

VICKY KATSONI, DIMITRIS LALOUMIS\*

# The influence of online reviews on customers and travel agencies

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**Key words:** social media, online reviews, web 2.0, travel agencies

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**S u m m a r y:** The past couple of years the tourism industry has undergone massive changes. Not only does it struggle with economic crisis, but it also had a bit of a crisis itself when online travel shops popped up. Along with these new websites came online reviews, where people could tell other people about their experiences and which are becoming more and more important in the vacation buying process, since tourists are more likely to consider buying a vacation when there are reviews available. Social media are a new form of online marketing, and recently became one of the biggest word of mouth advertisements online. In this article, the focus will be on the changes in tourism industry because of social media and online reviews, as the effect on both hotels and travel agencies from the immense changes in their industry is examined. The online reviews phenomenon has become a social convergence trend, where specialized travel websites and hotels alike increase their sociality by adopting applications which enable real-time sharing of contents among the visitors.

## 1. Introduction

The importance of Travel 2.0 features and tools, and specifically of social media environments, is growing fast and many tourism businesses are changing their approach to the manners of presenting themselves online (1; 2; 3). However, tourism operators have not yet fully understood the new technological world by and still many concerns, such as credibility of the information online, possibility to forge for particular interests by unscrupulous competitors, privacy, overload of useless infor-

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\* Vicky Katsoni, PhD—assistant professor, Department of Hospitality and Tourism Management, School of Business and Economics, TEI of Athens, Athens 122 10, Ag. Spyridonos & Milou 1, Aigaleo Campus, Greece, e-mail: katsoniv@gmail.gr; Dimitris Laloumis, PhD—associate professor, Department of Hospitality and Tourism Management, School of Business and Economics, TEI of Athens, Athens 122 10, Ag. Spyridonos & Milou 1, Aigaleo Campus, Greece, e-mail: laloumis@teiath.gr.

mation, in addition to the usual (in the technology arena) lack of resources or skill shortage are the most reported issues that are brought forward.

The influence of online reviews in the tourism industry grew immensely the last couple of years. Not only is it now possible to book your vacation online, without help of a travel agency, but you can also see what the experiences of other hotel guests were from all over the world. Some online review sites use hotel ratings, where the customer can give a mark from one to ten, which eventually shows a final mark for a specific hotel. A few years ago it was normal to go by a couple of travel agencies and tell the collaborator what sort of vacation you want. Then he/ she would find a perfect holiday spot for you. But due to the invention of the Internet, people do not have to leave their sofas to actually book a vacation. It was also common to go to the hotels or places where your friends or family had previously been, because they could honestly tell you everything about it, so word of mouth marketing. In this article the focus will be on changes in tourism industry because of social media and online reviews, as the authors examine the effect on travel agencies from immense changes in their industry.

## 2. Literature review

### 2.1. Internet and social media

The emergence of innovative Web-based technologies has led to a reconfiguration of the environment in which tourism business is conducted. These fundamental technological shifts have a profound impact on the perception, consumption and construction of tourism spaces, and their local development outcomes (4). Research has shown that at the end of 2013 the amount of active smartphones will be around 1.4 billion (5). The Web gives tourist firms and organizations the ability to reach highly motivated customers with information-rich messages at a negligible cost. Nevertheless, competitive advantage on the Internet will not be realized by applying existing marketing models but, rather, by developing innovative concepts. Integrated approaches that build on the advantages and capabilities of technology need to be translated into concrete innovative marketing actions.

One of the newest forms of online marketing, which became one of the biggest forms of online word of mouth, are the social media, for example Facebook, Twitter, YouTube, and online blogs. According to Haenlein & Kaplan (6), social media are depending 'on mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. They introduce substantial and pervasive changes to communication between organizations, communities and individuals.' Over the years tourism industry has undergone huge changes. In the 1980s about 80 percent of all airline tickets were bought through travel agency,

which were intermediaries between travel providers and customers (7). But the golden times changed in 2001 when a lot of airlines stopped providing commissions to travel agencies. And at the same time online travel agencies became more and more popular. Through these events the number of travel agencies dropped by 50 percent (7).

Nowadays, the only thing someone should have to book a vacation is access to a computer and money. Several websites are available where you can find yourself a nice hotel or complete vacation. There are a couple of options when buying a vacation or hotel stay online. The buyer can book a vacation at a travel agency online, because of the decrease in customers a lot of travel agencies are also operating online now. Secondly, the buyer can go to websites such as Expedia or Booking.com. And third, the buyer can go directly to the website of the hotel or airline company. Expedia is one of the largest Internet-based travel websites in the world. The website went online in August 2005, along with websites such as TripAdvisor and Hotels.com (8). With websites in 29 countries, in all parts of the world, Expedia gives its customers the option to book airline tickets, book hotels, rent cars, book cruises, book vacation packages and book many other attractions and events, to name a few of its activities.

