesses. Primary data collected through an online questionnaire distributed to hospitality professionals. Findings reveal the significance of online reviews in shaping guest perceptions and influencing business outcomes. Key insights include the importance of strategic management, continuous adaptation, and collaboration with stakeholders in maintaining a positive online reputation. The study concludes by emphasizing the need for proactive measures to navigate the evolving digital landscape and enhance competitiveness in the

hospitality industry.

INTRODUCTION

The hospitality industry includes a wide range of businesses and services that focus on providing accommodations, food, beverages, and other amenities to travelers and guests. This includes industries such as hotels, restaurants, bars, cafes, resorts, cruise lines, event planning and travel-related services. Hospitality is all about creating memorable experiences for guests, whether they are traveling for leisure, business or otherwise. It is a dynamic and diverse industry that plays an important role in the global economy. It is often influenced by things like travel trends, technological developments and consumer preferences.

In the digital age, the hospitality industry is facing a paradigm shift in consumer behavior, which is why online reviews strongly influence decision-making processes. In today's digital age, the hospitality industry is not just about providing exceptional service and unforgettable experiences; it's also about managing an online presence that can make or break a business.A single review, shared and amplified across platforms, has the potential to influence countless potential guests.

LITERATURE REVIEW

1. This study investigates the impact of quality certification on online reputation and price premiums in various types of accommodations, including hotels. It uses two-stage least squares (2SLS) to show an increase in online ratings for certified accommodations compared to non-certified ones. The study also reveals a higher valence in online ratings for certified accommodations and a price premium in certified accommodations compared to non-certified ones.(Ian Sutherland, February 2021)

2. This study investigates the impact of service robots' attractiveness on customer emotions using text mining. Data was collected from 50,629 online reviews on 59 Chinese hotels and restaurants using service robots. The Linguistic Inquiry and Word Count method was used to analyze 7570 reviews related to service robots. The study provides propositions for understanding the attractiveness of service robots and discusses the theoretical and practical implications of the findings(Hyunsun Park, 09 October 2021).

3. This study examines the impact of online reviews on tourism and hospitality management. It analyzed 50 articles published between 2004 and 2013, focusing on five topics: hotel reviews, online buying, satisfaction, online management, opinion mining, and customer motivation. The study found that over half of the articles focused on hotels and applied empirical methods. The research also highlighted the importance of online reviews in e-commerce platforms and how to deal with online complaints. The study also revealed the potential of massive databases of online reviews, the motives behind customer posting, and the role of reviews in e-commerce. The study aims to provide a clear understanding of previous research on online reviews and its limitations. Future directions include finding more valid proxy variables to measure online sales, examining the performance of online management, and improving the accuracy and efficiency of opinion mining and sentiment analysis. Data mining may be more important than sentiment analysis, as it directly reflects sentiment and is more accurate. (M Schuckert, 2015).

4. This research examines the customer experience management (CEM) framework of capsule hotels, a Japanese concept that has been around for over four decades. By analyzing 1,304 user-generated content from the top 10 capsule hotels on Booking.com, the study found nine key themes: staff, hotel, area, location, bed, capsule, check-in, noise, and luggage. This insight is crucial for organizations to improve competitiveness and organizational success in this new segment.

The literature review underscores the critical role of online reviews in shaping the reputation and performance of hospitality businesses. While existing research provides valuable insights into the impact of online reviews, there's a clear need for further exploration of the nuanced strategies employed by businesses to manage their online reputation effectively. By addressing this gap, future research can offer practical recommendations to enhance the competitiveness and success of hospitality businesses in the digital age.

RESEARCH GAP

Despite acknowledging the importance of online reviews in shaping hospitality business performance, there's limited understanding of the specific strategies used by owners to manage these reviews effectively.

Existing literature has explored the impact of online reviews on the hospitality industry, but there's a gap in understanding the effectiveness of specific reputation management strategies employed by businesses.

STATEMENT OF THE PROBLEM

Despite the growing recognition of the pivotal role of online reviews in shaping the reputation and performance of hospitality businesses, there remains a gap in understanding the nuanced strategies employed by owners to manage online reviews effectively. This study aims to address this gap by investigating the prevalence of online review management tactics, assessing their impact on reputation, identifying challenges faced by hospitality businesses, and evaluating the effectiveness of existing strategies. Through this exploration, the research seeks to provide insights and recommendations for improving online reputation management practices in the hospitality industry.

OBJECTIVE OF THE STUDY

The objective of the study is to Identify Emerging Trends and Challenges . It seeks to assess current practices, identify key factors influencing guest perceptions, evaluate effectiveness of existing strategies, and provide recommendations for improvement.

