

Role of Online Reviews and Ratings in Attracting Consumers from Hospitality Industry: A Cross- Sectional Study

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Abstract

Online platforms have witnessed significant growth in contemporary times. With ever expanding internet facilities and technology, social media and related online platforms play a great role in influencing the choice and decision of consumers. This necessarily indicates the importance of online reviews and ratings in attracting consumers to hotels and restaurants. The quantitative and qualitative approach in the study aims to investigate how these online reviews shape the consumer's decision-making process and aid them in recognizing the quality and value of the hotel or restaurant. Negative response in reviews and poor ratings have immense capacity to alter consumer's choice and can even act detrimental to the success of the hospitality industry. This suggests that with active monitoring, effective regulating and participation in the online feedback system the hospitality industry can generate a positive image that eventually will attract huge number of consumers. The study intends to explore various ways of organizing proper network of feedback in hospitality industry by analyzing the role played by online reviews and ratings as well as also look at factors in the online platform which affect the business negative, such that alternate effective measures can be taken to tackle the same.

Keywords: Online reviews, Ratings, Hospitality, Consumer, Role

Introduction

The role of online reviews and ratings play an unavoidable and crucial role in attracting consumers to the hospitality services. This is primarily due to the increase in the technological advancement and evolution of the digital era of our contemporary times. In times as such, consumers have immense space and scope to build interpersonal communication where they can interact with other consumers from any part of the world. Apart from this, the anonymous nature offered by these online media platforms allow consumers to openly disclose their experiences and express their genuine comments on the services that they receive. These platforms, especially in reference to the personal nature they maintain considering the very experiences and satisfactory responses of customers have huge role in attracting and influencing fellow consumer's decision-making process.

The online reviews and ratings emerge as the most reliable and trustworthy source of information that guides consumers in choosing their required service. They depend on these reviews and ratings to explore as well as analyze the quality of the service provided by the hospitality management. In turn, negative responses and poor reviews have significant detrimental impact on the hospitality industry as it pulls away consumers in huge numbers from choosing that particular hotel or restaurant with poor reviews. Hussain (2018) in the study conducted emphasizes that the increase in the reliability on the online reviews and ratings is specifically due to the personal nature of these very reviews. Consumers not only find these reviews as the easiest access of information regarding the service, but also particularly look for detailed and unbiased reviews, there by figuring the entire credibility of the hospitality service through these customer reviews.

The reliability on the same enhances the necessity for hospitality management to ensure setting up a proper structure of response management system. It is very important to ensure that the reviews and ratings of consumers are addressed timely and properly in order to maintain the quality of the service provided. An interesting study conducted by Kwok and Xie in 2016 provide valuable insights about the active role of management responses in increasing the positiveness of hospitality services. In the research,

the findings reveal that timely response and engagement of the hospitality management, especially to the negative responses and reviews help increase the consumer trust on the management. The consumers get a feeling that the hospitality management is willing to address its limitations and also conveys a trust about the determination of the team to make the services best for the future consumers. Thus, not only the online reviews and ratings, but also the responses to the same influence a lot in attracting consumers to hospitality industry.

Overall, it is evident that effective management of online reviews and ratings is a prerequisite to ensure proper functioning of the hospitality industry and its services. It is only through organizing a proper network structure that respond timely and customized to the reviews of consumers, a positive environment of feedbacks and engagement can be ensured. This environment undoubtedly influences in creating a positive outlook about the quality of the services provided as word of mouth in new age is mostly and most effectively via digital. Apart from all this, these responses also allow the hospitality industry to identify, address and rectify its failures and limitations, there by ensuring better and qualitative services in the future.

Literature Review

In the digital era, online reviews and social media platforms have a huge role that can directly impact the performance and reputation of the hospitality industry. The role of online reviews and ratings become very significant such that they not only have the power to create a positive or negative image about the hotel or restaurant but also take hold of the entire credibility of the hospitality management. The literature review on this arena helps comprehend the diverse ways in which online reviews and ratings play major role in influencing the hospitality industry. By analyzing the impact of the digital in running the business, the review lays a foundation to the cross-sectional nature of the study.

