Case Study Never Stay Here! The Power of Negative Online Reviews

If you book a hotel for your next vacation, you will likely view ratings from TripAdvisor. As the world’s largest travel site, TripAdvisor has integrated their review system with over 500 major travel partners including online booking site Kayak and leading hotel chains Wyndham, Best Western, and Four Seasons.

TripAdvisor is an online opinion leader whose influence comes from a community of travelers. How important are online reviews? Boston-based Cone Communications research revealed that 89 percent of consumers say they find online channels to be trustworthy sources for product and service reviews. In addition, Cone’s research showed that four-out-of-five consumers have changed their minds about a recommended purchase based solely on negative information they found online.

Since online reviews are important, the challenge to marketers is how to manage the reviews, especially the dreaded negative reviews. Everyone knows all reviews cannot be positive, but there are ones that strike a chord of fear for hospitality companies: bed bugs, dirty sheets, discourteous front desk staff . . . the list goes on. The question for every hotel: how do we respond to negative reviews?

There are several options for handling negative reviews. Obviously, the first option is to do nothing at all, and many hotels go this route. The small hotel owner is incredibly busy, so following and responding to online reviews may fall low on his or her list of daily priorities. Perhaps these owners are not social media savvy or they are unaware of social media monitoring tools that will make tracking and responding to comments easier. Some of the more sophisticated monitoring tools are expensive, beginning at $800 a month; that might be beyond the marketing budget for a small business.

Still, most marketers agree that listening and responding to negative reviews is the best strategy. Several hotel chains, including Red Roof Inns, require managers of individual properties to respond to every negative online review. The responses themselves can be tricky; what do you say? It’s clear that the overall goal of the response is to satisfy the reviewer and to change the public perception of your property. If the reviewer appears incorrect, how can the hotel politely attempt to correct the information without insulting the reviewer or creating an online argument?

If a reviewer has a truly bad experience, many hotels consider the guest deserving of a discount or a free night at the hotel. But hotels must be careful not to publicly promote this reward or less ethical reviewers might intentionally write bad reviews in the hopes of getting free nights at the hotel.

TripAdvisor has features to help hotels with some of these obstacles. The hotel can send a private message via the TripAdvisor message system offering a coupon to the customer. If the hotel feels a review is incorrect, there is an opportunity to report the review as inappropriate to TripAdvisor in the hopes of removal or correction.

Some businesses have gone more extreme in their reactions to negative reviews. There are a few reports of hotels fining their customers as much as $500 for a bad review. The customer is warned in the fine print of the contract and hotels are deducting the fee from the credit card used at check-in. There are also several cases of small businesses suing customers for defamation in their online reviews.

Online reviews are important for business survival and revenue growth. One study revealed that a one-star increase in a Yelp rating (Yelp is a leading online review site) can lead to as much as a 9 percent increase in revenue. In the competitive world of hotel marketing, social media marketing and visitor review sites will continue to gain influence on travelers’ choices.

Discussion Questions

Questions 1 - What steps do you recommend a hotel take when dealing with a negative online review?

Question 2- Do you use online reviews when choosing a hotel or restaurant? How much do these comments influence your choices?

Note .need responce of these two questions 2 to 3 pages doubled spaced. and conculsion is also required .