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ONLINE REVIEW MANAGEMENT IN HOTEL INDUSTRY

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ABSTRACT

The impact of online reviews and social media on hotel business has reached an unprecedented level, given the vast amount of people checking posted opinions prior to making their booking decisions. This study, thus, aims to provide insight into a complete online review management (ORM) strategy. In order to find out the guidelines for managing reviews, both secondary and primary data were collected. Based on secondary data, two frameworks were created. Framework 1 explains the role of online reviews on hotel business and consumption, Framework 2 presents the ORM guidelines.

The primary data collection consisted of interviews with five (5) hotels that are diverse in types, sizes and locations. Those hotels were chosen as they are shown to be practicing ORM. The purpose was to understand how hoteliers carry out ORM in reality. The interview questions and findings analysis were based on the created frameworks.

The results show that ORM guidelines include five efforts in order: (1) creating a remarkable guest experience, (2) encouraging online reviews, (3) monitoring online reviews, (4) responding to online reviews, and (5) acting upon attained information.

KEYWORDS: Online Reviews, Online Review Management, User-generated Content, Word-of-mouth, eWord-of-mouth, Social Media

1 INTRODUCTION

This chapter, firstly, discusses the background of the study. After that, research problem and research gap are presented. Follows are research question and research objectives. Finally, the study structure is presented and the key concepts of this thesis are defined.

1.1 Research background

The arrival and adoption of Internet has turned the online marketplace into a vital and dynamic distribution and communication station where businesses and consumers can reach each other within fingertips. In 2011, 43% of people in Europe made online purchase and 71% of consumers in the U.S. reported use of online shopping (Zickuhr and Smith, 2012; Eurostat, 2012). In 2009, the amount of online shopping raised up to \$348.6 billion worldwide. It is estimated to increase almost 125%, reaching around \$778.6 billion, in 2014 and touch \$1 trillion by 2020 (Karimi, 2013). The Internet has also brought around a word-of-mouth (WOM) revolution. The tradition WOM (off the Internet) is spread through friends, family members or neighbors. Through the Internet, individuals are able to make their thoughts and opinions easily accessible to the global community of Internet users (Dellarocas, 2003). This has come to be called electronic word of mouth (eWOM). In the century of social media and user-generated contents, consumer decision making has changed in the way that the control of what is being said about businesses has shifted from the hands of marketers to the hands of consumers. According to Nielsen's Global Trust in Advertising report (2012), which surveyed more than 28,000 Internet respondents in 56 countries, 70% surveyed consumers globally trust consumer opinions posted online, made "online consumer reviews" the second most trusted source of brand information and messaging after "recommendations from people I know".

This trend cannot show any clearer in the travel industry, given that numerous potential guests check posted opinions prior to making their booking decisions. When it comes to traveler reviews, TripAdvisor is the most recognized website. After launching in 2000, TripAdvisor completely changed the way travelers do their trip research by offering them with a platform where they can share advice and experiences with other travelers.

By reaching above 260 million visitors monthly (in 2013) and over 150 million reviews covering more than 3.7 million accommodations, restaurants and destinations, TripAdvisor has become world's largest travel community. (TripAdvisor, 2014). More specifically for hotels, reports show that every year hundreds of millions of potential hotel guests consult review sites and 84% of these visitors have their hotel choices influenced by the online reviews they see (Milan, 2007). World Travel Market's 2010 Industry Report also reveals that 35% of travelers change their decisions of hotels after browsing social media. The commissioned report, conducted by PhoCusWright (2012) on behalf of TripAdvisor, discloses that 53% of respondents state that they will not book a hotel that does not have any reviews, and 87% of users say the site's reviews help them feel more confident in their travel decisions and have a better trip. Moreover, 93% of respondents agree that a hotel stay is very important to the overall trip experience.

Clearly, online consumer-generated information is taking on a significant role in online travelers' decision making. Embracing online reviews and taking action are likely to help hotels to increase their business. The results of Ye's, Law's and Gu's study (2008) show that positive online reviews can considerably increase the number of bookings in a hotel, and 10% improvement in reviewers' rating can increase sales by 4.4%, on the other hand 10% increase in review variance can decrease sales by 2.8%. Brian Ferguson, Vice President of Supply Strategy and Analysis of Expedia also shared that a 1 point increase in a review score (on a 5 point scale) equals a 9% increase in average daily rate. (ReviewPro, 2014). According to Anderson, researcher for the Center of Hospitality Research at Cornell University's School of Hotel Administration, social media, particularly online review sites and review aggregators such as TripAdvisor, Expedia, Booking.com, Hotels.com Travelocity and Orbitz continue to have a significant impact on businesses in the hospitality industry, which is estimated to be \$116 billion in the US alone. In another research, Market Metrix revealed that the number one factor that influences purchase decision is online reviews (over 50 % of guests chose a hotel based on online reviews). This factor has more impact on consumer behavior than price, loyalty, and location. (ReviewPro, 2014).

1.2 Research problem and research gap

The impact of online reviews and social media on hotel business has reached an unprecedented level. Online reviews are the key to customer insights, the source to achieve excellent service, the tool to attain good reputation and sustainable competitiveness, and consequently the outcome of increased booking and prosperous business. However, according to a survey conducted by Market Matrix and TripAdvisor (2009), 85% of hotels have no guidelines for managing online guest reviews (Barsky and Frame, 2009). A recent research conducted by Levy, Duan and Boo (2012) also confirmed that this appears to be the case. Mr. Friedlander, Founder and CEO of ReviewPro, shared in his article that very recently, hotels were not making enough investment on online reputation management; however, with feedback from social network currently affecting all hotel departments, the case for investing on this area is developing.

Online review and reputation management is indeed a current issue that calls for research contributions. Previous studies have mostly proved the enormous effect of online reviews on hotel booking intention. That establishes awareness and motivation. This master's thesis, therefore, wishes to offer insights into actions, what hotels need to do to leverage the effect of online reviews for sustaining and developing their businesses in the age of social media and user-generated contents. Some research has addressed specific issues related to managing online hotel-guest reviews. Gretzel (2007) largely contribute to the travel industry by investigating the role and effect of online travel reviews in the travel planning process, the factors that influence reviews' credibility and usefulness, as well as what motivate people to write and post online travel reviews. Xie, Miao, Kuo and Lee (2010) investigated the effect of online reviewers' personal identify information on consumer processing of online hotel reviews and booking attention. Litvin and Hoffman (2012); Levy, Duan and Boo (2012) focused on the importance of responding online guest reviews, particularly negative reviews. Each earlier study offered understanding on certain function of online review management. This study, taking into account that a great deal of hotels out there still have no guidelines for monitoring, responding to or acting on online guest reviews, aims to provide insight into a complete online review management (ORM) strategy.

1.3 Research Question and Research Objectives

1.3.1 Research question

The purpose of this study is to help executives in the industry to gain a comprehensive knowledge on ORM strategies from both conceptual and practical point of view. The research question of this thesis is:

⇒ *What are the guidelines for hotels to manage online guest reviews?*

1.3.2 Research objectives

- To understand the impact of online reviews on hotel business.
- To create a framework for ORM guidelines.
- To study how the case hotels perform their ORM procedures.

1.4 Structure of the study

This thesis is organized in five main chapters: Introduction, Literature Reviews, Research Methodology, Empirical Study and Discussion and Conclusions (see **Figure 1**). The study is developed in a structure that first, the problem is introduced, then relevant literatures and studies are reviewed. After that, the methods employed in the study is described, followed by the presentation of empirical findings. Finally, the results are discussed and the conclusion and suggestion for further studies are provided in the end.

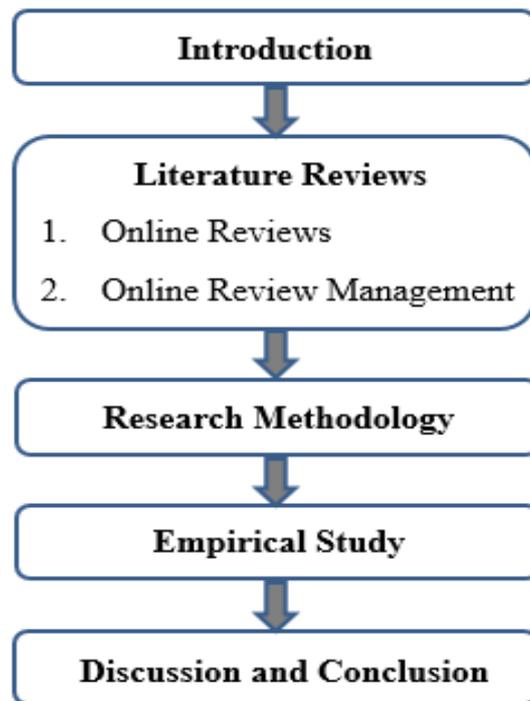


Figure 1. Structure of the study.

1.5 Key concept definitions

Social media: a group of web-based software applications and the users of those applications can generate content that accessible to just about anyone with a web browser (Waters and Lester 2010: 2).

User-generated content (UGC): data under any forms such as writing, videos, photos etc. about a product, a brand or other issues created by user of the websites. (webopedia, 2014). It is a concept of “by consumers for consumers”.

Word-of-mouth (WOM): person-to-person communications about a brand, product or service between consumers who are not under any commercial influences. (Arndt, 1967)

eWOM: WOM behavior taking place on the Internet. eWOM is a specific type of UGC about companies or products. (Wang and Rodgers, 2011)

Online reviews: online expression of consumers' opinion about a brand, product or service. (Couzin and Grappone, 2014:22)

Online guest reviews: online expression of individuals who have stayed in a hotel about their staying experience.

Online review management (ORM): is a function of online reputation management in which companies practice certain guidelines to understand public opinions about their brands and take an active role to attain favorable sentiments. (Couzin et al., 2014:16-17)

2 LITERATURE REVIEWS

This chapter includes two major parts: (1) Online reviews and (2) Online review management. The first part discusses the concept online reviews, the world of online reviews including its dark side: fake reviews, and impact of online reviews on hotel business. A framework is provided in the end of the first part to explain how online reviews can affect sales. After gaining insights into the importance of online reviews on hotel industry, the second part of this chapter devotes to how hotels can manage online reviews to ultimately increase business. A framework for ORM guidelines is proposed in the end.

2.1 Online reviews

This first part of the Literature Reviews aims to define the concept of online reviews and their impact on business and consumption, specifically in hotel industry. Prior to that, the author will present the antecedents of online reviews before the arrival of Internet. WOM was a well-established concept in business and consumption. The Internet has brought around a WOM evolution which leads to the existence of eWOM and online reviews. The three concepts will be discussed thoroughly as they evolve.

2.1.1 WOM, eWOM and online reviews

WOM

WOM has been recognized as one of the most influential resources of information diffusion since the beginning of human society (Godes and Mayzlin, 2004; Maxham and Netemeyer, 2002). Arndt (1967), one of the earliest researchers on WOM, defines the notion as person-to-person communications about a brand, product or service between communicator and receiver who are not under any commercial influences. It is necessary to emphasize that WOM messages should not be distorted by profit-making. Brown, Barry, Dacin and Gunst (2005) explained WOM as when one individual communicates to another about a target object. That means the topic that individuals discuss is not limited to just a brand, product or service as presented in Arndt's (1967)

concept. Brown et al.'s concept is more comprehensive in a general context but it is not explicit enough in business context. Jalilvand, Esfahani, and Samiei (2011) and Heriyati and Siek (2011) hold similar idea about WOM in which they comprehend WOM as the behavior of sharing opinions regarding a product or services among consumers.

The growth of WOM communication has become a great interest for both scholars and businesses. This is because the effect of WOM has on how consumers may perceive company's products or services, which eventually impacts on company's sales volume. (Lerrthairakul and Panjakajornsak, 2014). Arndt and May (1981) develop a hierarchy of information source (see **Figure 2**) in which direct prior experience is the primary information sources, and interpersonal sources are more influential than mass media sources.

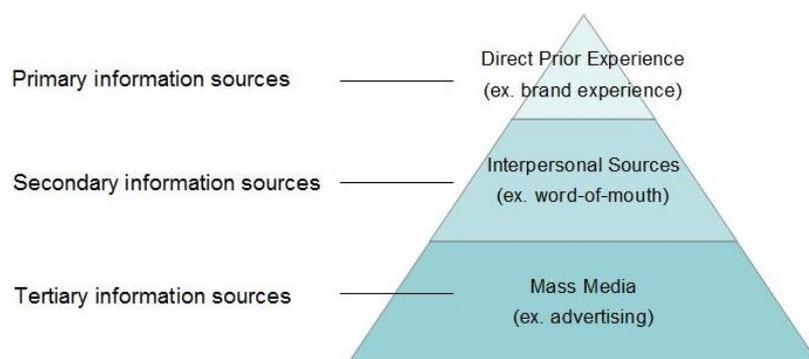


Figure 2. The hierarchy of information sources. (Arndt and May, 1981)

This model was established originally for durable consumer goods. However, Faber and O'Guinn (1984) conducted a study which evaluates different information sources that potentially influence movie selection to test Arndt and May's hierarchy. The three sources were investigated in order to determine respondents' frequency of perceived credibility, consultation, importance and usefulness: Preview (direct prior experience); critics' reviews, television ads, radio ads, magazines (mass media); comments from friends, from a spouse/date, from acquaintances (interpersonal sources). The research indicates interpersonal sources were generally more influential than mass media sources. The finding of Assael's and Kamins' (1989) also support Arndt et al. hierarchy of information sources. Research has shown that the reason people seek out WOM is because it is found to be reliable, time saver, and a way to reduce purchase risks.

Consumers perceive WOM as credible information source because there is no commercial intention behind the message (Arndt 1967, Wirtz and Chew 2002, Kozinets, de Valck, Wojnicki and Wilner 2010). WOM usually has a strong effect on product judgments and purchase decisions because of the high perceived credibility in the person-to-person interaction (Herr, Kardes and Kim, 1990). The concept of WOM has not received any significant changes throughout its existence. Its name simply establishes its meaning very clearly. Nevertheless, what changes is the environment in which it takes place. The advent of Internet has made opinion and information sharing much easier. Communications in the tradition WOM were restricted between friends, families and neighbors now are easily accessible to the global community of Internet users. Hence, the concept of eWOM is born.

eWOM

The emergence and popularity of the Internet make it very simple for consumers to interactively share their thoughts and experiences about products, services or brands, or other issues with other people. Hennig-Thurau et al. (2004) refers to eWOM communication “as any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet”. Breazeale (2009) adds that the communicator might not be a consumer at all. Given that the concept of WOM has been established, eWOM is WOM behavior taking place on the Internet (Dellarocas, 2003). There are several ways in which eWOM is transmitted and they can be divided into different categories:

- *Posted review* is a type of eWOM that appears on online retail shops and commercial sites that specializes in consumer opinions. The “posted review”, or “online reviews” which will be discussed on the next subdivision, is currently considered the most common form of eWOM.
- *Mailbag* includes comments and feedback posted by consumers and readers on the websites of product manufacturers, service providers, magazines and news organizations.
- *Discussion forums* include announcement boards where people can post statements and comments about a specific issue.

- *Electronic mailing lists* notify members of an email list with consumer opinions.
- *Personal emails* are messages sent by one individual to another.
- *Chat rooms* are places “where real-time conversations between groups of people over the Internet take place”.

Schindler and Bickart (2004)

The difference between WOM and eWOM is the environment in which it takes place and hence, with the possibility that the Internet offers, the volume of communications in eWOM is much larger and is posted publicly for all Internet users to see. (Heming-Thurau et al. 2004, Pantelidis 2010). Therefore, compared to WOM, eWOM is easily and quickly available and remains accessible over time regardless the communicator or the receivers know each other or not (Litvin et al., 2008). Nevertheless, eWOM cannot offer the same level of credibility as traditional WOM where the communicators know each other. Yet eWOM is still an important and very useful information source for consumers and businesses. An individual's acquaintance circle cannot happen to know or have experienced all the products or services that one happens to need opinions or advice for. eWOM is a vital aspect of e-commerce. Consumers find eWOM less biased, more credible, relevant and easy to relate to than information from marketers. (Bickart and Schindler, 2001). In addition, eWOM has significant impact on the sales of products and services because consumers have a tendency to actively seek and give opinions online. (Goldsmith and Horowitz, 2006; Bickart et al., 2001; Ba and Pavlou, 2002; Lee Park and Han, 2008; and Ye et al., 2009). Xiaofen and Yiling (2009) also found that eWOM have considerable influence on consumer's willingness of purchasing. According to Hung and Li (2007), eWOM has the advantage that make it even more influential than WOM because the tailored situation and explicit information (e.g. photos, videos). Several research confirms that eWOM could be more powerful than WOM in communication, due to its distinct characteristics and the remarkable technological development of the Internet.