Guo, Barnes and Jia (2017) in their study emphasizes how online reviews and ratings emerge as a new medium for the consumers particularly in evaluating the restaurant or hotel. They primarily depend on these reviews to select the hotel of their choice, indicating that modern consumers trust platforms such as google and the reviews that appear in it with utmost confidence. In this study the researchers identify 19 major controllable arenas that help the hotel staff to organize their interactions with the consumers and also puts forward that these dimensions may subject to changes with respect to changes in demography. Hussain and fellow researchers (2018) in their study validates the findings of Guo, Barnes and Jia (2017), especially in terms of the credibility. Hussain (2018) in the study signifies the personal nature of online reviews where consumers post it based on their real-life experiences. Thus, these reviews give validation about service satisfaction which in turn directly attract other consumers and their decision-making process in choosing restaurants.

Kwok and Xie (2016) give very interesting and valuable insights about the role of manager responses to online reviews and ratings in making the hospitality experience positive. The findings of their study that has been conducted by collecting and analyzing 56,284 consumer reviews coherently indicates that poor ratings, bad comments and less lines in reviews affect the image or reputation of the hospitality management. However, effective manager responses to these reviews balances or moderates the situation and enhance the experience as the consumer notes significant interference from the manager side to these online reviews and ratings. Leung (2013) and co-researchers analyze data about social media strategies in between 2007 to 2011 and discovers how mandatory they are to ensure the competitiveness of the hospitality industry. Just like Li, Ye and Law (2013) found in their study that online reviews provide the most significant platform to choose the required restaurant, Leung (2013) also shares the role of social media and online ratings in the same. Li, Ye and Law (2013) analyze reviews covering over 774 hotels and comprehend that customers determine satisfactory elements mostly through online reviews and ratings.

Litvin, Goldsmith and Pan (2008) tell that online reviews, interpersonal influence as well as word of mouth are regarded as the most reliable source of information that a consumer considers while purchasing a product or visiting a place. In the digital era, word of mouth spreads fastest through online ratings and

reviews and of course the anonymous nature of the reviews provides consumers a trustworthy space to share their actual experiences about the service without second thoughts. Mariani and Predvoditeleva (2019) bring forward another interesting aspect that in turn plays a crucial role in giving negative reviews or low ratings. They suggest that the cultural trait, individualism, masculinity and other factors of the consumers also do have significant role in the kind of reviews that are given for a hospitality industry. This observation notes the interrelation between social factors and responses of individuals towards the service they receive.

Niu and Fan (2018) consider the role of online reviews and ratings in determining the choice of consumer with utmost seriousness. They refer how major hospitality services aim at integrating an extensive response management system to deal with online reviews and ratings more effectively. In this system, the study proposes elaborate network of response customization, response analysis review specialization and centralization to ensure proper managing of customer interactions. Schuckert and Law (2015) also notice similar aspects giving primary significance to online reviews and customer satisfaction. Sparks and Browning (2011) have already laid a foundation to the above studies by exposing how customers regard relying on online reviews as the easiest to access information method. The study also evidently indicates that positive online reviews help increase the trust of the consumers and the increase in the number of positive feedbacks boost the number of consumers that choose the particular service.

Yang and Yang (2018) put forward an interesting observation in their study that explores the relationship between the timing of posting the review and the influence of the same in customer's choice of the hotel or service. The study reveals huge association between the temporal contiguity and review extremity indicating various dimensions of online reviews and how it affects the success of hospitality services. Ye, Law and Gu (2009), like all previously mentioned studies, establishes the close existence and relationship between online reviews and ratings and hospitality services. Zhang, Law and Li (2010) in their study evaluates between two kinds of reviews, customer-generated and review by professional editors to dissect the role of both in consumer's decision-making process. The research coherently indicates that customer-generated reviews, more based on the personal experiences and satisfaction, play major role in influencing the choice of consumers. However, all of the above-mentioned studies validate the unavoidable relationship between online reviews and ratings to hospitality services as we live in an ever expanding technological or digital era.

