

The determinants of managerial responses to hotel guests' reviews: An exploratory study in the city of Milan

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Abstract

The spread of eWOM and travel review websites has profoundly changed the consumer decision-making process along with firms' strategies. A key topic of discussion, both for academics and practitioners, is the opportunity to reply to online consumers' reviews. Although some studies have recently investigated the subject, this topic need to be further explored. The purpose of the present study is to investigate the variables that influence hotels' propensity to reply to guests' reviews. The results of the research suggest that hotel managers show more propensity to reply to negative guests' reviews of their native language. Possible motivations and implications are discussed.

Keywords

eWOM; guests' reviews; Tripadvisor; hotels

1. Introduction

In the tourism sector the spread of ICTs and social media along with an increasing mobile connectivity has led to the development of electronic word-of-mouth (eWOM), and travel review websites. This has profoundly transformed both the consumer decision-making process and firms' strategies. Preceding research about eWOM focuses on two principal levels of analysis (Cheung and Thadani, 2010 and 2012): a market-level analysis, focused on the impact of customer reviews on product sales (Chen and Xie, 2005; Chevalier and Mayzlin, 2006; Dellarocas and Zhang, 2007; Zhu and Zhang, 2010), and an individual-level analysis, concentrated on the influence that the communication process between a communicator and a receiver may have on attitude and purchase decisions (Park and Kim, 2009; Cheung et al., 2009). In the hospitality industry, interesting subjects of research concern the factors consumers evaluate during the decision-making process. Among others, review content and valence (Ye et al., 2009; Mauri and Minazzi, 2013) and management responses to customer reviews (Park and Allen, 2013; Ye et al., 2010; Sparks et al., 2016) are normally considered mostly influential for customers in the evaluation of alternatives and in taking final decisions. Although the role of guest reviews in the hospitality industry is a key topic of discussion, further empirical research is necessary to investigate how these reviews have to be managed. The purpose of the present study is to investigate and identify some variables that influence hotels' propensity to reply to guests' reviews.

2. Conceptual background

The growing volume and reach of eWOM shed light on the need to investigate how managers could handle this information and how this action could influence potential customers (Sparks and Bradley, 2014; Serra Cantallops and Salvi, 2014). Past research on eWOM has focused primarily on the consumers' perspective (consumers' motivation for posting or the effect of consumers' reviews on consumer behavior). Few studies investigated the effect of management responses to online reviews (Mauri and Minazzi, 2013; Wei et al. 2013; Levy et al., 2013; Sparks et al., 2016). On this topic, a stream of research considers online reviews as an opportunity for travel suppliers (Litvin et al., 2008) and a new marketing tool (Dellarocas, 2003) that allows managers to interact with customers. According to this position, firms should strategically respond to online consumers' reviews (Chen and Xie, 2005, Zhu and Zhang, 2010; Lee and Song, 2010; van Noort and Willemsen, 2012; Sparks et al., 2016), especially to negative ones, in order to positively influence hotel customers' attitudes and potential customers' perceptions (Litvin and Hoffman, 2012), purchasing intention and expectations (Ye et al., 2009; Xie et al., 2011), as well as review rating and review volume (Ye et al., 2010).

Great part of literature about online reviews emphasize the relationship between the valence of the review (also called review scoring) and booking intentions and decisions (Sen and Lerman, 2007; Ye et al., 2011; Sparks and Browning, 2011; Mauri and Minazzi, 2013). The prevailing stream of research supports the idea that a prevalence of positive messages have a positive impact on travelers' behavior and, in turn, a predominance of negative WOM has a negative impact on customers' purchase intentions and decisions (Chatterjee, 2001; Bambauer-Sachse and Mangold, 2011; Mauri and Minazzi, 2013). This position supports the idea that negative reviews have detrimental impact on businesses and, in addition, that the influence of negative WOM is greater than that of positive WOM (Park and Nicolau, 2015). A great corpus of literature demonstrated the combined effect of valence, volume and variance in influencing the receiver of the message (Kim et al., 2015; Xie et al., 2014; Ye et al., 2009).

Previous research found that responses to negative online reviews can positively affect hotel customers' attitudes and potential customers' perceptions (Litvin and Hoffman, 2012), purchasing intention and expectations (Ye et al., 2009; Xie et al., 2011), and review rating and review volume (Ye et al., 2010). However, some empirical analysis suggested that in some cases managerial response may be counter-productive (Mauri and Minazzi, 2013; Xie et al., 2014).

Recent studies about management responses tried to understand how hotel managers should reply to online customers' reviews. Some of them concentrate to specific replies to negative reviews (Sparks and Bradley, 2014; Sparks et al., 2016). Bad reviews offer opportunity to the managers to make improvements (Schuckert et al., 2015). Others found that responses to positive reviews might have a higher impact than to negative reviews (Ye et al., 2010). Being an ongoing discussion, an interesting point to be investigated is the management response orientation of hotels companies concerning their propensity to reply to online customer feedbacks according to the valence of the message. Therefore, the first hypothesis of the study is:

H1 High-tier hotels are more likely to reply to negative reviews than to positive reviews

The relationship between language, culture and the Internet represents an interesting topic, especially for the tourism industry. However, very few studies investigate the relationship existing between the language of online reviews and other factors (i.e. management response, rating, etc.). We found a study of Schuckert et al. (2015) analyzed the difference in rating behavior of English and non-English speaking guests in an online environment.