Online reviews

Online reviews or online consumer reviews is the most accessible and widespread form of eWOM. (Chatterjee, 2001; Shidler et al., 2004). Online reviews are consumers' opinions and experiences regarding a specific brand, product or service (Klassen, 2009; Lee et al., 2008). It is noteworthy to be aware that, creators of the content in eWOM can be potential, actual, former customers who give comments about product/ service or brand; whereas, the content of online reviews are written only by consumers who actually have bought and experience the product or service. Online consumer reviews serve two distinct roles: (1) provide information about products and services. (2) serve as recommendations. (Park et al., 2007). Online reviews are posted on retailer sites but are often hosted by independent third-party operators (Hennig-Thurau and Hansen, 2001). According to Opinion Research Corporation, almost two-third of the respondents reported reading online reviews to inform a new purchase. Online reviews have become significantly important for purchase decisions especially when consumers are not able to judge a product or service in person. They have a tendency to rely on this type of eWOM to mitigate risks concerning product quality and the reliability of the company. In addition, Nielson Global Online Consumer Survey reveals that 70% of consumers trust opinion posted online (Cherecwich, 2009). This number perhaps could be higher if there was not because of the nature of online reviews make it not as trustworthy as the tradition WOM where consumers are aware of the sender's credibility. Yayli and Bayram (2009) found that consumers judge review's trustworthiness based on the reliability and popularity of the review hosting sites. Thus, the operators or hosting websites work to maximize the degree of reliability of their online reviews sources. **Table 1** compares WOM and eWOM/Online reviews in brief.

WOM	eWOM/Online reviews
Person-to-person opinion sharing	Opinion sharing on Internet
Small in amount of information & sources	Large in amount of information & sources
Low in accessibility	High in accessibility
Confirmed credibility	Trustworthiness is dealt with by operators
Information presented orally	Information can be illustrated with hi-tech (e.g. photos, videos)
Significant impact on purchase decisions	Significant impact on purchase decisions

Table 1. WOM versus eWOM/online reviews

2.1.2 The online reviews landscape

To understand the world of online reviews and its system, it helps to discuss relevant aspects.

Types of online reviews

It is practical to understand different types of online reviews (see **Table 2**).

Product reviews are opinions and descriptions about a specific item generated by consumer. Product reviews can be seen on e-commerce retailer sites such as Amazon. Product reviews include free-style text expression along with star rating or sometimes presented under “pros” and “cons” or other formats designed by the websites.

Company reviews expressed by customers to provide feedback about a business, a service provider or a brand in general. Although these feedback are not about a specific merchandise but they are triggered by a particular purchase and experience with the company. Yelp, TripAdvisor, ResellerRatings etc. are the sites that aggregate reviews about organizations

Customers Q&A (questions and answers) is offered by sites such as Yahoo!Answer to help consumers seeking answer about a specific product. Recently, ecommerce and review sites such as Amazon, Bazaarvoice and TurnTo have provided Q&A features that allow consumers to ask direct questions and receive answers from the most reliable possible source: people who actually own or have experienced the product.

Social media commentary: consumers post their opinions about a company or a product on social media platforms such as Twitter or Facebook. This content can be expressed under texts, pictures or videos. People who are seeking information for a purchase also can put out a call for information and recommendations and receive responses from their social circles. This feedback is mainly used for the company's own learning. However, some reputation management services such as Market Matrix and Revinatate offers technology that allows customer surveys to be fed into public review sites.

Complain reports: some venues are created just for consumers to post their objections about negative customer experience. Ripoffreport.com, pissedconsumer.com and complaintsboard.com filled with consumer bombards about business misconduct. These reviews are often expressed as defamation. Businesses frequently accuse these sites as extortion. Nevertheless, companies cannot ignore what is being said about them; hence, managing negative online reviews is an integral part of reputation management for businesses.

Customer satisfaction surveys are usually conducted by businesses to collect feedback for internal use, either via emails, businesses' websites or at the points of sale. These reviews are mainly gathered for the company's own learning. However, some reputation management services such as Market Matrix and Revinatate offer technology that can feed customer surveys to public review platforms.

Professional reviews: Earlier types of reviews can be communicated by just about any Internet users. Professional reviews are written by industry experts, bloggers, journalists or product testers. These reviews quite often offer more of information and analysis about the product than personal opinions, but it can happen that the reviews are

sometimes under commercial influence. However, this thesis only focuses on eWOM of average consumers.

(Couzin et al., 2014:22-26)

Types of online reviews	Explanation	Example of platforms/sites
Product reviews	Consumer opinions about a specific product.	Amazon
Company reviews	Consumer opinions about a specific company.	Yelp TripAdvisor
Customers Q&A	Consumers seeking and receive answers about a product or a brand.	Yahoo! Answer
Social media commentary	posted opinions about a product or a brand on social media platform	Twitter Facebook
Complain reports	displayed objections about negative customer experience	Complaintsboard.com Ripoffreport.com
Customer satisfaction surveys	collecting customer feedback	Emails Market Matrix
Professional reviews	expert opinions about a product or a brand	Blogs

Table 2. Types of online reviews. (Adapted from Couzin et al., 2014)

Review sites

Review sites, a section of sites or software tools (e.g. apps), publish reviews about products, services or businesses and the main audience are consumers seeking information for purchase decision making. Review platforms commonly publish

reviews on their own site. However, sometimes they are engaged to collect and publish reviews on another's site (e.g. product or service provider's sites). (Australian Competition and Consumer Commission, 2013). Reviews are accessible from the search engine. Business owners cannot intervene. Any user can add a business. They can claim their profiles or respond to reviews but they cannot delete or manipulate the contents. (Couzin et al., 2014:29)

One of the first guidelines of all reviews sites, regarding the content, is: "you are responsible for your content" - The content must be true, accurate and reliable. (yelp, tripadvisor, urbanspoon). To succeed, these sites must gather as many reviews as possible and develop the perception that these reviews are trustworthy. That will increase the amount of visitors and as a result more reviewers. Since trustworthiness is vital, these sites design an approach or technology to moderate and filter reviews that seem suspicious or are generated in an unnatural way. (Couzin et al., 2014:28). However, how the filter works and whether it actually works in a way that just favors consumers still remains unknown because that is company confidential. **Table 3** shows examples of different review platforms, in which who is being reviewed, where the reviews are seen, and how they work.

Examples of review sites	TripAdvisor Yelp Urbanspoon Citysearch Angie's list Insider Pages
Who is reviewed	Businesses
Where reviews are seen	On the review site or sometimes incorporated to be displayed at the business provider's site. Reviews often appear in search results.
How they work with businesses	Review sites list and rate a business regardless of the business's intervention. Businesses can often claim their profile, and perhaps can respond to reviews. Promoted placement and advertising is often available as income source.

Table 3. Review sites. (Adapted from Couzin et al., 2014)

Review sites for the hospitality industry

Different types of reviews are aggregated by different sites. Being familiar with various review platforms and services would help businesses in their online review management effort. Below are popular review sites where your hotel business can be discussed:

TripAdvisor founded in 2000 and is currently the largest travel website that focuses on hotels, but also include reviews of destinations, attractions, and restaurants. The site has more than 170 million reviews and opinions from travelers all over the world, over 4 million businesses and properties in 140,000 destinations. Every minute more than 100 new contributions are posted. More than 90% questions posted are replied to by other travelers within 24 hours. The website provides various features:

- Candid Traveler Photos: traveler photos of hotels, restaurants and attractions.
- Hotel Price Comparison: allows users to see real-time hotel room prices and availability all on one page.
- Forums: for members to share opinions, advice and experiences.
- TripAdvisor Flights with Fees Estimator: Offers the largest record of flights with the best deals available and an estimator that helps people understand the true cost of a flight.
- Maps: Makes finding the right hotel, at the right price, in the right location, very simple.
- TripWatch: People can receive customized e-mail alerts on the specific hotels, attractions and destinations.
- Businesses can create profile and sign-up for free alert when new reviews come in.

(TripAdvisor, 2014)

Yelp, founded in 2004, is a popular review site about a wide range of local businesses from pizzerias to well-known dentists. Yelp has over 61 million local reviews. Businesses can create an account to post photos and messages for customers to see. (Yelp, 2014)

Google+ Local is Google's own space for reviews of local business. It is integrated with Google Maps and Google+. The site also includes Zagat reviews (Zagat, is a review sites about hotel, restaurant and nightlife, and is acquired by Google in 2012), reviews posted on Google by users, and links to reviews posted elsewhere. (Couzin et al., 2014:30)

Hotels.com is a provider of hotel accommodation worldwide. The site gives travelers one of the broadest varieties of accommodation on the Internet in over 240,000 properties worldwide. It is also a major hotel review site includes user reviews and reviews from Tripadvisor. (Hotels.com, 2014)

Travelocity, founded in 1996, is a major online travel agent (OTA) that allows travelers to plan, buy and manage their trip. Users can post reviews of hotels, cruises, and activities on a scale of one to five smiley faces. (Travelocity, 2014; Couzin et al., 2014)

Orbitz, established in 1999, is a global online travel company that enables travelers to search for, plan and book a wide collection of travel products and services such as airline tickets, hotels, car rentals, cruises, and vacation packages. In relation to reviews, the site allows travelers to post thumbs up/down reviews of hotels and cruises. (Orbitz, 2014; et al., 2014)

Expedia offers similar travel services as the previous OTAs. It also allows verified guests to post reviews of hotels and cruises. (Expedia, 2014)

Booking.com is a major hotel booking service that allows travelers to post reviews. (Booking.com, 2014)

Fake Reviews

It is probably incomplete to discuss the world of online reviews and not mention the unpleasant truth of it: fake reviews. It is important for businesses to have an understanding of the dark side of online reviews as a part of reputation management process. The nature of online reviews prompts several concerns that relate to credibility (e.g. communicators are strangers, absent of facial expression and body language, reviewer's expertise) and one of them is fake reviews. (Dellarocas, 2003; Lee et al., 2007; Litvin et al., 2008; Burges, Sellitto, Carmen and Buultjens, 2009). The idea behind fake reviews is the creation of dishonest reviews aims to promote reputation (with positive fake reviews) of your business and harm that (with negative fake reviews) of your competitors. They are written by business owners themselves or paid for. (Ibrahim, 2008; Litvin et al., 2008; Couzin et al., 2014:74, *The Digital Marketing Glossary*, Australian Competition and Consumer Commission; Jindal and Liu, 2008). According to the estimation of Liu, a computer-science professor of University of Illinois at Chicago, 30% of online reviews are fake. (Time, 2014). Gartner research showed a

lower number, 10-15%. (Gartner, 2014). The highest estimate of fake reviews is 40%, estimated by HotelMe.com, within the category of hotel reviews. (Couzin et.al, 2014:74). The estimates probably do not represent the real situation; there is no way to know for certain since algorithm is the detect tool. However, the numbers reflect the case that the amount of deceiving online reviews is higher than many people realize. Indeed, wandering along the dark side of online review world, it is easy to come across different companies who offer to write reviews or manipulate the system (e.g. making negative reviews disappear). **Appendix 1** shows ads in which review writing service is offered. **Appendix 2** shows a review-writing job announcement.

According to Liu et al. (2008), big brands are not likely to engage in purchasing reviews, but rather smaller and local businesses. Big organizations are more aware the legal aspect of dishonest reviews and more savvy to understand the downsides of faking online reviews. However, Gartner research indicates that big brands are probably not above suspicion. Their actions might not be so overt but they do take advantage of the social networks to attain Facebook “likes” and YouTube “hits” from people who have not experienced their brands. Gartner analysis predicts that “increased media attention on fake social media ratings and reviews will result in at least two Fortune 500 brands facing litigation from the U.S. Federal Trade Commission (FTC) over the next two years”. Fake reviews are illegal in most country, it is a violation of truth-in-advertising laws. (Digital Marketing Glossary, Australian Competition and Consumer Commission, Couzin et.al, 2014:76).

Besides breaking the law, posting misleading reviews is never an option for a long-term business strategy. First of all, the action may be discovered and publicly exposed and the business might be punished by review sites. Consequently, the business’s reputation would suffer significant damage. In addition, dishonest reviews have a tendency to inflate the quality of products or services. That leads to disappointment when customer expectation and experience are not compatible; and that leads to genuine negative reviews. Last but not least, by focusing on creating fake reviews, businesses might miss out the opportunity to really improve to earn positive real reviews. So, faking reviews is

thought to be the approach to boost business reputation, but all its outcomes show the opposite.

The fight against fake reviews

Online reviews sites' success depends on the perceived credibility of the reviews. (Couzin et.al, 2014:76). Therefore, besides the government, online reviews sites are another party who is trying to battle untruthful reviews. Several studies define credibility, in social media context, as the degree to which message receiver evaluates the message to be believable, accurate, fair, and in-depth (e.g. Rimmer and Weaver, 1987; Austin and Dong, 1994; West, 1994; Gaziano, 1998; Johnson and Kaye, 1998; Flanagin and Metzger, 2000; Metzger, Flanagin and Zwarun, 2003). Following the theory, various research has been done to contribute the issue of online review credibility. For examples, personal identity information improves the perceived credibility (Xie et al., 2010), semantic analysis, sentiment analysis, or algorithm to detect fake reviews (Jindal and Liu, 2008; Ott, Cardie and Hancock, 2012; Liu, 2012). Online review sites such as Yelp, TripAdvisor, Amazon, Urbanspoon have applied different approaches to increase the perceived credibility of their reviews sources.

Filtering reviews is the most common method that reviews sites use to manage fake reviews. A filter algorithm works to filter out suspicious reviews. As it is done by computer system so real reviews happen to be filtered out sometimes. (Yelp-official blog, Review Trackers).

Posting alerts approach is used by sites such as Yelp, TripAdvisor and ResellerRating to warn people about reviews that they did not consider legit. Yelp's "Sting operation" is an example of fake review alert, in which they do not just simply recognize reviews that are probably fake, but also throw a bait to expose businesses who are committed to the violation (see **Appendix 3**). (The New York Times, Review Trackers).

Verifying reviewer names is another way to improve review credibility, according to Xie et al. (2010). Amazon offers a "Real Name" label for reviewers who are willing to show their names and it is verified with a credit card. TripAdvisor has made members to

sign in with Facebook account where personal identity can be shown. Google+ no longer accepts anonymous or even pseudonymous reviews. The system tries to determine if the name provided for your Google+ profile may be an actual name or not. (TripAdvisor, Couzin et.al, 2014:77)

Verifying reviewer purchases is also a good approach to increase credibility of the content. Amazon ensures that reviewers have actually bought the item being reviews by labelling “Amazon Verified Purchase”. Several other review sites such as ResellerRatings, HotelMe.com, Expedia either identify verified customers or limit review posting to those with confirmed purchase. (Amazon, Couzin et.al, 2014:78).

Allowing users to flag reviews that appear suspicious or violate the rules is recently applied. (Amazon, Couzin et.al, 2014:78). However, most people are not very skillful in recognizing fake reviews. Nevertheless, every attempt to minimize fake reviews is appreciated.

It seems that the reviews sites have given effort to fight against fake reviews and to be perceived as trustworthy and unbiased. TripAdvisor, recently, changed their slogan from “reviews you can trust” to “reviews from our community” as a response to the fact that there are possible fake reviews on their sites. However, lately, reviews sites receive several complaints from businesses that the review filter system might not be unbiased. Firstly, businesses want to know what the rules of filtering are and why genuine reviews are sometimes removed. Second, they think that businesses who bought advertising places from the sites received better treatments, for example, their positive reviews may not happen to be filtered out as some businesses have experienced. In addition, review sites have also taken claims that they might “punished” businesses that make allegations of misconduct against them by placing a red warning notice. When it comes to the first problem, reviews sites explain that they cannot elaborate about all the variables that go into defining a legitimate review, because it will make their filter ineffective at fighting fake reviews that written by those who learned to make it believable (Yelp). There are still no evidences that make other allegations valid. However, it is always essential to question the system and ensure manipulation done by either businesses or reviews sites

are scrutinized to enhance consumer protection. Gartner (2014) believes that with tightened government regulation and increased media exposure of fake online ratings and reviews will ultimately increase consumer trust.

2.1.3 The role of online reviews on hotel industry and consumption

As presented earlier, WOM and eWOM have a significant impact on consumers purchase decisions. This section discusses the role of online reviews on hotel business and consumption, and why it is important for the industry.