Objective of the Study

To analyze the role of online reviews and ratings in attracting consumers from hospitality industry

Methodology

This study utilized a structured questionnaire as a survey tool to collect data from 213 participants. Various statistical techniques, including mean calculation and t-test, were employed to analyze the gathered data. Convenience sampling was adopted as the sampling technique, wherein participants were selected based on their ease of access and voluntary participation.

Table 1 Role of online reviews and ratings in attracting consumers from hospitality industry

Serial No.	Statement of Survey	Mean Value	t-value	p-value
1	Potential customers are more likely to trust the opinions and experiences shared by fellow consumers.	3.87	4.710	0.000
2	Consumers tend to rely on the experiences of others when making decisions, and positive reviews can significantly influence their choices.	3.85	4.266	0.000
3	Online reviews and ratings act as a valuable source of information for consumers when making decisions about where to stay, dine, or visit.	4.46	11.337	0.000
4	Consumers read about the experiences of previous guests, which allows them to gauge what to expect	3.81	3.141	0.001

	from a particular establishment.			
5	Positive online reviews and high ratings give hospitality businesses a competitive edge over their rivals.	4.35	8.969	0.000
6	Constructive criticism and suggestions can be used to enhance the quality of services, address customer concerns, and improve overall customer satisfaction.	4.31	9.643	0.000
7	Online reviews and ratings contribute to the authenticity and transparency of the hospitality industry.	4.19	8.529	0.000
8	A higher number of positive reviews can boost an establishment's visibility, making it more likely to attract potential customers searching for hospitality services online.	3.80	4.105	0.000
9	Positive reviews can spread rapidly, leading to increased brand awareness and attracting new customers.	4.10	7.852	0.000
10	Engaging with online reviews allows hospitality businesses to build relationships with their customers.	4.26	10.019	0.000

Table 1 presents the mean values for different statements in a study on “the role of online reviews and ratings in attracting consumers from hospitality industry”. The statement with the highest mean score, 4.46, suggests that “Online reviews and ratings act as a valuable source of information for consumers when making decisions about where to stay, dine, or visit”. The next statement, scoring 4.35, indicates that “Positive online reviews and high ratings give hospitality businesses a competitive edge over their rivals”. Furthermore, a mean value of 4.31 suggests that “Constructive criticism and suggestions can be used to enhance the quality of services, address customer concerns, and improve overall customer satisfaction”. The statement “Engaging with online reviews allows hospitality businesses to build relationships with their customers” obtained a mean score of 4.26, while the statement “Online reviews and ratings contribute to the authenticity and transparency of the hospitality industry” had a mean value of 4.19. On the other hand, the mean value of 4.10 suggests that “Positive reviews can spread rapidly, leading to increased brand awareness and attracting new customers”. The statement “Potential customers are more likely to trust the opinions and experiences shared by fellow consumers” obtained a mean score of 3.87. Furthermore, the mean value of 3.85 indicates that “Consumers tend to rely on the experiences of others when making decisions, and positive reviews can significantly influence their choices”. In contrast, the last two statements, with mean values of 3.81 and 3.80, fall within the lowest category. These statements highlight that “Consumers read about the experiences of previous guests, which allows them to gauge what to expect from a particular establishment” and “A higher number of positive reviews can boost an establishment's visibility, making it more likely to attract potential customers searching for hospitality services online”. The t-values for each statement in the investigation of the role of online reviews and ratings in attracting consumers from hospitality industry were positive and statistically significant ($p < 0.05$), indicating a significant relationship between the variables.

Conclusion

The evolution in the digital increases the significance of online reviews and ratings in attracting consumers to hospitality services. Positive feedbacks enhance consumer drive while negative responses and ratings can affect the image of the industry in a severe way. Thus, effective management of a network that analyze and respond to these online reviews and ratings is very significant for the growth and success of hospitality industry. Since consumers of modern world regard online platforms as the most reliable, trustworthy and easiest access of information, it is very much necessary to provide proper attention to the

use of the same. The study furthers the requirement of future research in the area of response management and online reviews in order to explore and investigate the factors that determine customer's reviews as well as to also identify ways to establish a more effective consumer and supplier engagement.

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