How the language of the review influence other consumers and how hotels should manage the online review (i.e. reply) according to the type of language? Statistics tell us that English is the most widespread language used in the Internet by both native and non-native speakers (internetworldstats.com, 2017). However, tourists of different countries could feel more comfortable writing a review in their native language. An interesting issue to be explored is the language matching between the online review and the hotel response. To our knowledge, this is the first study that investigate this issue. Hence, the second hypothesis of the study is:

H2 High-tier hotels generally respond to guests' reviews using the same language

Academic research on MR strategies underlines the main reasons to reply to online consumers' review. One is connected with complaint management and finds its background in offline service recovery literature. In this case, the focus is the customer who posted the feedback and the reply should consider the difference between customers' profiles in replying.

However, thanks to the transparency of the Internet, management responses to customers' reviews can be publicly seen by other customers (Xie et al., 2014). Then, the actual way hotels reply to consumers' feedbacks on travel review websites seems to be more directed to the general public rather than to the specific customers that is reviewing. A study of Gu and Ye (2014) investigated the impact of online management responses on both customers who receive the response and on customers who are observing. Kwok et al. (2017) state that "reviewers, managers and review readers are interacting with one another on the internet through the medium of online reviews". We suppose that hotels adopting MRs as a marketing tool consider as the receiver of the response the whole public of guests and potential guests who are consulting the platform and not only the specific guest who posts the review. Therefore, the profile of the customer, according to his travel experience and the number of past reviews (i.e. reviewer level in Tripadvisor), is not an element capable of changing the hotels' response rate. Consequently:

3. Methodology

A pilot study was conducted to test the hypotheses on a sample of guests' reviews of seven luxury hotels in the city of Milan extracted from Tripadvisor, the main travel review website consulted in the tourism sector. Following the approach adopted by Park and Allen (2013) we chose hotels from major international hotel brands because for this category online reviews and responses may have higher effects on brand reputation. In this category, we selected the hotels according to a theoretical sampling that is "particularly suitable for illuminating or extending relationship and logic among constructs" (Eisenhardt and Graebner, 2007, p. 27). In this method, the cases are selected considered mainly theoretical reasons. Three in-depth interviews with general managers was conducted in September 2016 to identify the most convenient hotels to be selected coherently with the purpose of the analysis.

Data were collected in Autumn 2016. We chose the most recent 30 reviews for each hotel in the period of analysis. A database was build including nominal variables (reviewer's name, date of the review, language of the review, language response), dicotomous (managerial response) and ordinal (reviewer's level, review scoring). Table 1 summarizes the variables description. Because of the type of the variables and of the sample drawn, it was used a non parametric test, Fisher's exact test. In order to test the first hypothesis, on a scale from 1 to 5 used by Tripadvisor, we considered positive scoring values 4 and 5 and negative values from 1 to 3. The reviewer level was taken according to the score given by Tripadvisor (from 1 to 6) that depends on the number of reviews previously posted.

Table 1 Variables explanation table

Variable	Description
Reviewer's name	The nickname of the user. It is the identification code in the database.
Date of the review	The day in which the review has been posted
Reviewer's level	It measures the experience of the reviewer based on the number of reviews posted on a scale from 0 to 6.
Language of the review	The language used by the reviewer to post the comment.
Review scoring	The score assigned by the user to the hotel on a scale from 1 to 5.
Managerial response	The reply provided by the hotel to the online review (yes or no).
Language response	The language used by the management to give the answer.

Source: our elaborations

4. Findings, discussion and managerial implications

The first result of the study shows that high-tier hotels are more likely to reply to negative reviews confirming the previous literature on the topic. This means that hotels take into account the valence of the message (review scoring) in defining their MRs considering the detrimental effect that they can cause to the business.

The second result of the paper concerns the language matching between the online review and the management response. Data show a full matching for most common languages (within

the selected destination of the present study) as English, German and Spanish while a mismatching/no answer result for less common languages.

The third result confirms that managerial responses to guest reviews are not addressed specifically to reviewers. In this case, we would have found a higher response rate to frequent travellers who book many room-nights every year. According to this finding, managerial responses, used as a marketing tool, are targeted to the entire public of readers, generally potential clients who are evaluating the available choices for their hotel stays.

Our findings can disclose common strategies practices, linking them to theoretical principles, and in this way help hospitality managers to make informed decisions about the choice of responding to online reviews, and the major issues that should be considered.

The paper has some limitations. Being an exploratory study, it is focused on one specific hotel category (high-tier hotels/luxury) located in a specific city (Milan). For the future, the sample might be enlarged in order to cover also other hotel categories and geographical areas.

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