The role of online reviews is crucial in hotel industry because its characteristics. One of the most common ways to categorize products is either as *experience goods* or *search goods* (Nelson, 1974). Experience goods refer to “goods for which the quality is uncertain prior to consumption” (Reinstein and Snyder, 2005). Entertainment products like plays, music, movies; travel packages; and hospitality services like hotel rooms, restaurants are good examples of experience goods. Those products/services require personal experience for quality to be judged. Thus, in making buyer decisions for experience goods, consumers naturally need to gather various information sources to reduce the risks and uncertainty involved with a purchase (d'Astous and TouillIt, 1999; Biswas D., Biswas A. and Dasis, 2006) . On the other hand, “search goods are dominated by product attributes for which full information can be acquired prior to consumption.” (Chiu, Hsieh and Kao 2005). These goods are for example cars, furniture, electronic devices. In this case, potential customer can evaluate the product based on its attributes (e.g. price, features, and functions) before the purchase. Search goods, therefore, assume lower degree of uncertainty because consumers can more or less be able to conceive what they are going to get.

In addition to *experience goods* characteristic, travel plans (including choosing accommodation) is a high involvement purchase. Factors constitute to a high involvement purchase are purchased product or service is costly (e.g. houses, cars, investments), or that poses the risk of substantial emotional consequences (e.g. jewelry, travels, accommodations, weddings) if a mistake is made (Kokemuller, 2014;

AdCracker, 2014). Gretzel's study (2007) on the role and impact of online reviews find that people typically become very involved and invest a great deal of effort in trip planning. The higher the involvement, the more extensive the information search is. So, unlike other industries that products can be physically accessed at shops, stores or can be judged based on product attributes prior to purchase decisions, consumers of lodging business almost always need to make their decisions in advance without seeing for themselves. Besides, according to TripAdvisor research, hotel stay is very important to the overall trip experience, which indicates high emotion involvement. Hence, online reviews from people who have actually experienced staying at the destinations become considerably valuable for decision makings. So, the characteristics of accommodation merchandises make online reviews very important for consumer purchase decision.

Not so long ago, it was common to consult friends and relatives about travel destination, and when it comes to accommodation people relied on travel agencies' recommendations. The decision was made upon few opinions. The situation has changed since the first reviews lit up the Internet. The most common online activity that people take part during planning their trip is looking at other consumers' comments/materials. (Gretzel, 2007). According to Milan (2007) 84% of online review sites' visitors have their hotel choice affected by reviews. Moreover, over one-third of travel businesses reviews on TripAdvisor are lodgings (TripAdvisor, 2012). With the growth of internet and technology, online reviews have become exceedingly popular.

Grezel (2007) investigated how online reviews inform the trip planning process. The sample is drawn from TripAdvisor users who are high educated, travel frequently and actively read other travelers' reviews for travel plans. They found that online reviews are used mostly to inform accommodation decisions. 77.9% of the respondents think that reviews are very important to decide where to stay. A majority of reviews readers think that reviews increase confidence and decrease risks in decision making. Ye et al. (2011) also found that online consumer reviews are one of the most essential variables in lodging choice. Online reviews play an important role in reducing uncertainty and the amount of information that must be processed for a decision to be made (Sparks and Browning, 2011; Chatterjee, 2001; Gretzel, 2007). In tourism research, the impact

online reviews and ratings have on accommodation business has been mostly overlooked until recently. Ye's, Law's and Gu's study (2008) show that positive online reviews can considerably increase the number of bookings in a hotel, and 10% improvement in reviewers' rating can increase sales by 4.4%, on the other hand 10% increase in review variance can decrease sales by 2.8%. Lu and Ye (2013) also confirm the importance of online reviews to hotel performance and their significant impact on sales. World Travel Market (2010) reveals that "35% of travelers change their choice of hotel after browsing social media". In terms of economic figures, online reviews influence \$10 billion a year in online travel purchases (Ye, Law, Gu, & Chen, 2011).

One strategic use for reviews is that hoteliers can read reviews to learn about their guests' experience. Litvin and Hoffman (2012) found that online reviews may enhance customer service. This was confirmed by several hoteliers with whom the study was discussed. These hoteliers noted how important online reviews were, and the outcomes are more flexible hotel policy and better service to meet guest demands. Online reviews can also offer hotels a chance for service recovery to ease unsatisfied guests and show potential customers that you care (Barsky et al, 2009). Vermeulen & Seegers (2009) found that online reviews in general, either positive or negative reviews, increase consumers' awareness and improve attitude toward hotels. The authors also suggest that online reviews are a valuable source of information on guests' attitude towards the hotel service, for which hoteliers can learn and improve the service quality. Several studies indicate that online guest reviews pose an opportunity rather than threat to hoteliers. For example, online guest reviews are usually about facility together with service quality and personal experiences, and reviewers express and analyze that in terms of value rather than cost. Noone's and McGuire's study (2013) also confirm that to retain or increase market share in the hotel industry, price is no longer the "deal" factor. Consumers rely on online reviews and ratings to inform their hotel purchase decisions and seek "value". In that way, it reduces consumer's sensitivity to price. This should lead to less intensive price competition but quality enchantment among hotels, and it generates two desirable effects: greater satisfaction for consumers and higher margin for businesses. Moreover, Exposure to hotel online reviews may contribute to the presence and inclusion of the hotel in consumer consideration set (Vermeulen et al., 2009; Jang,

Prasad, & Ratchford, 2012). Customers prefer hotels with more reviews and with less review variations. (Murphy and Chen, 2014)

Based on the above literatures and findings, **Figure 3** (Framework 1) explains the role of online reviews on hotel business and consumption, for which hoteliers can understand the impact online reviews have on their industry. Online reviews are an important tool for consumers to make hotel purchase decision, which ultimately have an impact on hotels' sale volumes. Consumers today can express their experience and opinions via online reviews, which is not harm but rather great opportunities for businesses as online consumers reviews becomes free and trustworthy advertising for hotels. Exposure of online reviews, either positive or negative constitute to consumer brand awareness. In addition, hotelier can learn about guests' experience, attitude, feedback and preferences from online reviews, which help them to improve service quality and so enhance the "value" that customers are seeking. This, hence, generates two desirable effects: greater satisfaction for consumers and higher margin for businesses. The role of online reviews does not stop there, because great customer satisfaction can generate positive reviews and that eventually leads to the increase of sales for businesses. So, it can be said that online reviews result in the increase of sales for hotels if hoteliers realize the importance and impact of online reviews and have an effective management to let online reviews work in their favor.

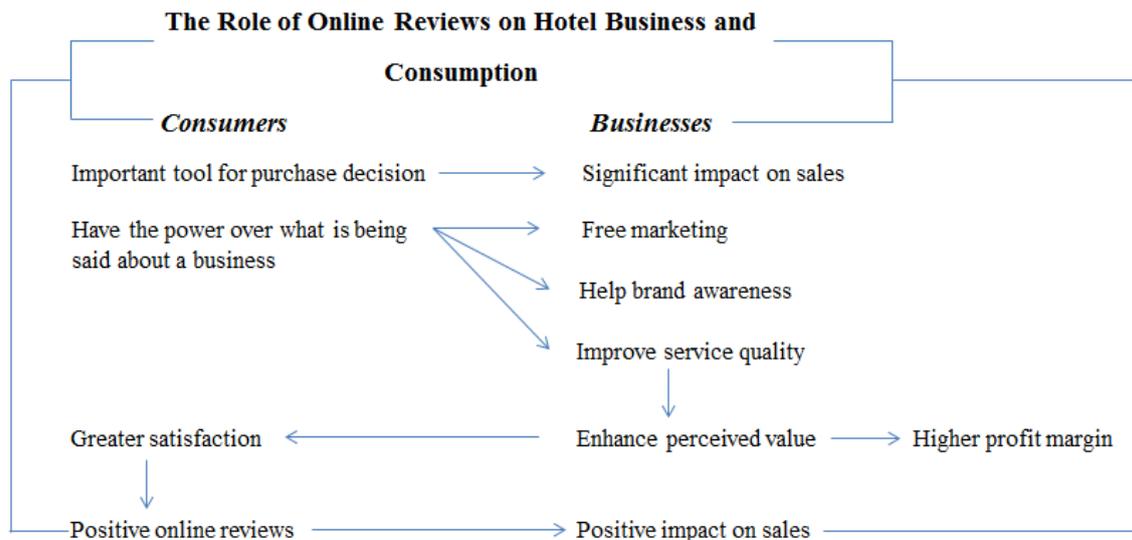


Figure 3. The role of online reviews on hotel business and consumption. (Framework 1)

2.2 Online review management

Previous chapter has indicated the importance and benefits of online reviews on hotel industry. Understanding that is the first step to business's online review management efforts. When the "why do it" and "what to gain" have been approached, then "how to do it" should be the following issue to be addressed. This section dedicates to how hotel managers can manage online guest reviews.

"A boost in your online reputation. A stream of new customers. What's holding your business back from fully realizing the benefits of online reviews?" Couzin et al. (2014) present this question to make hoteliers understand their opportunities in the age of consumer-generated content. Since what being said about the business has shifted from the hand of marketers to consumers, and the Internet make those messages available for just anyone. This is commonly perceived as threats and troublesome for business owners. Whether hotels see this transformation as positive or negative, online reviews are not going anywhere; thus, making online reviews produce positive effects is the way to go for businesses.

There are several studies have been done about the impact of online reviews on the hotel industry and businesses in general. Some articles cover certain activities need to be done to manage online reviews. Only Couzin et al. (2014) take the first step of

defining what online review management is. According to the authors, ORM is a function of online reputation management in which companies practice certain guidelines to understand guest public opinions about their brands and take an active role to attain favorable sentiments. Based on this definition, there are two major tasks hoteliers need to implement to practice ORM: (1) *be aware of public guest opinions about your brand* and (2) *be active in attain favorable sentiments*. The following subchapters will discuss these two in details

2.2.1 Be aware of public guest opinions about your brand

In order to know what people are saying about your business, hotels need to understand how to listen. Listening here means to read and monitor reviews written about your brand all over the Internet. Several studies point out that it is critical that hotels need to establish a monitor system (Couzin et al., 2014; Levy et al., 2013; Barsky et al, 2009; Litvin et al., 2012; RieviewPro; Kaijasilta, 2013; Melian-Gonzaler et al., 2013; Spark et al., 2011; Ayeh, Au and Law, 2013; Pantelidis, 2010).

Monitor

In order to monitor your online reputation, companies need to first identify on where (which sites) reviews about their brands are published (Couzin et al., 2014:83). The online review platforms for hospitality industry were mentioned in the previous chapter, namely, TripAdvisor, Expedia, Yelp, Booking.com, Hotels.com etc. It is understandable that hoteliers cannot cover all the reviews posted on all the review platforms and social media, unless they use a professional review management system (which will be discussed in the next section). Therefore, according to Couzin et al. (2014) and Kaijasilta (2013), it is effective to focus on review venues that matter the most. Those are the sites that contain largest amount of recent reviews, most visible on search engines (e.g. Google) and used most by prospective customers (Couzin et al., 2014:83). According to Starkov and Safer (2008), a few review sites for hotel industry that matter the most are TripAdvisor, Expedia and Google+Local. TripAdvisor and Google Alerts offer free new-review notification. Hotels can create their own profile on these sites and sign-up to receive a notification every time their business gets new reviews. Besides

being the most popular review sites about travel, Barsky and Honeycutt (2011) also revealed that TripAdvisor is a reliable review source. The researchers compared customer evaluations for 67 hotels using TripAdvisor and Market Metrix Hospitality Index (MMHI), a hotel customer-satisfaction operation, data for the past 12 months. The mean scores of hotels track between TripAdvisor and MMHI are very consistent. This indicates that, overall, “the reviews for a particular hotel are a reliable measure of average customer satisfaction of that hotel”. Consumers, in general, seem to trust established review sites. TripAdvisor, based on this study, is a reliable source for hotels to attain customer opinion information.

Monitoring and tracking new reviews is an ongoing task. Hotels, therefore, should establish a systematic system so that the task can be carried out efficiently in a way that hoteliers will not miss out online information or overinvest the time and energy. Several researchers suggest that hoteliers should appoint an employee or a group of staff just for this monitoring and reacting on online guest reviews (Starkov et al., 2008; Barsky et al., 2009; Levy et al., 2013; ReviewPro; Couzin et al., 2014:83) Monitoring online reviews is not just about understanding your current online reputation. Online reviews are valuable feedback and these data is free for taking. Reading online reviews inform hotels about their own performance and if there are problems that need to be fixed (Spark et al., 2011; Litvin et al., 2012). In addition, reading online reviews helps businesses understand customer trends and preferences and also predict future trends. (Barsky et al., 2009; Lu et al., 2013; Kaijasilta, 2013).

In addition, as mentioned before about fake reviews, it is important for hoteliers to keep that in mind while monitoring reviews. It is clear that review sites want to fight fake reviews to maintain the level of popularity and trustworthiness for their sites. Hotels, however, also need to familiar themselves with how to spot fake reviews. Recognizing certain reviews that may be fake, help hotels to quickly report to the review sites where it is posted to dispute it (Barsky et al., 2009). Australian Competition and Consumer Commission (ACCC) (2013) list certain factors that indicate a review is suspected to be fake. For example, a review that is written from the same email or IP address, written about the same business while the accounts of the reviewers indicate unusual

similarities (similar in email/IP address, username, or password), is extremely positive or negative and with “marketing” writing styles, does not make sense, different reviews written in the same language style. It is not easy to spot fake reviews; in fact, Ott, Choi, Cardie and Hancock (2011) conclude that “the detection of deceptive opinion spam is well beyond the capabilities of human judges”. However, hotels can see clearly if the review makes sense or not e.g. if it reflects truly about the property, amenities etc. When hoteliers come across something suspicious, flag the review and immediately report to the hosting site and provide them with reasons. Besides, it is important to understand the review sites’ guidelines for reviewers. If the business receives reviews which contain discriminations, offensive language or other violations of the site’s guidelines, flag the review and give an explanation of how the business believes the guidelines were violated (Couzin et al., 2014:240).

Review monitoring tools

There are several platforms that display reviews of a business e.g. review sites, social network channels, search engines, the site of vendors who sell your product/service (Couzin et al., 2014:84). There are tools that can help hotels monitor reviews from several review platforms including social network channels such as Facebook and Twitter which hotels should pay attention to as well (Levy et al., 2013; Levy et al., 2012; ReviewPro). They aggregate reviews from various locations around the Web and display them all together in a monitoring dashboard (Couzin et al., 2014:84). See **Appendix 4** for an example of dashboard provided by Revinat. The monitoring tools range from just notification alert system that hotels can sign up for free, to highly professional ORM systems that allow hoteliers not only monitor, but also analyze and classify reviews so hoteliers can have a comprehend understanding of their online reputation and easily address issues to be fixed. So it depends on the business’ needs and budget. It might be enough initially for small hotels with an alert and tracking tool that shows the latest online reviews, while big hotels probably need a more advanced system that enables brand analysis, department analysis and benchmarking with competitors (ReviewPro). Levy et al. (2013) and Ayeh, Au and Law (2013) advise hotels to use a review management tools to effectively monitor and respond to feedback. These services offer packages that can be quite affordable for small businesses, the

ranges between \$50-\$200/month. They also usually offer free 30-day trials (Couzin et al., 2014:86). Below are the features in monitoring tools, in order from basic to advanced:

- Sending notifications when reviews come in
- Offering measurement and analysis tools
- Providing a platform for following up and taking action on reviews
- Finding and aggregating reviews from multiple sources
- Providing views of the data that are tailored for different roles/department within the company
- Benchmarking your status among competitors
- Offering comparison between multiple retailers

(Couzin et al., 2014:85).

Companies that provide monitoring tools for hotels are: ReviewPro, TrustYou, Olery and Revinate.

ReviewPro: a European-based company founded in 2008 offers review aggregation from over 100 review sites, OTAs and major social media platforms in more than 40 languages. The company provides various product, namely, global review index, revenue optimizer, guest survey and sentiment analysis. (ReviewPro, 2014; Couzin et al., 2014:87)

TrustYou searches, analyzes and refines hundreds of millions of opinions scattered across a vast market. They are known for expertise in semantic analysis. TrustYou offers different product packages range from basic to advanced, such as, Mobile (daily alerts for every review on every online sites), Silver (reputation monitoring dashboard, daily alerts and reputation reports), Gold (reputation monitoring dashboard, social media management, and marketing widgets), and Enterprise (embrace the power of reputation influence for businesses). (TrustYou, 2014)

Olery translates online reviews and guest survey feedback into useful information. All the details of the business's reputation are presented in a simple friendly interface. *Olery*, in general, offers ORM tools, customer survey and data analysis. (Olery, 2014)

Revinate is official partner of TripAdvisor. The company aggregates reviews, survey data and social media mentions into a single, integrated system. (Couzin et al., 2014:87; Revinate, 2014).