But a lot of hoteliers are still sceptical against social media; they do not believe that they have such great influence on the customer's decision, or just think that keeping up with social media is too much work. The contrary is true; social media are becoming more important every day, not only in 'social life', but also in tourism business. For example, not responding to customers' needs and comments can be crucial to a business and affect it negatively (9).

According to Aggarwal (10), there are three steps hotels need to do to stay high on the online reputation ladder. Step one is Monitor, it is important to know what information of your hotel is out there. Step two is Listen & Learn, as when management is listening to what people have to say, the hoteliers can learn what their customers want. Step three is Manage & Engage, as it is necessary for hoteliers to always answer the reviews of customers (good or bad), as the fact that the customer has taken some effort to write about your hotel should be appreciated and time should be spent for response.

## 2.2. Online reviews and their effects on customers and travel agencies

Online reviews of hotels are usually one paragraph long, and contain experiences of previous hotel-guests. A good online review can be positive or negative and should always be written by an unbiased person. Unfortunately for the review searcher, a lot of reviews are useless because the person is biased. Therefore it is hard to find good reviews which can actually help you find your dream holiday. Not only are people more and more using online reviews to find a nice vacation but they are also more willing to write a review themselves. Some travelogues, online travel blogs, contain

very good information about attractions in the area of the hotel, activities around and in the hotel, service in the hotel, etc.

According to Parasuraman (in 11), customers use similar criteria to evaluate service quality for all types of services. These criteria are summed up into 10 groups of 'service quality determinants': Reliability; Responsiveness to the customer; Competence of the frontline staff; Accessibility of the service; Courtesy; Understandable communication of the service; Credibility; Security; Understanding and knowing the customer; The physical facilities and appearance of staff.

Evaluating services can only be done after actually using the service, which is different from tangible products. Because most of the services in a hotel are being experienced after checking-in, the customer should trust in the opinion of other previous hotel-guests. Sometimes the customer reads the reviews of people who are not in the same stage of their lives; as a result they could miss the vacation of their dreams, depending on the other one's opinion. Sometimes the tiniest of flaws are reason for people to write a bad review, causing customer drop. As Buckley et al. (12) comment: 'Today, only 7% of hotels are responding to reviews even though 71% of people say that seeing a management response is important. Because 71% of the people say that they want the management to care more about the online reviews, it is important for the hotel managements to show that they care'. Gaining a bad review can affect the hotel in a negative way. By actively reacting on reviews, the management shows that they want to commit to customers' needs and satisfy them.

Research has shown that the consideration of a hotel greatly increased when the customer was exposed to a review of the hotel. Striking is that positive reviews had positive effects but negative reviews did not have any effect on the customers buying decision (13). The reviews also had larger influences on not well known hotels than on well-known hotels. And reviews by experts had much bigger influence on the customers than the reviews of non-experts (13). According to the consideration set framework, consumers will consider hotels that they are aware of and towards which they have relatively positive attitudes (13). This means that people are more likely to come back to a hotel where they had a pleasant time/ stay. Or provided they have not been there, they like to go to a hotel they heard of in a positive way.

Consequently, the availability of reviews advantages the hotels immensely, while customers are more likely to book a room in a hotel where they read something about than in a hotel without any reviews available. Another factor that is very important for customers is familiarity with the hotel. People are more likely to visit places they had a great time again, or are searching for something similar. When tourists use franchised chains for example, they expect to have the same joy at any other hotel of the chain. So when people for example go to the Hilton Hotel in Amsterdam, and have a pleasant stay, they are more likely to look for other Hilton Hotels in other countries or cities. By this we can say that brands are a useful tool to gain more customers.

Research has also shown that for the less-known hotels it is even more important to receive reviews, this increases the consideration of booking a room in that particular hotel (13). It is also very important for the hotel staff to answer to the online reviews; in this way the customer will feel more satisfied than when there is no response from the hotel management. In overall, we can say that online reviews are of great influence on people's way of acting. But it does not really matter whether this review is positive or negative; the availability of the review is most of the time enough.