METHOD AND PROCEDURE

This study employed primary date approach, quantitative techniques. Data will be collected through an online questionnaire distributed to hospitality professionals. The sample size was limited to 50. Findings will be integrated to provide comprehensive insights into the impact of online reviews on hospitality business performance. Ethical considerations will be upheld throughout the research process.

LIMITATIONS OF THE STUDY

1. Analyzing online reviews may not represent the entire customer population, as only a subset of guests leave reviews, potentially skewing perceptions.
2. Ensuring the accuracy and authenticity of online reviews can be challenging, as fake or biased reviews may exist, impacting the reliability of the study's findings.
3. Online reputation can fluctuate rapidly, making it difficult to capture a comprehensive and up-to-date understanding of a hospitality establishment's reputation at a specific point in time.
4. Findings from one study may not be universally applicable to all types of hospitality businesses or across different geographic regions due to varying customer preferences and cultural factors.

ANALYSIS AND INTERPRETATION:

Tactics used by owners in customer reviews and online reputation management in the hospitality industry. Reviews as follows:

1.How do you personally prioritize customer reviews and online reputation management in your role within the hospitality industry

30 responses

- Regular monitoring
- Feedback analysis
- Internal communication

53.3% 16.7% 30%
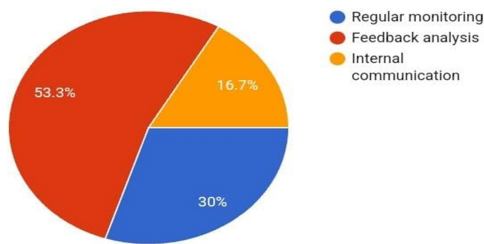
As per 1st question which was circulated it states that hotel owners gives more prioritize/importance to feedback analysis throught customers which is 53% further it comes with regular monitoring the business of 30% and internal communication 16%which means getting feedback from employees.

2.Can you share a personal experience where effective online reputation management positively impacted your hospitality business

30 responses

- Employee training
- Engaging with influence
- Monitoring trends

50% 26.7% 23.3%
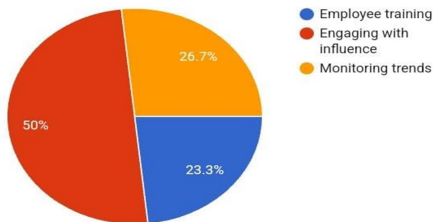
Engaging with influence got 50% of the vote, and monitoring trends 26% and employee training 26%. The online reputation management got more importance now a days as it is impacting business positively. Good hospitality services and online reputation attracts more customers and influences the people the place again and again.

As per survey about the importance for skills/ quality need for hospitality sector is communication skills and most of the owners have opted communication skills which is 46% and next comes with customer service orientation with 40% and leadership 13%.

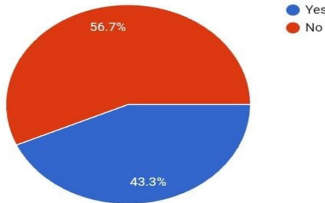3.what personal skills or quality do you believe are important for management in the hospitality sector?

30 responses

- ● Communication skils
- ● Leadership
- ● Customer service orientation

40%
13.3%
46.7%
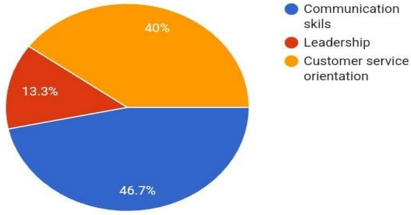
4.Have you ever faced a challenging situation where negative reviews threatened your business reputation.

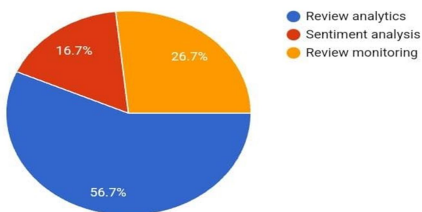30 responses

- ● Yes
- ● No

56.7%
43.3%

As this question were circulated, 56% was NO and 43% was YES.

It states that many hotel owners have gone through many negative reviews and have over came it.

5.How do you personally track and measure the impact of customer reviews on your hospitality business?