In summary, the first major task of ORM is to be aware of public guest opinions about your brand, in which business need to monitor. Monitoring includes firstly, identifying review sites that deserve the business' attention. Second, establishing a system to track reviews, i.e. appoint an employee or a team to carry out the task daily. It is even more effective if businesses have access to review management tools provided by various companies that are specialize in online reputation management. Finally, businesses should as well watch out for fake reviews to protect their reputation.

2.2.2 Being active in attaining favorable sentiments

Hotels, besides understanding what is being said about them, need to also take an active role to attend favorable sentiments that leads to an increase in business, which ORM is all about.

Responding to online guests reviews

According to PhocusWright survey (2012), management response makes people more likely to book. All reviews should be responded promptly in a positive professional and personalized manner (Barsky et al., 2009; Levy et al., 2013). Hoteliers should appoint trustworthy employee(s) with strong writing skills to respond to guest online feedback (Levy et al., 2013). All studies emphasize that the person or group in charge of this task should be the same one(s) that carry out the whole process including monitoring and proposing actions upon the results from reviews. Levy et al. (2013) suggest that if all reviews cannot be addressed due to resource limitations, determine the relative value of reviews and divide the attention accordingly. For example, the reviews from business travelers are considered to be in higher value because they are can become regular and

loyal customer compared to reviews from pleasure travelers who may just stay one time and have different expectations. This is not a very suitable advice for ORM because first of all, management should establish a response policy such as timing, guidelines etc. (Barsky et al., 2009) so that responding to all reviews is a must-do and manageable task. If a hotel has a vast amount of reviews, that means the business is good and can afford resource for proper ORM. Secondly, responding to reviews is not just speaking with specific customers but with all current and potential customers who are reading about your business. Barsky et al. (2009) suggest a more appropriate approach. All reviews should be responded but in case, all reviews cannot be responded early enough (ideally, 24 hours), all negative reviews are taken care first.

Respond to positive review should be much easier compared to negative reviews. Normally it contains an expression of gratitude and care. However, Yelp thinks that it can also easily go wrong if business responses start to go further with gift certificates, mailing lists or requests for customers to promote their business. (Yelp, 2014)

Dealing correctly with negative reviews

All articles written about ORM indicate the importance of dealing correctly with negative reviews. According to TripAdvisor, only 7% of hotels on TripAdvisor are responding to negative reviews. Hoteliers are either not monitoring their online reputation, or not having an approach in dealing with negative feedback, or assuming responding is a wasted effort because this customer will probably never return. Anyhow, business should not waste the opportunity to communicate with customers, responding to a negative review is not just explaining to that particular unsatisfied guest but also to show the current and potential guests that you care and take responsibility. Responding to negative review is a very important part in ORM. (Starkov et al., 2008; Litvin et al., 2012). The action is an indication of the hotel's 100% commitment to serving their guests by accepting and willing to address problems (Litvin et al., 2012; Lu et al., 2013; Ayeh et al., 2013). ReviewPro and Litvin et al., (2012) add that managers should reply to negative reviews, because they will seem less negative to

potential customers when the business shows it is listening and working for improvement, and this opens a new line of communication with potential customers.

Moreover, hotels should understand the rules established by review sites. Review platforms have different guidelines for review responses. For example, TripAdvisor will not accept a response that contains objectionable language, promoting material, or others offenses. (TripAdvisor, 2014). Google have the same guidelines for both reviewer and business to follow, such as no nudity, hate speech, and also advises business to “be nice” when give responses. The response should be concise, useful and polite (Google, 2014).

Combining suggestions from different studies and expert opinions about ORM all together, an appropriate response to negative reviews should contain: a thank you for guest’ business and review, an apology for shortcomings, an explanation for inconsistent performance, and a discussion of corrective actions and improvement. (Starkov et al., 2008; Barsky et al., 2009; Pantelidis, 2010; Tourism British Columbia, 2012; Melian-Gonzaler et al., 2013; Litvin et al., 2012; Levy et al., 2013; ReviewPro, TripAdvisor, Yelp, Google). **Appendix 5** shows a reply to an unfavorable guest review from a hotel manager in London, which has all the elements for an appropriate response.

In addition, when a review contains a mix of positive and negative comments, the positive aspects should be mentioned in the response. That is to acknowledge the positive comments business was given and to not let prospective customers dwell on the negative. Moreover, there should be contact information of the person who responds, such as name, email address and title (e.g. position in the company) to show goodwill.

Levy et al. emphasized a very important fact that review response task should not be outsourced but should be done by in-house managers or employees who are intimately familiar with the hotel property, service and operation, and have greater connection and motivation to satisfy customers.

Acting upon attained information

Monitoring and tracking new reviews would not mean anything if businesses are not doing anything with the attained information. After responding to guest reviews, the next step is to learn from reviews to understand what the business is doing right and what needs to be improved is crucial to ORM (Litvin and Hoffman, 2012; ReviewPro; Levy et al., 2013; Couzin et al., 2014) . Some ORM companies, for instance, ReviewPro offer sophisticated tools such as semantic analysis which translate a vast amount data (reviews) to meaningful information. This is more convenient for hotels to identify areas for improvement and which aspects guests enjoy the most during their stay (ReviewPro). However, although your business does not have access to such tools, it is not impossible to do the analysis manually. (Couzin et al., 2014) suggest one of the ways to understand the sentiment in the reviews is to create an assessment form that categorize different aspects of the business, e.g. facility, amenities, staff service, price, location, cleanliness etc. Check if there were positive or negative mentions about them, and take note of what the mentions are specifically about. **Appendix 6** shows example of reviews analysis.

The findings should be analyzed for reporting. Hotels should establish meetings to discuss about the results of reviews monitoring on a regular basis. (Barsky et al., 2009; Couzin et al., 2014). Perhaps at the beginning, the reviews digest may not be optimally efficient i.e. miss out useful information, cover invalid issues, or not well-presented. However, by evolving the process over timer, hoteliers can establish criteria for what to be included in the summary and how they should be organized (Couzin et al., 2014:102). Such meetings inform both management and staff about current performance and suggest arears from improvement to enhance operation and service quality. Hotels need to ensure staff is aware of the issues and integrate guest reviews into staff training Barsky et al., 2009; Levy et al., 2013, ReviewPro; Tourism British Columbia, 2012). It is not just about letting employees know negative reviews and about performance gap, positive comments about service should be forwarded to staff as well to motivate and recognize their good work. Moreover, hotels should create a comprehensive feedback system by synthesizing solicited reviews (own guest feedback program) and unsolicited reviews (reviews from sites) to obtain a fuller picture of your guests' perception of your hotel. (Barsky et al., 2009; Levy, Duan and Boo, 2012; Levy et al., 2013)

Applying the findings for improving the service to meet customers' needs and wants better, and so create more positive experience is a correct action which helps hotels to achieve favorable sentiments. (Spark et al., 2011; Kitwatthanathawon, Angskun T. and Angskun J., 2012). Murphy et al. (2014) add that hotels by improving service and operations with feedback from reviews can influence more positive reviews and less reviews variations, which can result in an increase of business.

Encourage reviews

Several studies emphasize that one of the actions that hotels can take to positively influence their online reputation is to encourage guest reviews. Fewer reviews imply a less popular hotel (Barsky et al., 2009). A study conducted by PhoCusWright (2012) on behalf of TripAdvisor reveals that more than half of TripAdvisor users will not book a hotel that has no reviews (PR Newswire, 2012). Customers prefer hotels with more reviews (Murphy et al., 2014) because reviews are exactly what they need to inform their purchase decision. So, hotels with no or few reviews become out of considerations. In addition, encourage reviews also result in the fact that business will always have a regular stream of fresh reviews that show the current service situation (Spark and Browning, 2011; Melian-Gonzalez, Bulchand-Gidumal and Lopez-Valcarcel, 2013). Customers may not find the reviews so informative when what they read is something that happened a year ago. Melian-Gonzalez et al. (2013) also add that the increase of online reviews will better reflect the hotel's situation as a whole. With more reviews, customers can have a fuller picture of the business overall, which increases their confidence in booking. Having a large amount of reviews can convey a feeling of justification to consumers, because they may think that if so many people bought a given product or service, it must be worthwhile (Couzin et al. 2014:72).

Therefore, encouraging reviews is crucial and should be included in ORM. Levy et al. (2013) suggested that hotels should actively solicit reviews from satisfied guests. Litvin et al. (2012) also recommended hotels should encourage satisfied customers to post positive reviews. There could be a sign at the front desk with the message "If you enjoyed your stay, please let others know by sharing your thoughts on TripAdvisor". However, Couzin et al. (2014) think that by asking all customers to give a little bit of

their mind, the result will be more representative. Consumers want to see a variety of reviews, both positive and negative, to inform their decision. Studies show that consumers will look for negative reviews if they come across too many reviews in their research. “People tend to distrust products with 100% positive reviews” said, Neville Letzcritch, Executive VP of Products at Bazaarvoice (Couzin et al. 2014:70). Besides, by having a sign “If you enjoyed your stay, please let others know by sharing your thoughts on TripAdvisor”, hotels indicate that they want the reviews to be in only one direction, and only positive reviews are welcome. ORM is not just about making sure you attain favorable reviews, it is also about realizing what your business can improve to ultimately increase positive reviews.

There are a few ways that hotels can gain reviews, for example personally ask guests to write them an online review at check-out, and a reminder can be printed on receipts or sent by emails. (Barsky et al., 2009; Lu et al., 2013; RieviewPro, Couzin et al., 2014:107). While ask for reviews, let customers know the importance of their opinions to the improvement and success of your business (Couzin et al., 2014:108). Business can also have signs at the location to remind customers to write reviews, such as “Review Us on TripAdvisor” and include the link to your profile on that site. RieviewPro also suggest businesses to optimize their website with reviews. Nowadays, consumers consider a hotel by reading reviews from independent sources, not the hotel’s website where shows only the good side of the business. Hence, incorporate reviews from TripAdvisor or other similar sites in the review section of your website. This keeps customers stay at the website and also shows honesty and transparency and that you embrace reviews.

According to Gretzel (2007), there may be no external factors hoteliers can use to motivate consumers to write reviews as the motivations are to a great extent intrinsic (“help others by sharing my own positive experience, “other travel reviews helped me and I want to return the favor, “good travel service provider should be supported”, “tell others about a great experience” and “save others from negative experience”). Gretzel agree with other authors that what managers can do here is to decrease the barriers to writing reviews, for instance, making it simpler for people to contribute by sending a

remind email in which includes a direct link to a Web space where the reviews can be written and posted. Besides, a message can be included in the email to remind customers that others helped them with their trip and that they can now help others by sharing their experiences. Gretzel's study (2007) reveals that decreasing the barriers to writing is a more effective strategy than rewarding since the motivations for writing reviews are mostly intrinsic. Thus, asking for reviews and providing a convenient way to leave reviews increase the likelihood that business will get them.

It is very important to not purchase reviews at all. Hotels should not offer incentive in exchange for reviews because it has been recognized that incentives potentially caused biased reviews. Hotels can encourage reviews by asking customers for reviews but there should be no indication that the reviews should be in certain direction (Australian Competition and Consumer Commission, 2013; Couzin et al. 2014:69). Businesses should just simply ask guests to write a review that reflects their genuine experience. Some reviews sites are strongly against reviews resulting from an incentive. Therefore, the approach businesses use to ask for reviews should be disclosed to ensure you not violate the site's terms of use. In the guiding principles concerning businesses and online reviews of Australian Competition and Consumer Commission (2013), one of the principles is "do not post or publish misleading reviews". Misleading reviews, or fake reviews, are those that mislead consumers because they are presented as unbiased but were actually written by businesses, third party on behalf of businesses, third person paid by businesses, or someone who has used the product or service but who writes an inflated reviews because they have been offered with a financial or non-financial benefit. The selective removal of reviews by review sites for commercial reasons is considered misleading as well. Therefore, it makes sense not to fake reviews, not only it is illegal, it is because when fake reviews are spotted by consumers and review sites, business' credibility will be ruined. When trustworthiness is damaged, several genuine positive reviews that you might have had attained before may not mean much anymore

Creating remarkable experience

Remarkable experience here means positive experience that is worth making a remark. All the research about effective ORM emphasize that offering a good service is the best

way to attain favorable sentiments. Negative reviews are the results of negative experience caused by an operational failure followed by a service failure. If hotels follow the proactive guideline which is creating a remarkable experience and show guests you aim to solve issues when they occur, negative reviews can likely be avoided (ReviewPro). The best way for ORM is to prevent negative reviews in the first place. Market Matrix Hospitality index data show that guests who experience problem write a review about it 22.6% of the time, while guests without a problem write reviews 8.8% of the time. “If you are responding to problems after they are posted to the world, that is damage control, not reputation management” (Barsky and Waite, 2012). In addition, according to Spark et al. (2011) and Melian-Gonzalez et al. (2013) recent positive reviews can over-ride or moderate the effect of previous negative reviews, in terms of booking attention. ORM, thus, calls for a proactive, not reactive, approach. Gotjuice.co.uk, 2012 also agreed that the easiest way to minimize negative mentions is to simply run a good business and have a process in place to gain new reviews. Customers will recommend business that offer high quality, great service and good value. Litvin et al. (2012) and Xie et al. (2010) hold similar view that delighted customers are likely to share their experience. So, hoteliers should be proactive and provide a high quality service and great value for their guests in the first place.

As mentioned earlier, according to Gretzel (2007), the motivations for writing reviews are mostly intrinsic. Some of the most common reasons for posting reviews are “good travel service provider should be supported”, “tell others about a great experience” and “save others from negative experience”. Several research also has found that the motivation for guests to write reviews are extremely good experience or extremely bad experience. (Hennig-Thurau et al., 2004; Gruen, Osmenbekov and Czaplewski, 2006; Litvin et al., 2008; Andreassen and Streuken, 2009). This confirms that by providing a great experience, businesses are likely to receive favorable reviews and conversely, bad experience can lead to unfavorable reviews. Studies (1993 and 211) published in the journal Marketing Science indicate that the top two customer experience that trigger reviews are experience does not match expectation and a particularly good or bad experience. (Couzin et al. 2014:70). Oliver and Swan (1998) propose that individuals

have a basic desire for a fair exchange. When businesses provide added value, consumers often feel an urge to provide something positive in return, possibly with a positive word-of-mouth (Couzin et al. 2014:69). Barsky and Waite (2012) conclude that hotels' reputation is ultimately based on the experience people have when they visit the venue.

To create a good experience, it begins at guest arrival. Hotels need to ensure a high quality service throughout guests' stay and that all problems they encounter are resolved prior to departure. Managers should train their staff to ask questions and engage guests from the start of their stay, not at the end. By that, customers can immediately seek out for help when there is a problem, which enhances their comfort and staying experience (ReviewPro; Leposa, 2012). The hotel staff needs to show that they are approachable so guests can come forward with their needs and wants (ReviewPro). Barsky et al. (2012) added that hotels should also establish real-time guest surveys that allow problems to be resolved when they occur.

It is important to be clear that the focus here is to create a remarkable experience to be worth mentioning about, not remarkable service. Several authors mention great and high quality service to satisfy guests and so attain positive sentiments. However, hotel's properties and amenities play an important role in creating high service quality for guests. Those are the features we might not influence so much. For example, a 2-3 stars hotels do not have luxury room, big swimming pool, bar and diverse food to offer. Thus, focusing on enhancing service provided by staff can positively affect consumer experience and trust (Hartline, Ross-Wooldrige and Jones, 2003). Consumers will not expect outstanding luxury service when they choose a budget hotel. But what hoteliers can influence is the service provided by staff e.g. the cleanliness, friendliness and helpfulness. These enhances value and guest experience. Service staff performance is a key cue for customers when evaluate service quality (Hartline et al., 2003). Remarkable experience is not just for 5 stars hotels. Little things can make a big difference. Any hotel can afford a free bottle of water at check in, a smile, a friendly attitude, a clean room, a thorough guidance to a local restaurants etc.

In addition, as one of the triggers for reviews is “experience does not match expectation”. So, hotels should make sure that information provided is truthful and consistent on all channels. For example, information and photos about the venues should be up-to-date (ReviewPro). Customers may not have a problem with 5-year-old furniture or having to pay to get access to the pool in the first place. But when the advertisement creates the expectation that everything is new and accessible, customer may experience a feeling of being deceived, which can trigger annoyance and possible spread of negative reviews.