Since the number of reviews is increasing every day, it is useful for people to understand how to find good reviews, and not to be too dupable (14). In order to assist customers in gathering good reviews, a couple of review websites came up with the 'review rating'. TripAdvisor.com is an example of a travel website that assists customers in gathering travel information, posting reviews and opinions of travel-related content and engaging in interactive travel forums; with more than 32 million users and over 100 million reviews, TripAdvisor has become one of the largest travel websites used in the world (14).

So what TripAdvisor does well, is every review gets a rating, each customer reading this review is free to rate the review. The review will gain after the rating the title helpful or non-helpful. The review will only become helpful when over 75% of the opinions are positive. In this way the customer only sees the most helpful reviews, which saves him/ her the effort of searching good reviews by its own (14). Finding good hotel reviews becomes essential to tourists, thus some points that one should have in mind could be to: check out many sources; search for the hotel on search engines; check the Google reviews; check the local Chamber of Commerce site; understand that a bad review might just be a sour grape; use several sources rather than just one; check if the owner took the effort to respond to bad reviews; take into accountability that smaller hotels get fewer reviews than hotel chains. The other known website is Booking.com; this Dutch company is, according to themselves, world leader in online reservation of accommodation (15). Every day over 475,000 reservations are made at Booking.com, as they strive to be the cheapest and efficient way, for both businessmen and vacationers. Since there are so many websites the customer can search on, a lot of them are going to the travel agency again, because the travel agencies have access to all the websites and can see the cheapest vacation in a blink of an eye. A lot of people are still a bit afraid of booking their vacation online, while most of the time the amount of money they need to pay is quite high, and they are still afraid of losing their money and holiday.

Nevertheless, online travel communities and online reviews have changed the nature of communication: large numbers of people can communicate with each other as peers without restrictions of time and distance for travel-related purposes such as obtaining travel information, maintaining connections, finding travel companions, providing travel tips and suggestions, or simply having fun by telling each other interesting travel experiences and stories (16).

### 3. Conclusions

Web 2.0 brings a second generation of opportunities for communication and information sharing based on web-based communities and hosted services. For tourism, the benefits include enhanced information sharing between consumers and between business and consumers. The Internet, Dogac et al. (17) argues, enhances the level of communication between tourist operators and brings about greater levels of interoperability with internal and external applications, previously available to technologically advanced tourism stakeholders via proprietary systems. New online technologies within the tourism industry have significantly impacted on communications, transactions and relationships between various industry operators and with customer, as well as between regulators and operators (18; 19; 20; 21). This happens in particular with social media which seem to have rapidly attracted a considerable attention by Internet users of all ages. Tourism marketers can no longer ignore the role of online reviews in distributing travel-related information. The social media phenomenon has become a social convergence trend, where specialized travel websites and hotels alike increase their sociality by adopting applications which enable real-time sharing of contents among visitors. The new digital era requires a new approach by management incorporating a user-centric approach for sustainable management of tourism e-services and complying to tourists needs; new relationships based on trust and culture that values partnerships are essential.

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## Wpływ komentarzy internetowych na klientów i biura podróży

**Streszczenie:** W ciągu ostatnich kilku lat branża turystyczna przeszła ogromne zmiany. Musiała zmagać się nie tylko z kryzysem ekonomicznym, ale też z ogromnymi wyzwaniami, jakie postawiły przed nią pojawiające się na rynku internetowe biura podróży. Klienci, zamiast korzystać z tradycyjnej formy zakupu wakacji, wiążącej się z koniecznością odwiedzenia biura podróży, mogą wykupić wakacje lub pobyt w hotelu w internecie, nie wychodząc z domu. Wraz z uruchomieniem w sieci globalnej stron internetowych pośredniczących w sprzedaży oferty turystycznej pojawiły się towarzyszące tym stronom komentarze internetowe – nowy sposób,

w jaki korzystający z oferty mogą podzielić się z innymi swoimi doświadczeniami z pobytu w hotelach. Komentarze internetowe odgrywają coraz większą rolę w procesie kupowania wakacji. Klienci chętniej sięgają po oferty wakacyjne, jeśli dostępne są komentarze. Nową formą marketingu internetowego stają się media społecznościowe, które w ostatnim okresie stały się jedną z najistotniejszych form internetowego marketingu szeptanego. Niniejszy artykuł poświęcony jest zmianom, jakie dokonują się obecnie w branży turystycznej pod wpływem mediów społecznościowych oraz komentarzy internetowych. Autorzy artykułu badają wpływ tych zmian na hotele i biura podróży.

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Słowa kluczowe: media społecznościowe, komentarze internetowe, web 2.0, biura podróży

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