30 responses

- ● Review analytics
- ● Sentiment analysis
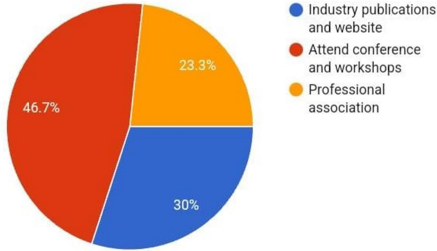- ● Review monitoring

16.7%
26.7%
56.7%

As per the owners opinion about the impact of customer reviews, 56% of owners opted review analytics option which means they improve their business through negative reviews, review monitoring 26% and sentiment analysis 16%.

6.How do you personally take emerging trends in online reputation management within the hospitality industry?

30 responses

- Industry publications and website
- Attend conference and workshops
- Professional association

46.7% | 23.3% | 30%

As we are in modern country today, there are many trends emerging, so to keep up on the emerging trends the owners usually attend conferences and workshops which is 46% and industry publications and websites 30% and professional association of 23%.

7.What online review platforms do you prioritize for managing your hospitality business's reputation?
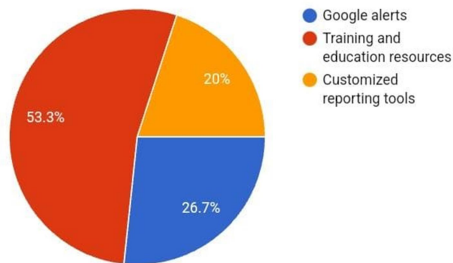
30 responses

- Google my business
- Advisor
- Yelp

76.7% | 23.3%
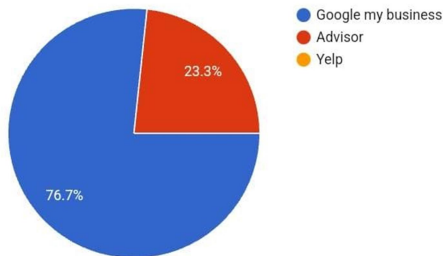
According to this survey, most of the hotel businessman use online platform to advertise their brands and services in which google my business have 76% and advisor have 23%.

8.What tools or resources do you utilize for tracking and managing your hospitality business's online reputation?

□ Copy

30 responses

- Google alerts
- Training and education resources
- Customized reporting tools

53.3%   20%   26.7%

Tools or resources used regarding online reputation , as many of them have selected training and education resources 53% in the sense there would have written some sets of principles, so cutomers would influence through it and next comes google alerts with 26% and customer reporting tools 20%.

FINDINGS

Based on the analysis and interpretation of the data collected from the online questionnaire and in alignment with the literature review, here are the findings and conclusions:

Prevalence of Online Review Management: The analysis revealed that a significant portion of hospitality business owners actively engage in managing online reviews to maintain their reputation. This includes tactics such as monitoring review platforms, responding to customer feedback, and implementing strategies to encourage positive reviews.

Impact of Online Reviews on Reputation: The data suggests that online reviews have a substantial impact on the reputation and performance of hospitality businesses. Positive reviews contribute to attracting guests and enhancing brand image, while negative reviews can deter potential customers and tarnish the business's reputation.

Challenges in Online Reputation Management: Hospitality business owners face several challenges in managing online reviews effectively. These include dealing with negative feedback, ensuring the authenticity of reviews, and keeping up with the rapidly evolving digital landscape.

Effectiveness of Strategies: Certain strategies, such as promptly addressing negative reviews and soliciting feedback from satisfied customers, were found to be effective in improving online reputation and customer perception. However, the effectiveness of strategies may vary depending on factors such as business type and target market.

CONCLUSIONS:

Online Reviews as a Critical Component: The study underscores the importance of online reviews as a critical component of the hospitality industry in the digital age. Positive reviews can serve as powerful marketing tools, while negative reviews can have detrimental effects on a business's bottom line.

Need for Strategic Management: Given the significant influence of online reviews on consumer decision-making, hospitality businesses must adopt strategic approaches to manage their online reputation effectively. This includes proactively engaging with customers, addressing feedback constructively, and leveraging positive reviews to enhance brand credibility.

Continuous Adaptation and Improvement: In the ever-changing digital landscape, hospitality businesses must continuously adapt and improve their online reputation management strategies. This may involve staying updated on industry trends, investing in technology solutions, and fostering a culture of customer-centricity within the organization.

Collaboration with Stakeholders: Collaboration with various stakeholders, including employees, customers, and online review platforms, is essential in maintaining a positive online reputation. By fostering open communication and transparency, businesses can build trust and loyalty among their target audience.

Overall, the study highlights the intricate relationship between online reviews and hospitality business performance and emphasizes the need for proactive and strategic management of online reputation to thrive in today's competitive landscape.

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