To sum up, the second part of ORM is *being active to attain favorable sentiments* which comprises of reactive and proactive methods. “Responding to online guests reviews” and “acting upon attained information” fall under *reactive approach*, while encourage reviews and create a remarkable experience fit in *proactive approach*.

Responding to online guests reviews:

- All reviews should be responded promptly in a positive professional and personalized manner. Review response task should be carried out by in-house staff.
- With positive reviews: an expression of delight and gratitude.
- With negative reviews: An appropriate response to negative reviews should contain: a thank you for guest’ business and review, an apology for shortcomings, an explanation for inconsistent performance, and a discussion of corrective actions and improvement.
- With deceitful or inappropriate reviews: report the reviews and provide the sites with reasons.

Acting upon attained information:

- The findings should be analyzed for reporting. Hotels should establish meetings to discuss about the results of reviews monitoring on a regular basis to understand what the business is doing right and what needs to be improved is crucial to ORM.

- It is not a waste to invest in sentiment or semantic analysis from ORM companies.
- Ensure staff is aware of the issues and integrate guest reviews into staff training. Positive comments about service should be forwarded to staff as well to motivate and recognize their good work.

Encourage reviews:

- Asking for reviews without offering commercial incentive.
- Provide a convenient way for guests to leave reviews.
- Incorporate reviews from TripAdvisor or other similar sites in the business' website.
- Do not write your own reviews or purchase reviews.

Creating remarkable experience:

- Hotels' reputation is ultimately based on the experience people have when they visit the venue.
- Ask questions and engage guests from the start of their stay and that all problems they encounter are resolved prior to departure.
- Focusing on enhancing service provided by staff.
- Information provided is truthful and consistent on all channels

2.2.3 Online review management framework

Based on the above literature reviews, this thesis proposes a framework for hotel ORM guidelines as follows.

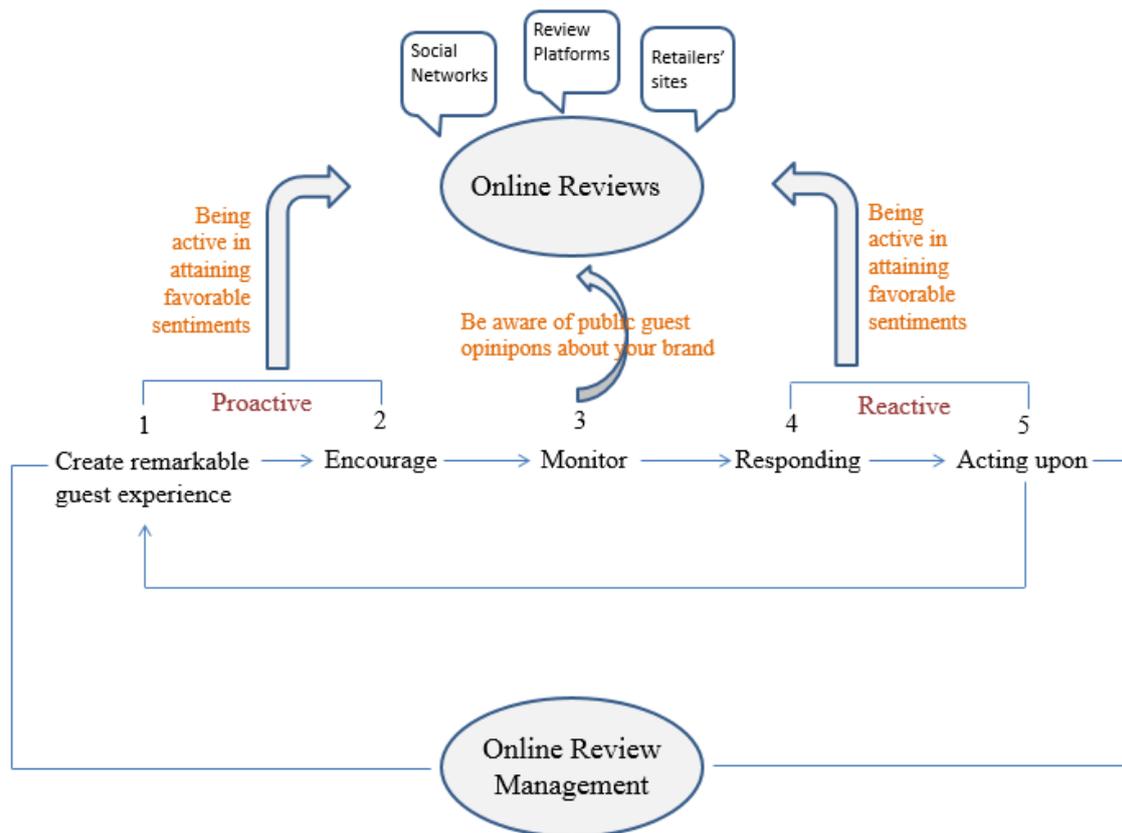


Figure 4. Online review management guidelines for hotel industry. (Framework 2)

According to **Figure 4**, first of all, hotels' reputation is ultimately based on the experience people have when they visit the venue. Therefore, having a proactive approach by creating a remarkable experience is an effective way to influence favorable sentiments i.e. gain positive reviews and avoid negative reviews. In order to do that, hotels should engage guests from the start of their stay, seeking real-time feedback throughout their stay to ensure that all problems they encounter are resolved prior to departure. In addition, focus on enhancing service provided by staff to positively affect guest experience. Finally, information provided should be truthful and consistent on all channels. This is to avoid a mismatch in guest expectation and experience. Inflated information about facilities and services can turn a possible good experience to a disappointing one.

The next proactive approach is to encourage reviews. The increase in reviews positively affects booking intentions. The large amount of reviews indicate popularity and trustworthiness of the business, and gives prospect customers sufficient information for

purchase decisions. Since the business has put effort in creating remarkable experience for their guests, there must be no reason not to embrace reviews. Hotels should ask for reviews (e.g. at check-out and via emails) without offering commercial incentive. In order to boost reviews, the system for guests to leave reviews should be simple and convenient. In addition, hotels must be adamant to not produce misleading reviews (e.g. purchase reviews or having friends to write reviews) because those are illegal and destructive conducts.

The above proactive actions increase the chance of attaining online favorable sentiments. However, that does not mean businesses do not need to worry about what is being said about them. Being aware of guest opinions about your brand is a major part of ORM, in which businesses need to constantly monitor and track new reviews. Businesses may think that they have done well but customers could have a different opinion. In addition, there are dishonest reviews that aim to harm the business. Monitoring reviews gives business opportunities to discover areas for improvement and chances to protect their reputation. In order to do that, the business must, first, identify review sites that deserve their attention. Second, establishing a system to track reviews, i.e. appoint an employee or a team to carry out the task daily. It is even more effective if businesses have access to review management tools provided by various companies that are specialize in online reputation management.

After gaining an understanding of what is being said about the business, the next step is to react to that. The first reactive action is to respond to the feedback. All reviews should be responded promptly in a positive, professional and personalized manner. It is important to handle negative reviews the correct way. An appropriate response to negative reviews should contain: a thank you for guest' business and review, an apology for shortcomings, an explanation for inconsistent performance, and a discussion of corrective actions and improvement. Hotels can deal with reviews that they consider to be fraudulent or inappropriate by report the reviews and provide the sites with reason for their belief.

Finally, monitoring and tracking new reviews would not mean anything if businesses are not doing anything with the attained information. After responding to guest reviews, the next reactive action is to learn from reviews to understand what the business is doing right and what needs to be improved. The lessons will be used to effectively create a remarkable experience for your guests. And the ORM cycle repeats as the business keeps developing and achieving more positive sentiments, which ultimately leads to increase in sales and business success.

3 RESEARCH METHODOLOGY

This chapter discusses the methodology of this study including reliability and validity. Limitations of the research are presented in the end of this chapter.

3.1 Data collection method

There are two main methods: *quantitative method* and *qualitative method*. Quantitative methods are those which emphasize on facts, numbers and frequencies rather than on meaning and understanding. With this type of method the results are given numerical values and the researcher uses statistical conduct to analyze the data (White 2003: 24). Quantitative methods are very often used for hypothesis testing. Qualitative methods are ways of collecting data which are concerned with describing meaning, rather than withdrawing statistical conclusion. They provide a more in depth and rich description. The researchers only use non-mathematical procedures when interpreting data (White 2003: 25). Qualitative methods are useful for exploratory research. (Ghauri et al. 2010: 106).

As the purpose of this research is to gain insights into ORM strategies, it therefore fits the description of exploratory research. Exploratory research is the design in which the major emphasis is on gaining ideas and insights (Brown and Suter, 2008:27). In addition, it is meant to provide details where limited information exists (Business Dictionary). Hence, qualitative method seems to be more suitable for this thesis.

Case study is chosen as an approach to collect primary data in this thesis. Case study strategy is most often used in explanatory and exploratory research because its ability to generate answer for the question ‘why?’ as well as the ‘what?’ and ‘how?’ questions (Sauders et al. 2009: 146). In addition, case study is an approach that involves an empirical investigation of a specific current phenomenon within its real life context (Robson, 2002:178). The empirical of this thesis is meant to find out how ORM works in reality.

Case study evidence can come from several sources but there are six sources that are common used, namely: documents, archival records, interviews, direct observation, participant observation and physical artifacts (Yin, 2009:101). This research employs interviews. Interviews are one of the most important sources of case study information (Yin, 2009:106). There are three types of case study interviews: in depth-interview, focused interview and survey – interview that entails more structured questions. (Yin, 2009:107-108). Focused interview is chosen because even the interviews remain open-ended but the interviewer is more expected to be following a set of questions established prior to the interview (Yin, 2009:107). This type of interview is a mixture of structured questionnaire and in-depth interview. Hence, it is called semi-structured interview which allows the researcher to gain in-depth information while still able to follow the key areas s/he wishes to cover.

In order to profoundly answer the research question, this study will investigate several hotels about their ORM practices. Therefore, this study can be seen as a multiple case study. Another reason for studying multiple cases is because the researcher wishes to explore the ORM procedures of different types of hotels (e.g. international hotel chain, local hotel, large/medium/small sized hotels). In this way, the results can be more standardized and applicable for the overall industry. In this thesis, small sized hotel, are hotels with 30 rooms or less. Hotels have between 31 and 90 room are considered medium sized hotels. Large sized hotels are those that have above 90 rooms. **Table 4** shows the cases' profile.

	Age	Location	No. of rooms	Size	Type	Customers	Interviewee's position
Hotel 1	6.5 years	Ho Chi Minh City (HCMC), Vietnam	81	Medium	3 start independent, local hotel.	Both leisure and business travelers with foreign guests as majority.	Director of Sales and Marketing
Hotel 2	15 years	HCMC, Vietnam	286	Large	International chain. Luxury.	Both leisure and business travelers with foreign guests as majority.	Marketing and Communication Manager
Hotel 3	9 months	Stockholm, Sweden	226	Large	Budget, national chain.	The amount of local and foreign customers is nearly equal.	General Manager
Hotel 4	6 years	HCMC, Vietnam	53	Medium	3 start national chain.	Both leisure and business travelers with foreign guests as majority.	Sales and Marketing Manager
Hotel 5	7 years	Barcelona, Spain	24	Small	1 star local boutique .	Foreign leisure travelers.	Communication and Marketing Manager

Table 4. Case hotels' profile.

The primary research data consists of five (5) interviews. The interviews with interviewees of Hotel 1 and Hotel 2 were carried out in a face-to-face setting which is ideal. The location of Hotel 3 does not allow a face-to-face interview; thus, it was carried out via an online call. Interviewees of Hotel 4 and Hotel 5 only agreed to have the interview to take place via emails. Thus, the questions and answers were sent by emails. It took a couple of times around to complete each interview as further clarifications were necessary. Face-to-face and virtual interviews lasted for 45 minutes

each. The interviewees of Hotel 1 and Hotel 2 preferred to have language of the interview to be Vietnamese; the rest was done in English. The data were gathered during November, 2014 and January, 2015.

3.2 Sampling method

Selecting cases is one of the primal tasks for researcher. Since the number of selected cases for in-depth analysis is usually small, random sampling may not typically a feasible approach, because if the random cases happen to not provide enough or the particular information the researcher is looking for. For example, if the research problem was to find out the factors influencing effective talent management, and the researcher randomly pick certain companies for analysis which happen to perform quite poor in that area. The collected data then may not be sufficient or even suitable for answering the research problem. Hence, purposive sampling is more sensible for selecting cases.

Purposive sampling can be understood as “the researcher decides what needs to be known and sets out who can and are willing to provide the information by virtue of knowledge and experience” – Tongco (2007). There are several techniques for purposive sampling depends on what the researcher wants to accomplish (Gerring, 2006:88-89). In this thesis, criterion sampling and diverse sampling are employed as the researcher wants to know about the guidelines for managing online guest reviews. Hence, the cases must fit one criterion to be able to generate sufficient data for answering the research question, which is the investigated hotel must have been practicing ORM. In order to search for proper candidate for the empirical study, the researcher visited TripAdvisor and checked randomly several hotels to discover a number of hotels which respond to almost every guest reviews. In addition the content of the responses was checked as well, for instance, if the responses were standardized as there was one same answer for every positive review and one exact reply to all negative reviews, this is not considered as an effort of ORM. The researcher then sent emails and also Facebook messages to those hotels to declare the wish of having an interview with them, and got the acceptance from 5 hotels above.

3.3 Data analysis method

Analyzing case study evidence is challenging because there is still no well-defined techniques available. To overcome this situation, each case study analysis first of all should follow a general analytic strategy in which priorities for what to analyze and why are clearly defined. Having a strategy is meant to help the researcher treat the evidence objectively, produce convincing analytic conclusion and rule out alternative interpretation. There are four general strategies, specifically: relying on theoretical propositions, developing a case description, using both qualitative and quantitative data, and examining rival explanation (Yin, 2009:130-133). This thesis employs the first strategy. The literature reviews lead to the establishment of an ORM framework which will be guiding the case study analysis. The framework can be seen as a proposition that helps to focus attention data and ignore other data.

Coming to the analytic techniques, according to Yin (2009), there are five possible techniques for analyzing case study evidence: pattern matching, explanation building, time series analysis, logic models, and cross-case synthesis. As this thesis is a multiple-case study, cross-case synthesis is applied as well as pattern matching. The researcher will identify commonality and patterns in the cases. Besides, findings of individual cases will be aggregated for simultaneous analysis.

3.4 Summary of research methodology

Table 5 shows the research methodology of this study in brief.

Research Methodology	
Data collection method	Qualitative method. Multiple-case study (different types of hotels are studied for their ORM practice). Focused interviews (mixture of structured questionnaire and in-depth interviews).
Sampling method	Purposive sampling: criterion sampling (the investigated hotels must have been practicing ORM).
Data analysis method	Relying on theoretical propositions. Cross-case analysis and pattern matching.

Table 5. Research methodology.

3.5 Reliability and Validity

Reliability refers to the consistency of the findings regardless of the duplication of the research (Sauders et al., 2009: 187). In other words, if another researcher carries out the study (using the same research methodology) once again, s/he will reach the same results. In order to increase the reliability of this research, the researcher has thoroughly presented the research methodology and why certain research techniques and tools are applied. So, the whole research process is transparent. In addition, to eliminate participant bias (interviewee does not answer honestly for certain reason), participants are told that the names of the case hotels will stay confidential. This is to avoid that participants may have a tendency to withhold or exaggerate information because of marketing purpose. Finally, in order to provide evidence that interviews actually take place, the interviews were recorded and documented, and direct quotations from the interviews are provided.

Validity is concerned with whether the findings is what the researcher intended to find out (Sauders et al., 2009: 188). In this study, the aim is to know what the guidelines for hotels to manage online guest reviews are. The researcher attempts to gain access to multiple sources of evidence (data triangle). Firstly, for the secondary data, besides academic journals, expert opinions are also used (e.g. published ideas and statements

from managers and CEOs from well-known and prestigious companies in the field of online reviews and online reputation management.). All the collected secondary data is aggregated and reviewed in order for an ORM framework to be provided in the end. Secondly, for the primary data, interviews with hotels are conducted to gain practical insights into hotel ORM guidelines. The interview questions (see **Appendix 7**) are developed based on the created framework. In addition, the researcher applies purposive sampling which means the cases must fit one criterion to be able to generate sufficient data for answering the research question, which is the case hotel must have been practicing ORM. Finally, the case studies comprise of diverse types and sizes of hotels, from international to local hotels in three (3) different nations. In this way, the results can be more standardized and applicable for the overall industry.

3.6 Limitations

First of all, as social media and user generated content have arrived just ten years ago, especially online consumer reviews has been popular around five years, there is a limited number of scientific research in this area, Therefore, secondary data must be obtained from experts' opinions, those in the business field, as well.

Secondly, two (2) of the interviews could not be carried in real-time, since the interviewees only agreed to answer through emails. This kind of interview is not ideal because it offers limited opportunities for clarification and further questions. Besides, it is somewhat lack of depth as the interviewees are likely to write less than they would talk. However, the researcher ensured that the received answers corresponded with the questions, meaning the interviewees understood the question as the interviewer intended to ask. Therefore, data collected from those interviews are still considered valuable and thus, they are still included in the analysis.

4 EMPIRICAL STUDY

In previous chapter, two frameworks were developed based on literatures reviews: (1) the role of online reviews on hotel industry and (2) online review management. The focus of this chapter is to present the results of the interviews. The interviews were done to have an understanding about how hoteliers see the importance of online reviews and how they carry out their ORM.

4.1 Online reviews' effect on hotel purchase decision

Interviews show that from the hoteliers' perspective, nowadays with such easy access to the Internet, online reviews have become very popular and it is essential for travellers to consult reviews, written by previous guests, for their booking decision. TripAdvisor seems to be the most popular review site, as most of the respondents refer to Tripadvisor as where posting and reading reviews take place. (Hotel 1, 2, 3, 4, 5)

“Online reviews have great effect on purchase decision because nowadays people go to TripAdvisor to read comments of guests who have stayed at certain hotels and that affect their choices.” (Hotel 1)

“Consumers read reviews on the Internet before making decisions. We live in a digital century when everything happens so quick, you surf the Internet to inform yourself about a certain service or company, you immediately come across things written about that service or company.” (Hotel 2)

“Reviews are very important for travelers; they always check Trip Advisor reviews before booking. Reviews are very popular these days, there are so many people write reviews, so there must be many people read reviews as well. 5 years ago, reviews are not so important, only young people use them to make decisions, nowadays everybody does it.” (Hotel 3)

“Online reviews are harsh truth that reviews before its time could never deliver the same thing. All returning and potential customers base their decision on such review.” (Hotel 4)

4.2 Online reviews' effect on hotel business

Interviews indicate that since it is so popular for people to read online reviews to inform their booking decision, hotel business therefore is affected by online reviews. Online reviews are an important tool for consumers to make hotel purchase decision, which ultimately have an impact on hotels' sale volumes. Positive reviews bring in more business, negative reviews cost business. In addition, online reviews help improve service as hotelier can learn about guests' experience, attitude, feedback and preferences from online reviews. (Hotel 1, 2, 3, 4, 5)

“Online reviews greatly affect the business because evidently when our hotel pays attention to manage online reviews, the amount of booking has increased the service also better and so the positive reviews we get increases. In the end of 2003 the online booking made up of 18% (while through Travel Agencies is 44%) of total sales and now the number of online booking is 26%. So online reviews, in our case, results in the increase of sales.” (Hotel 1)

“It does have a great effect on business because for example, TripAdvisor has huge amount of users, visitors and reviews. Imagine if a small percentage of people visit the website and see the bad reviews a hotel got, you probably lose that amount of potential customers already.” (Hotel 2)

“I think in general reviews are good for business if they are honest reviews. You can spend a lot of money on advertising but when customers are unsatisfied and spread negative reviews, it will show on your revenue. And when there are positive reviews written about your business, then that's free marketing.” (Hotel 3)

“Online reviews can make or break a business. The more favorable reviews means higher sales turnover.” (Hotel 4)

“Most of our guests tell us they picked our hotel among other options because of our good reviews on TripAdvisor (and Internet). I guess it can be the 75-80% of our guests. We can say they affect very positively.” (Hotel 5)

As online reviews have a significant effect on business. Thus, all the hotels think that it is very important to put effort on ORM.

“ORM is important. This is something we should do and it a part of customer service and customer relationship management.” (Hotel 1)

“ORM is very important as you see that we take it very seriously.” (Hotel 2)

“With online reviews are so essential for the purchasing decision. Managing online reviews with care is important to not only rate our own business against competitors’, but also to improve our own business, in a sense for better future reviews.” (Hotel 4)

“Online reviews can result in the increase of sales because they help us to reach to those who were still in doubt. Managing online reviews is essential because this allow us to reach those who do not know us already.” (Hotel 5)

4.3 Online review management

Hotel 5 has been practicing ORM right in the beginning of their opening in 2007. Hotel 4 also seems to have caught up with the trend quite early; they have been practicing ORM for already 4 years. Hotel 3 also realizes the significant effect of online reviews on hotel industry and has ORM as a part of their operation from almost the moment the hotel is open, which is 9 months ago. Hotel 1 and Hotel 2 have been practicing ORM for 1 year and 2 years respectively.

4.3.1 Be aware of guest opinions about your brand

The first major task of ORM is to be aware of public guest opinions about your brand, in which business needs to monitor reviews. Based on the literature reviews, monitoring should include firstly, identifying review sites that deserve the business’ attention. Second, establishing a system to track reviews, i.e. appoint an employee or a team to carry out the task daily. It is even more effective if businesses have access to review management tools provided by various companies that are specialize in online reputation management. Finally, businesses should as well watch out for fake reviews to protect their reputation.

Identify the review site and establishing a tracking system

Interviews reveal that the case hotels monitor reviews by checking TripAdvisor and booking sites daily. TripAdvisor is the site that the hotels pay most attention to. Tracking new reviews from TripAdvisor is not a complex or time consuming task, because the site notifies hotels when there are new reviews written about their brand. Hotel 5 uses some review tracking tools that are available for free, such as Google Alerts and Mention, to help them in their monitoring task.

“TripAdvisor sends notifications every week so I know about the new reviews we get.” (Hotel 1)

“We get notifications from TripAdvisor to know about new reviews.” (Hotel 2)

“TripAdvisor notifies about new review but basically, I set on my calendar 2 hours a week to read and answer all reviews. I also check on social media like Facebook. I read on the reviews from booking sites as well but just to learn about our performance because those sites do not offer the feature that allow businesses to respond to customer reviews.” (Hotel 3)

“We check new reviews daily except for TripAdvisor. TripAdvisor sends an alert email whenever we have new reviews.” (Hotel 4)

Who carries out the task?

All the case hotels carry out this task by themselves, they do not outsource. The person in charge of this task and the rest of the ORM procedure is Sales and Marketing Managers, or General Managers. Hotel 2 and Hotel 3 emphasized that it is ideal to have a general manager take care of ORM, because the guests can feel that their opinions are actually heard by the person who has the best interest in customer satisfaction and its effect on the business. In addition, there will be no need for reporting from subordinates, by getting directly involved, the general manager will always know exactly what is going on and can take immediate actions to ensure the best operation and service possible.

Using ORM tools

None of the hotels is using any ORM tools. Some of the hotels do not even know about such tool. However, all of them find it complete fine the way they are doing it now.

Hotel 2 which has 286 rooms thinks it is not necessary to use ORM software at the moment. *“ORM tools will be necessary when the amount of rooms is huge and so lead to the amount of reviews is also large that we must need software to sort out. We have 286 rooms here and let’s say it’s full, it will generate maximum 10 reviews a day, so there’s no need for ORM software”*, explained hotel 2

Look out for fake reviews

Hotel 2 and Hotel 5 have experienced fake review written by individuals who did not stay in the hotel or experience the service. The rest of the hotels have experienced reviews written by their customers but do not reflect what the situation actually was due to misunderstanding about service offering or promotions, or the guests were highly emotional.

“There was one case that we had offered a certain percentage off for those who book online and we also put the sign at our hotel to promote that offer. However, some guest who stayed at the hotel that not through online booking misunderstood that the offer is for everyone and wrote a review that we were dishonest.” (Hotel 1)

However, this is not considered fake reviews by definition, and this case happens to every hotel once in a while.

Only Hotel 1 has received some offer from some review writing service with the promise to provide positive reviews to increase the hotel’s ranking on TripAdvisor. They rejected the offer.

4.3.2 Being active in attaining favourable sentiments

The second part of ORM is being active to attain favourable sentiments which comprises of reactive and proactive methods. “Responding to online guests reviews” and “acting upon attained information” fall under reactive approach, while encourage reviews and create a remarkable experience fit in proactive approach.

Responding to online guests reviews

Interviews show that all the hotels respond to every review. Hotel 1 and Hotel 3 mentioned that they also try to respond to non-English reviews e.g. reviews written in Russian or German. The approach to do it is to use Google Translate to have an understanding of what the reviews about and respond to them in English together with a compatible version in that language translated by Google as well. Hotel 3 has employees who know other languages besides English, which is helpful in such situation.

"We respond to all reviews, bad and good. It is very important to listen to what our guests think about us and our service. So we read, we talk about it in our meetings and then we give a response. It is our procedure." (Hotel 5)

Time consumed

Responding to online reviews takes 30 minutes every day for Hotel 2. Hotel 3 uses two hours a week for this task, Hotel 1 uses three hours for it. Hotel 4 answers to all the reviews on weekend. Hotel 5 spends about 4-5 hours per week for this task. Depends on the size of the hotel, the amount of reviews received, and the English skills (if the person in charge of ORM is not a native English speaker), the amount of time for this work can vary. However, it seems like three (3) hours a week is the average time.

Responding to negative reviews

Interviews indicate that responding to positive reviews is much simpler than negative reviews. It is usually a "thank you" and "welcome back". For negative reviews, first hoteliers need to carefully investigate the case e.g. checking the related department of which the customers mentioned in their review to know when and how it happened. All the hotels do not have any difficulties in investing the cases from negative reviews. For big sized hotels, they have a system to have everything on records such as customers' names and staying duration, staff's schedule, and camera etc. For small sized hotel, besides having some basic system of keeping track of customer records, it is also easy for the manager to get hold of everything that is happening. After collecting information, the hotels acknowledge and apologize for any negative experience that their guests had regardless of the validity of the complaints. If what happened due to the hotel's shortcomings mistakes, then an apology is offered together with a promise that a

correction will be made. If the unfavorable reviews were the result of misunderstanding, guests' emotions or subjective matter then an explanation is provided combined with indication of understanding and that every opinion is taken into consideration to improve their service. (Hotel 1, 2, 3, 4, 5).

The guideline for responding to negative reviews includes:

- Proper language
- Honesty
- Indication of name and title of the person who answers the review
- Gathering information before answering the review
- Proper attitude e.g. unbiased and non-judgmental mind-set, being a good listener etc.
- If the person in charge of ORM is not the general manager, then sometimes the responses need to be approved by the senior manager

(Hotel 1, 2, 3, 4, 5)

“In order to handle negative reviews properly, we first need to know the facts of the story, what actually happened, that’s why I always go to the departments first to investigate what the case was actually, then I have an understanding to reply to the reviews. Even though the review can be very harsh but I always keep the standard style of language, and show appreciation for the reviews. There are usually two situations, one is that the complaints are valid, then I apologize and indicate that we will correct those issues. The other situation is that sometimes customers overreact maybe because of emotions, then I explain thoroughly to our guests.” (Hotel 1)

“We has a guideline for responding to online reviews: proper language, indicate name and title, ensure that you have investigated the case and consult related department to have facts, good listener, make no judgment because customers are the one who makes judgments, we are not supposed to judge customers for their judgments. The reply to reviews is based on facts. To investigate, we have everything documented (customer’s names, time of stay, staff’s schedule, camera etc.) so we just track back to those documents to know about the case. Even though the investigation is a little time consuming sometimes but we have to

solve it quickly so that it takes maximum 24 hours to respond to the review.”
(Hotel 2)

“For the negative review reviews, we try our best to clarify then respond to our guests immediately. All negative reviews must be treated and responded with care. Sometimes the response needs to be approved by the senior manager.”
(Hotel 4)

Responding to fake reviews

Hotel 2 and Hotel 5 have come across fake reviews written by individuals who did not stay at the hotel or experience the service. They both respond to the reviews with polite language and presenting the evidence that what the reviewer said are not corresponding with the hotel's records such as customer list, staying duration, and the occurrence of the event. Hotel 2 also provides contact information in case the reviewer requires further clarification. Besides responding to the review, they also reported the review to the review site. Eventually, the review was deleted.

“We handle fake reviews by responding that “we’re sorry that you’ve have experienced that but we have checked and we see that the case you mentioned didn’t happen (e.g. on the date we don’t have customers with that name or the staff you mentioned was not on their duty that time). If you have other request or need for clarification, please contact this email” Besides responding to the fake reviews, we also report the review to the site. Just a message with 200 characters and evidences, the review was deleted.” (Hotel 2)

“Once we detected a fake review on TripAdvisor and it was very evident it was from a person that did not stay in our hotel and only wanted to hurt our reputation. We reported it and they deleted it. It was a slow process but effective!” (Hotel 5)

Acting upon attained information

After responding to guest reviews, the next step is to learn from reviews to understand what the business is doing right and what needs to be improved is crucial. The case hotels apply the findings from online reviews to improve their service by working coordinate with related department and staff, and making report to senior manager.

Good performances are also recognized. Hotel 3 has an effective way to let their staff know about and be motivated by regularly putting the best words customers write in the reviews on the board. If some name was mentioned in a negative review then that employee will be discussed with in private. Only hotel 5 has a weekly meeting to discuss online reviews and performances, the rest of the hotels carry this work unsystematically.

“I don’t have a meeting with employees but I coordinate with the head of front office department and head of housekeeping department. I make a digest sometimes and tell the boss the situation of our performance.” (Hotel 1)

“We don’t have a regular meeting but we do recognize good performance or good behavior of staff when it mentioned specifically in the (positive) reviews.” (Hotel 2)

“I’m a very simple person, I don’t make a digest and have meeting but once in a while I just highlight the 5 best words mentioning about our hotel, or the most important things and put them on our board. On the other hand, if some name was mentioned specifically in a complaint then I’ll deal with that person privately. But mostly we have good review, we rank 11th now out of 200 budget hotels in Stockholm.” (Hotel 3)

“We make summary of the reviews, report to the manager and have meeting with our staff.” (Hotel 4)

“We have weekly meetings with the manager and we decide what to do in each case.” (Hotel 5)

Creating remarkable experience

All the hotels agree that creating a remarkable experience is a part of ORM and it is a proactive approach. According to Hotel 1, it is most important to provide a good service for customers, responding to online reviews is the process that happens afterwards. Hotel 2 added that it is online review management but what they pay attention most is what happens offline. Hotel 5 even mentioned that their customers are taken care of before their arrival such as make sure customers find the place easily, sending information about transport and things to do in the area etc.

Interviews reveal that in order to create a service that is worth mentioning, the hotels practice the followings:

- Focus on the experience of customers while staying at the hotel.
- Ensure the cleanliness and neat of the facility.
- Ensure customer have what they need.
- Pay attention to customers' preferences.
- Go the extra mile to make customer feel special and welcome.
- Have a hospitality mind-set: friendly, caring and thoughtful.

(Hotel 1, 2, 3, 4, 5)

“We try to create remarkable service by staying true to our value “from the heart”. We manage everything to be great and pay attention to the little details. Even the breakfast is buffet and it happens that what some customer likes ran out. We immediately make more just for him/her and delivered to the room if he/she already left the breakfast. We also sometimes check customers’ interest and preferences from their Instagram or other social network page so that we can do things like, if we see they like flowers, we will have flower in the room on their arrival. Doing that we sure the customer have something worth remarking about. Besides, always smile. Doing that not just for the customers but actually helps ourselves, sometimes we feel tired or stressed but keep smiling makes us feel better and we don’t see whatever problems we are facing as so serious anymore.” (Hotel 2)

“Hotel service is not just hand the guest the key, he pays for it and it's all done. It’s the experience and your hospitality that make guest write reviews.” (Hotel 3)

“Making guests happy is the duty of all people who work in hospitality. Guests are happy with the service, they will have more motivation to share their experience or post reviews.” (Hotel 4)

“We take care of our guests before they arrive. The curious experience starts before they come to Barcelona.” (Hotel 5)

Encourage review

Only hotel 4 encourages reviews by sending email to checked-out guests to ask the customers to share their experience through online reviews. The rest of the hotels do not have an official activity to encourage reviews. Hotel 2 thinks that the motivation for posting a review is intrinsic. Customers will leave a review when the experience is something memorable. Therefore, hotel 2 encourages review by attempting to provide the best experience possible for their guests and make sure all problems are solved before check-out.

“We don’t have activities to encourage reviews, because guests leave reviews as they feel like it. We in a way encourage reviews by being very attentive to customers’ needs and wants, and also take initiative to have conversation with them and ask about their experience while staying. That way it leaves something memorable so guest wants to write reviews about. It’s also to avoid negative reviews when we take action to solve problems when customers is still staying so they don’t have to leave unsatisfied and lead to writing negative reviews.” (Hotel 2)

Hotel 5 encourages reviews by asking guests at check-out that if they are satisfied with the service, they can share a review on TripAdvisor.

“When the guests check out, we tell them to share a review on TripAdvisor about us if they felt we did a great job. Most of them are very happy with us and they write lovely reviews about us!” (Hotel 5)

Receiving a large amount of reviews is good for businesses. Therefore, there are illegal services that offer writing reviews with promise to gain rating (on review sites) and popularity. Hotel 1 is the only hotel that has received an offer from such review writing service and it was rejected. Besides the fact that is illegal, hotel 1 added a sensible explanation for not getting involved in buying reviews: *“the consequences can be first if TripAdvisor finds out, they will confront our brand. Second, it’s no point to have something that not truthful. Third, the money you pay for reviews, you can use them to encourage your employees to do a good job and that actually affect service improvement, while doing the other way is just phony and it doesn’t improve the service so you will end up having real negative reviews happen hand in hand with the fake positive review you paid for.”*

4.3.3 ORM operations

All the case hotels have only one person who is taking care of ORM, two (2) of them is done by the general manager, the other two (2) are carried out by sales and marketing manager, and the last one is taken care by communication and marketing manager. The general manager in hotel 3 shares the ORM workload with a colleague sometimes who can respond to the positive reviews. The negative reviews still have to be handled by the general manager. The general manager in hotel 2 also has the marketing communication manager to help with checking reviews on booking sites.

Interviews show that creating a positive experience for customers is the ORM task that they pay most attention to. This shows that they are aware of the proactive effect of it. They also do not think that there are any big challenges in practicing ORM except for somewhat time consuming. However, hotel 1, 2 and 3 point out that it is time consuming as the work itself, every work needs time to complete. In the time before online reviews, businesses focus more on advertising and marketing campaigns which is replaced by ORM now which is more effective and also has a positive effect on service improvement. ORM offers two way communications, not just one-sided marketing message. Besides, if hoteliers take the proactive approach which is creating positive experience for guests, it will increase the probability of gaining positive reviews and avoiding negative reviews, which reduce a large amount of time in responding to reviews. Hotel 2 even mentioned ORM is fun to do. *"Reading and responding to reviews are actually fun, we enjoy doing it, it's like socializing. Responding to negative reviews is also interesting because the excitement from the feeling of being a "detective" sometimes"* (Hotel 2)

"ORM is a part of my job and responsibility and it is like customer relationship management which is essential for all business." (Hotel 1)

"We don't think ORM requires extra investment. It's like a way to say thank you to customers but do it online. Besides, being proactive is the best method. Keep having a great service and creating a positive experience, then the hotel don't have to spend time or anything on dealing with negative reviews and corrections. I see the trend of online reviews as positive because the feedback is very valuable for your operation and online reviews helps promote the hotel." (Hotel 2)

"This is a modern life we live in, you just adjust to it, social media and reviews are way to get business. Reviews are kind of advertising for businesses. I don't see managing as an extra work; it's a part of conducting business." (Hotel 3)

There were some changes or development for ORM since it was first started. Hotel 1 responded to reviews only occasionally before and just to the negative ones, and now they respond to all reviews. Besides, the most popular review sites, TripAdvisor, hotel 2 started to pay attention to reviews posted on their Facebook and Twitter. Hotel 4 is similar to hotel 1 in that they found it is important and necessary to answer to negative reviews as those need explanations, so they only responded to negative reviews before. Now they answer to all reviews because that communicates the hotel cares and all guests' opinions are heard. Hotel 3 has not had any changes in ORM. This is because they just started it as the hotel has been open for just 9 months.

As indicated early on that the majority of the hotels still do not have a guideline for ORM and it seems that only large hotels practice ORM. In the process of looking for the suitable hotels for case study, the researcher finds that the amount of small hotels that are practicing ORM is not many in proportion compared to large and international hotels. Thus, it is practical to have a perspective of all the case hotels which presents multiple types and sizes. Hotel 1 (local, medium size, 3 star) thinks that all hotels can do this. The reason they do not could be because they just focus on the main daily operation and do not think about anything extra. In addition, for local small sized hotels, the reason could also be the limitation of English skills. Hotel 2 (large, luxury, international chain) also think that small hotels can do this as it is not difficult at all. For hotel 2, the reason that hotels have not done it probably because they are not aware of the importance of online reviews. Most hoteliers know about TripAdvisor and what the site is about but they may focus on selling the rooms, not guest experience. Hotel 3 (large, national chain, budget) thinks that ORM can be done in small hotels as well, there are no challenges. Hotel 4 (medium, 3 star, national chain) thinks that ORM works even better for small sized hotels with reviews being handled more carefully and the manager easily gets hold of everything thing that is going on in the hotel so problems can be fixed quickly. Hotel 5 is the representative of a small, local, 1-star hotel that practice ORM well. They carry out almost all the tasks included in ORM (see Framework 2). Although it is somewhat more challenging for a small hotel in terms of

resource, there could be only one person that has multi responsibilities. However, hotel 5 said that it is all about organizing, industrious, and with strong service-oriented mind. ORM pays off.

When being asked about how well they evaluate themselves on ORM, all the hotels said that they are doing well as it is shown to be effective. The evidences are the increase of positive reviews, sales growth, better service, returns of old customers, even those who have wrote negative reviews. (Hotel 1, 2, 3, 4, 5). These are actually the effects that proper ORM brings to hotel business.

“I evaluate my ORM effort to be quite ok because the increase of positive reviews and online booking clearly increases for example today we’re still have like over 10 vacancies but they will be booked within a couple of days.” (Hotel 1)

“If 5 is highest, I would assess out ORM at 4.5. Because we focus on the customer experience, we read every single review and it’s not like time consuming or like a job, it’s actually like we use the time for relaxing or break to read reviews because it’s quite a relaxing activity. The booking also increases along with our ORM.” (Hotel 2)

“I think we are doing quite well. We answer to every review. Besides, I could get hold of the customers who wrote unfavorable reviews and most of them have come back.” (Hotel 3)

“We retain a good number of returning customers due to our response to their reviews, positive or negative. We also see that positive reviews is equal sales increase. We have taken care of our ORM well...” (Hotel 4)

“We improve our service, and customers choose us because of the good reviews we have on TripAdvisor.” (Hotel 5)

The case hotels think that they may do something to improve their ORM and that would be better time management, some activity to encourage reviews, getting staff involved in reading and answering reviews, tracking and documenting reviews in more systematic way (Hotel 1, 2, 3, 4)

“Like when you mention about encouraging reviews, I think I could add that to our ORM process...” (Hotel 1)

“I think that we can improve by having better time management so we can have even more time for this...” (Hotel 2)

“From this conversation, I'm thinking that maybe I'll involve my staff to answer reviews once in a while. The idea is to get everyone read, listen to customers and evaluate, and at the same time save me some time.” (Hotel 3)

“We are looking into filing our reviews and tracking them in a more systematic way.” (Hotel 4)

The case hotels made the final general statement concerning ORM which indicates that online reviews are the source of valuable customer opinion, the way to keep improving service quality. Thus, ORM is important and it should be done not for the customers but for the growth of the business. All opinions should be listened and answered to. Thus, some booking sites that offer a platform for online reviews should allow businesses to respond, so that it is more informative for potential customers who are researching to inform their decision. A small hotel is not automatically subject to difficulties, it is rather an advantage and by being attentive to online reputation, a small business will be as popular and busy as any other known brands. (Hotel 1, 2, 3, 4, 5)

“ORM is important because through OR we know about our performance, what we have done well to improve. This is something hotels should invest the time to do.” (Hotel 1)

“The thing I can say is that for example what we say to each other in person or what we post on Facebook TripAdvisor or Instagram is a way or a need for communicating so we need to know how to communicate well with guests, understand what their needs are. Sometimes guests post a negative reviews because they're irritated about certain things, we see that as they need to share and we're there to listen regardless of it's factual or not. Always a good listener, not being judgmental.” (Hotel 2)

“All reviews should be taken seriously. And all the sites where reviews are posted e.g. booking sites should offer two way communications meaning that the hotel is allowed to respond to reviews so it's more complete and accurate.” (Hotel 3)

“ORM is a way to receive input for improving business...” (Hotel 4)

“I would say that being a small business is an opportunity, so take advantage of it and take care of your online reputation, as behind every good review there’s a guest with a smile thinking about you and your service.” (Hotel 5)

4.4 Summary

Data collected from the interviews shows that online reviews have become very common and they are read by travellers to inform accommodation purchase decision. The most popular review platform is TripAdvisor. Since online reviews affect customer decision making, they therefore affect hotel business, namely sales and service. Hence, ORM is very important.

It is essential to take a proactive approach in ORM. Creating a positive experience in the first place for customer is the way to gain positive reviews and avoiding negative reviews. In order to create an experience that is worth making a remark, the business should:

- Focus on the experience of customers while staying at the hotel
- Ensure the cleanliness and neat of the facility
- Ensure customer have what they need
- Pay attention to customers' preferences
- Go the extra mile to make customer feel special and welcome
- Have a hospitality mind-set: friendly, caring and thoughtful

Encourage review is not common in ORM among the case hotel.

The case hotels monitor reviews by checking TripAdvisor and booking sites daily. TripAdvisor is the review platform that the hotels pay most attention to. Some booking sites are only for reading customer opinion, response feature is not offered.

All reviews on TripAdvisor are responded, even the non-English ones. The case hotels respond to reviews that in another language than English or their local language by using Google Translate. It is not entirely proper but they can have an idea of what the review about and customer can have a general understanding of their response. Negative reviews are taken very seriously. The process of responding to negatives starts with investing the case by checking up with the staff and record to be able to provide a

proper answer. If what happened due to the hotel's shortcomings mistakes, then an apology is offered together with a promise that a correction will be made. If the unfavourable reviews were the result of misunderstanding, guests' emotions or subjective matter then an explanation is provided combined with indication of understanding and that every opinion is taken into consideration to improve their service. The guideline for responding to negative reviews includes:

- Proper language
- Honesty
- Indication of name and title of the person who answers the review
- Gathering information before answering the review
- Proper attitude e.g. unbiased and non-judgmental mind-set, being a good listener etc.
- If the person in charge of ORM is not the general manager, then sometimes the responses need to be approved by the senior manager.

Reviews that are suspected to be fake need to be dealt with by giving a response that contains polite language and evidences that the case in the review is not consistent with what is found from inspection, without making conclusion or pointing out the thought that the review is fake. Besides, the review should be reported to the review site as well together with presentation of reasons and evidences. The review will be deleted if the site also finds it untruthful.

Responding to reviews take on average three (3) hours a week for hoteliers.

The hotels apply what learned from guest online reviews to improve their service by summarizing the important points and report to senior manager or letting the staff know the most important points about their performance. Good work is recognized and mistakes are discussed privately. This task is done unsystematically, there is no regular meeting about or digesting report of online reviews.

ORM is commonly done by one person who is marketing manager or general manager. When ORM is done by the general manager, another staff is usually appointed to help carry out a part of the work that is considered not to interfere with the procedure or contradict the goals and strategy , such as answering to positive reviews and check

reviews from less important platforms. The case hotels assess their own ORM as good as it is shown to be effective e.g. increase of positive reviews, sales growth, better service, returns of old customers, even those who have wrote negative reviews.

ORM is not is not a complex procedure that requires a lot of resource or special skills except English language. All hotels can practice ORM regardless of the size. Practicing ORM is doing a favour to your business. A small hotel is not automatically subject to difficulties, it is rather an advantage and by being attentive to online reputation, a small business will be as popular and busy as any other known brands.

5 DISCUSSIONS AND CONCLUSIONS

This study aims to create an ORM guideline for hotel businesses. In the Literature Reviews chapter, two frameworks were created. Framework 1 explains the role of online reviews on hotel business and consumption, for which hoteliers can understand the impact online reviews have on their industry. Understanding that is the first step to business's online review management efforts. When the "why do it" and "what to gain" have been approached, then follows "how to do it". Framework 2 presents the ORM guidelines in which there are two major parts: (1) be aware of public guest opinions about your brand and (2) being active in attaining favorable sentiments. The first part includes the task of tracking and monitoring reviews. The second part comprises of reactive and proactive methods. "Responding to online guests reviews" and "acting upon attained information" fall under *reactive approach*, while encourage reviews and create a remarkable experience fit in *proactive approach*.

The findings of how online reviews affect hotel business from the interviews confirm framework 1 (see **Figure 3**), in which the conclusion is that online reviews have a positive on sales if hoteliers have an effective management to let online reviews work in their favor.

Framework 2 (see **Figure 4**) also receives support from the results of the interview. All five efforts were covered by the hotel, although encouraging reviews does not seem to be common as only two hotels do that. Hotel 2 think that providing the best experience possible for guests and make sure all problems are solved before check-out is a way to encourage review. This is certainly the proper approach to encourage review. Creating a remarkable experience is a method to gain positive reviews. However, customers may share the positive experience offline or on online platforms that reach limited target audience. Thus, encourage reviews where it matters is beneficial for both hotel businesses and consumers. Hence, encouraging reviews should also include a reminder email in which a link to the desired review site is provided. This makes it more convenient for customers to post reviews and so they are more likely to do it, and the reviews can appear on the site that is relevant for the business. Hotel 5 is one of the two hotels that encourage reviews by asking guests at check out that if they are satisfied with the service, they can share a review on TripAdvisor. This is done orally but it

seems to be an effective reminder. The hotel mentions specifically the name of the site that is relevant for their business. However, it is still not completely proper as motivating reviews should be. Such reminder is not entirely unbiased and communicates that only positive reviews are welcome. There should be no suggestion in encouraging reviews. Simply ask customers to share their experience regardless of knowing whether the experience is positive or negative.

Another uncommon effort is that most of the hotels seem not to have a system for acting upon the attained information learned from online reviews. They are still doing summarizing the points, reporting to senior manager and letting the staff know about guest opinions on the service. However, it happens randomly and it is less likely to take place when there are other work on the way. Having a system by setting up a regular meeting and specific time for reporting will make the work more official and become prioritized. Hotel 5 has a weekly meeting to go through different matters, perhaps because of the size of the hotel, small amount of room and staff. Bigger hotels can have it twice a month or at least once every month. The findings from interviews reveal a very efficient method to inform and motivate staff about customer opinion on their performance. When going through the reviews, the manager can highlight the important point or the best words customers used to describe their experience and the service, and put them in the board for all the employees to see. Before the meeting takes place, the employees can always be updated so that they have an idea about how they are performing and that their good work is recognized by both customers and the manager. The meeting will allow different issues to be discussed more in details.

The literature reviews only suggest that ORM should be carried out by in-house manager or staff, but did not propose the appropriate person to carry out ORM and the number of people should be. Results from interviews show that ORM is commonly done by one person who is marketing manager or general manager. General manager seems to be the most proper person for carrying out ORM because the guests can feel that their opinion are actually heard by the person who has the best interest in customer satisfaction and its effect on the business. In addition, there will be no need for reporting from subordinates, by getting directly involved, the general manager will always know exactly what is going on and can take immediate actions to ensure the best operation

and service possible. When ORM is done by the general manager, another staff is usually appointed to help carry out a part of the work that is considered not to interfere with the procedure or contradict the goals and strategy, such as answering to positive reviews and check reviews from less important platforms. Responding to positive reviews requires usually a thank you, welcome back and personal regards or indication of commitment to keep doing a good job. With a simple guideline from the manager, the staff can help doing this work without it can possibly go wrong. This would save the manager a great deal of time especially if the hotels receive mostly positive reviews. However, it is best the person is supervised until become familiar with the task. Another task that it can be shared is that the employee can help checking reviews from less important sites where responses from business are not offered. A summary of customer opinions from those sites can sent to the manager to inform business decisions.

The results from interviews also find that ORM tools is not necessary at least for the hotels with less than 300 rooms. ORM tools seem to be necessary when the amount of reviews received daily is large and they come from numerous sites. At the moment, according to the case hotel with the largest size (286 rooms), the amount of reviews received would be maximum ten reviews a day and it is manageable. In addition, TripAdvisor is still the most popular site where reviews are read and generated. Thus, even though the hotel may miss out some customer opinions from elsewhere, TripAdvisor is still the site that matters to the business the most. Moreover, when hotels collaborate with various booking sites, they will know those sites are the additional platforms where reviews about their hotel are posted. It certainly takes more time to collect the reviews from different places than having it ready and organized by a software. Nevertheless, depend again on the size of the hotel, the amount of reviews and the system employed at the moment, hoteliers can calculate which option would cost more.

It can be seen that the case hotels take responding to online reviews very seriously. They care greatly about customer opinions and also want to communicate to the guests that their opinions are heard. Negative reviews are handled with extra care and attention to ensure a proper response that aims to provide acknowledgement, explanation and correction plan, and as a result could ease the guest's dissatisfaction. This

simultaneously is to communicate to the prospect customers that the hotel is responsible, care and trustworthy. Interviews add more insight into dealing correctly with negative reviews which is before responding, investigating the case to ensure a correct and unbiased answer. In addition, having a systematic tracking record e.g. check-in, check-out list, staff schedule, camera etc. proves to be efficient for business operating and managing, particularly when the hoteliers need to know what, when and how things happened in the situation when a clarification is required. It seems that negative reviews take much more time for hoteliers to respond compared to positive reviews. This is, therefore, creating a positive experience for customers will help hotels avoid negative reviews and thus save hoteliers a lot of time needed for responding to negative reviews.

In the discussion of creating a remarkable experience, the results of interviews add an interesting fact that hotels can start creating a positive customer experience not just when customers arrive the hotel but even before arrival. Hotels can send information about the area and transport to make sure the customer finds the place easily, information about attractions nearby, or asking in advance about customer preferences to serve them at best. Guests will feel very welcome and positive about where they are going to stay.

Empirical data suggests that businesses do not necessarily lose the customer who posted a negative review. ORM can help businesses to turn that customer to a satisfied one and the next review from his/her will be a positive one. By giving a proper response and also contact the customer personally, the hotel shows the willingness of putting effort to improve and eager to serve the customer again with the aim provide a remarkable experience. If there is an occasion that the guest will visit the location again, the hotel would be one of the options. If the hotel has the chance to have the guest once again, remember his/her situation the last time and deliver this time around. This seems to make the guest turn out to be satisfied and happy as they see their opinion matters and the next review will make the business delighted.

Literature reviews could not find out the approximate time needed for responding to online reviews but according to the results of empirical study, it seems like three (3) hours a week is the average time used to respond to online reviews. However, depends

on the size of the hotel, the amount of reviews received, and the English skills (if the person in charge of ORM is not a native English speaker), the amount of time for this work can vary. In addition, the longer hoteliers practice the task, the higher level of efficiency can be achieved, and so the shorter the time consumed.

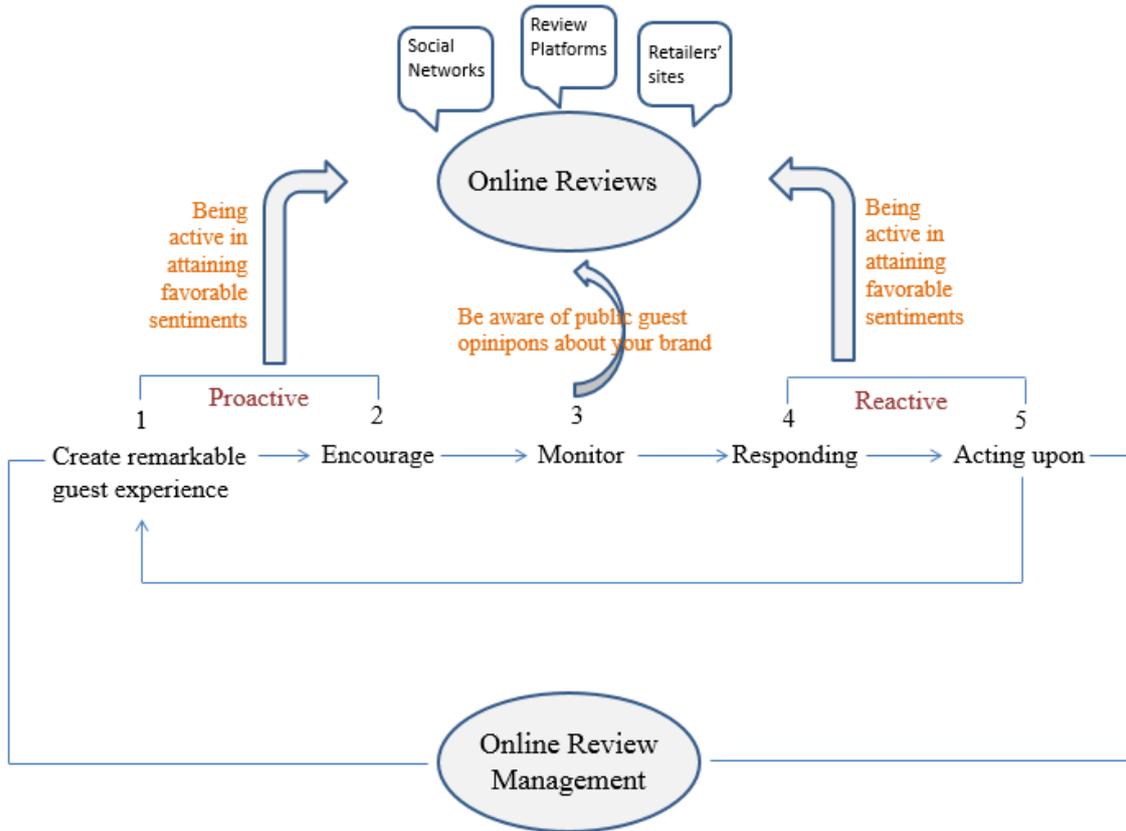
Based on interviews, responses to reviews that considered to be fake do not only include presenting evidences that the case in the review is not consistent with what is found from inspection with civil language, but also providing contact information in case the reviewer requires further clarification. This is to indicate that the business is not making conclusions or pointing out the thought that the review is fake. Besides, it is also to ensure that the hotel is honest and is willing to solve the problem regardless of the truthfulness of the review. On the other hand, such reviews should be reported to the review site in addition with evidences and explanations. The review will be deleted if the site also finds it untruthful. This shows once again having a tracking record is useful also to fight against fake reviews, and review sites protect honest businesses as well.

Based on the empirical data, all hotel can practice ORM well. The reasons that some hotels still do not apply ORM could be because of they are not aware of the importance and effect of online reviews to their business, or they just focus on the daily operation and selling rooms, not customer experience. Limited language skill is also one factor. These reasons are probably true. Practicing ORM is an indication of a high service and customer-oriented hotel which drives the sales growth. Thus, if English is not an obstacle, adding ORM to the management scheme is doing the business a big favour.

5.1 Answer to research question

The research question of this study was: *What are the guidelines for hotels to manage online guest reviews?*

Based on the literature views and empirical study, the ORM framework will remain the same with adjustments are made under each function.



Creating remarkable experience:

- Ensure the cleanliness and neat of the facility.
- Pay attention to customers' preferences.
- Go the extra mile to make customer feel special and welcome.
- Engage guests from the start of their stay, seeking real-time feedback throughout their stay to ensure that all problems they encounter are resolved prior to departure.
- Focus on enhancing service provided by staff to positively affect guest experience.
- Have a hospitality mindset: friendly, caring and thoughtful.
- Information provided should be truthful and consistent on all channels.

Encourage reviews

- Ask for reviews (e.g. at check-out or via emails) without offering commercial incentive.

- The system for guests to leave reviews should be simple and convenient e.g. sending email in which a link to the review platform is provided.
- Simply ask customers to share their experience regardless of knowing whether the experience is positive or negative.
- No creation of misleading reviews (e.g. purchase reviews or having friends to write reviews).

Monitoring

- Identifying review sites that deserve the business' attention.
- Establishing a system to track reviews.
- Watch out for fake reviews to protect the business' reputation.

Responding to reviews

- All reviews should be answered promptly in a positive professional and personalized manner.
- Name, title, and contact information of the respondent should be included in the answer.
- With positive reviews: an expression of delight, gratitude and commitment to keep up the good work.
- With negative reviews: investigate the case first to ensure a correct and unbiased answer. Having a systematic tracking record e.g. check-in, check-out list, staff schedule, camera etc. to support business management and the investigations. An appropriate answer should contain: a thank you for guest' business and review, an apology for shortcomings, an explanation for inconsistent performance or for clarifying misunderstanding, and a discussion of corrective actions and improvement.
- With deceitful or inappropriate reviews: respond with polite language and evidences that the case in the review is not consistent with what is found from inspection, without making conclusion or pointing out the thought that the

review is fake. Besides, the review should be reported to the review site together with reasons and evidences.

Acting upon attained information

- The findings from online reviews should be analyzed and summarized.
- Establish meetings to discuss about the results on a regular basis to improve service and inform business decision.
- Ensure staff is aware of their current performance and integrate guest reviews into staff training.
- Positive comments about service should be forwarded to staff as well to motivate and recognize their good work.

5.2 Managerial implications

This study and the findings presented have direct managerial implications. The purpose of this study is to help executives in the industry to gain a comprehensive knowledge on ORM strategies from both conceptual and practical point of view. The ORM framework created can be used by any hotel as a guideline for managing reviews. The interviews offer relevant and practical information that different types of hotels can relate to. As a closing of Managerial Implications, below are the five best quotes from the interviews.

"Most of our guests tell us they picked our hotel among other options because of our good reviews on TripAdvisor (and Internet). I guess it can be the 75-80% of our guests...." (Hotel 5)

"Online reviews greatly affect the business because evidently when our hotel pays attention to manage online reviews, the amount of booking has increased the service also better and so the positive reviews we get increases. In the end of 2003 the online booking made up of 18% (while through Travel Agencies is 44%) of total sales and now the number of online booking is 26%. So online reviews, in our case, results in the increase of sales." (Hotel 1)

"It's online review management but we pay attention most is what happens offline. We try to create remarkable service by staying true to our value "from the heart". We manage everything to be great and pay attention to the little details....Besides, always

smile. Doing that not just for the customers but actually helps ourselves, sometimes we feel tired or stressed but keep smiling makes us feel better and we don't see whatever problems we are facing as so serious anymore." (Hotel 2)

"This is a modern life we live in, you just adjust to it, social media and reviews are way to get business. Reviews are kind of advertising for businesses. I don't see managing as an extra work; it's a part of conducting business." (Hotel 3)

"I would say that being a small business is an opportunity, so take advantage of it and take care of your online reputation, as behind every good review there's a guest with a smile thinking about you and your service." (Hotel 5)

5.3 Suggestions for further studies

This study provides the very first ORM framework for hotel industry. Further studies can focus more in-depth on each of the function/activity of ORM framework. In addition, future research can investigate the factors that influence a remarkable experience for customer perspective. This information would be valuable for hotel businesses in order to be able to provide exactly what customers want and will talk about.

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APPENDICES

Appendix 1. Advertisement for Online Review Writing Service

The advertisement displays four service options, each with a profile picture, a title, a rating, the number of votes, and an 'ORDER NOW \$5' button:

- Write Attention Grabbing Reviews:** By jimmyjudge (1) From United States (US). 5 stars, 82 Votes.
- Publish review of anything:** By jhonshem (2) From United States (US). 5 stars, 81 Votes.
- Write a believable product review:** By meimio (2) From United States (US). 5 stars, 100 Votes.
- Write a review for your ebook, book, or product:** By spanx1288 (2) From United States (US). 5 stars, 77 Votes.

Below these is a 'Most Popular!' badge for a package titled '50 REVIEWS'. The package details are:

- 50 reviews every month.
- Native english speaking writers.
- From Unique IP addresses.
- Improved Search engine rankings.
- 90 day replacement guarantee.
- Google reviews supported & yelp reviews supported.

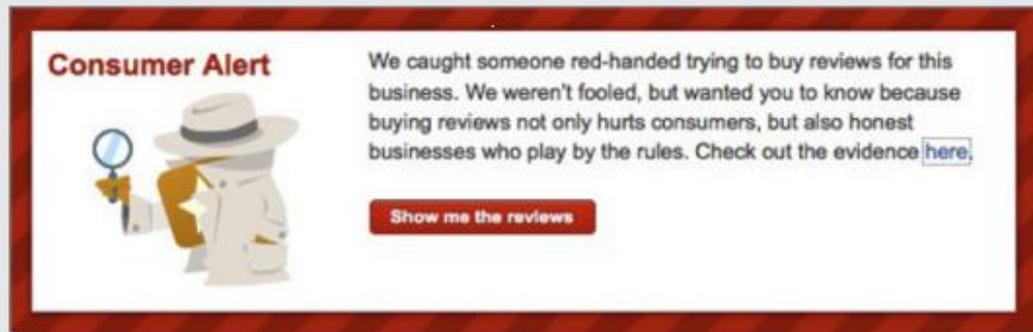
The price for this package is \$49.95.

Appendix 2. Review-writing Job Announcement

Topics are varied, your main task is to create a believable review, with input from your own personal perspective. I DON'T want a simple rewrite of what Amazon or other product sites have posted. I will also give a "template" of what the review should basically look like.

Appendix 3. Yelp's Sting Operation

Here's how the bust went down: A Yelp employee posed as an Elite Yelp reviewer and responded to Craigslist ads seeking review writers. Once the Yelp employee received an offer of payment for reviews, Yelp posted a prominent warning on the Yelp page of the offending company, as seen here:



Ouch, they weren't pulling any punches! The warning notices, aka public badges of shame, remained on Yelp for three months. Yelp calls this its Consumer Alerts program and posted a second round of alerts in 2013.

Appendix 4. Example of Dashboard Provided by Revinate

Appendix 5. Example of an Appropriate Reply to an Unfavorable Guest Review

Thank you for the valuable time you've spent in sharing your comments through TripAdvisor. I go through these to learn how we can make the stay better for future guests.

I am very disappointed to read about your experience and would like to apologise for not meeting your expectations. In regards to your comments re have removed the mould and the Room attendant has been reprimanded. The plug socket has also been replaced.

We always try that our guest has best upgrade option available that's why we change room on request. Once again please accept my apologies and If there is anything I can do to make this right please do not hesitate to contact me.

Appendix 6. Example of Reviews Analysis

	Positive mentions	Negative mentions	Notes
Service	✓	✓✓	Negative mentions of wait time for getting the check.
Taste	✓✓✓✓✓		The food itself is never a problem!
Price	✓✓		
Location		✓	One complaint that the neighborhood is too quiet. Well, we can't change that.
Cleanliness	✓		
Drinks	✓		
Wait time	✓	✓✓✓	Long waits for Sunday Brunch
Hours		✓✓	Closing too early, hours not clear on website

Appendix 7. Interview Questions

I. General Information about the Business

1. How old is the hotel?
2. The number of rooms:
3. The type of hotel: e.g. star rating, national hotel chain, International hotel chain etc.

4. What kind of customers who visit the hotel? e.g. pleasure travelers, business travelers, local customers, foreigner customers.
5. Interviewee's work responsibility and position:
6. The number of staff under his/her supervision:

II. The Role of Online Reviews on Hotel Business

1. How do you think online reviews can affect customer hotel purchase decision?
2. How do you see online reviews can affect your business?
3. Do you see that online reviews can result in the increase of sales? Why/ Why not?
4. How important is it to manage online reviews? Why/ Why not?

III. Online Review Management (ORM)

1. How long have you been practicing ORM?
2. How do you carry out ORM (detailed explanation e.g. the tasks included in ORM process and how they are organized and done). For example:
 - (If creating good service/experience was one of them → how do you do that?
 - If encouraging reviews was one of them → how do you encourage guest reviews?
 - If monitoring reviews was one of them → how do you monitor?
 - If responding to reviews was one of them → how do you respond to positive/negative reviews?
 - If applying feedback to improve service was one of them → how do you do that e.g. analyzing, reporting, meetings?
 - Do you use any ORM tools (e.g. those offered by ReviewPro or other companies that provide online reputation management software) → Why/Why not?
 - Have you experienced fake reviews e.g. untruthful information to harm your business? How do you handle that situation?
 - Have you got offers from review writing service or online reputation management companies for review and rating manipulation? How did you respond to that?
 - The number of staff needed for the whole ORM process?)
3. What is the ORM task/effort that deserves your most attention?
4. What are the challenges you face when practice ORM?
5. How do you overcome those challenges?

6. Have there been any changes in ORM procedures since it was first started? Why?
7. For large and medium sized hotels: Do you think ORM can be done effectively for small hotels as well? How?
For small sized hotels: As a small sized hotel, how to have an effective ORM system
8. How well do you evaluate your ORM efforts? Explain how you think so (e.g. effectiveness, increase in positive feedback from guests, better service, increase in sales etc.)
9. Do you have any plans to improve your ORM practice? What would that be?
10. Is there a general statement or something you would like to add concerning ORM?