

THE ROLES OF TRAVEL REVIEWS TOWARDS HOTEL GUEST LOYALTY

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Abstract: *Travel reviews are developing as a dominant source of information affecting hotel guest loyalty. Customers are often expressing their experience and feelings in the form of online consumer reviews and views on hotels, travel destination and travel services. The willingness to share customer's reviews on the website has highlighted the need for a greater understanding of the relationship travel reviews towards hotel guest loyalty. Thus, this paper is aiming to reveal the effects of travel reviews on hotel guest loyalty. This study will increase the knowledge of the customers to understand how they could indicate and assess a hotel room during an online hotel reservation. The results further will recommend that travel reviews play an important part in the trip planning process.*

Keywords: *Customers Travel Reviews, Guest Loyalty, Hotel Services*

Introduction

Nowadays, internet has become an important tool and travellers use internet to search any information including vacation place to visit or to book a hotel during holiday. Travellers can easily to know the information regarding the quality of products and services whether it is worth purchasing. Yet consumers have limited opportunity to assess the quality of service it will meet their expectations. This has been outlined by Litvin, Goldsmith & Pan (2018), holidays are intangible products and difficult to evaluate prior to their consumption. These reviews offer travellers a way to assess the experience of a holiday destination or staying in a particular hotel.

According to Reviews.com (2018), users of review will look at up to 20 review. Current study showing, average users look at 6-12 reviews from TripAdvisor. In fact, more than one user will

check between 21 and 30 reviews. More than 70% of respondents, the accommodations agree to the reviews posted. This seems more realistic than the 98% of TripAdvisor users who apparently said the same, yet the percentage remains strong. Customers like to see choice of words, pictures and videos through travel reviews.

Despite the increasing numbers of user's reviews site, Thailand tourist arrivals increased up to 30 million in 2015 compared to Malaysia has deserved a drop from 2014 to 2015, which from 27.44 million dipped to 25.72 million. On the other hand, a target of 31.8 million visitors to Malaysia with the theme 'Malaysia Truly Asia'. Hotel industry in Malaysia is facing the lower tourism or guests that compared to the hotel industry in Thailand. To increase the competitive ability and to obtain a higher number of loyal customers is very important. Past few years, the length of stay has dropped, compared to ten years ago where on average, tourist used to spend from 7 to 10 days, and in 2013, it dropped to about 6 days. In 2015, the length of stay for tourist in Malaysia dropped to 5 nights (Malaysia Tourist Arrival, 2015).

Hence, it is relevant to study the effects of travel reviews towards hotel guest loyalty. Previous study only focused on consumer behaviour (Xiang & Gretzel, 2010). To fill this research gap, the current research aims at gaining more comprehensive understanding of impacts from online hotel reviews attributes and source feature (reviewer expertise) upon travellers' booking intentions. It is generally accepted that travel reviews have either positive or negative impacts on a hotel's reputation and, consequently, to enhance or detract potential customers from a hotel (Sparks & Browning, 2011; Sparks, Perkins & Buckley, 2013).

There have been considerable research efforts in comparing the effects of negative and positive reviews on consumer actions in terms of strength and diffusion speed (Lee, Park & Han, 2008). Another characteristic of online reviews is measurability. Online reviews also enable customers to intuitively measure the quality and volume of online review content, as most of them published in written form. This enables researchers to estimate the extent to which online reviews can influence consumers' attitudes and subsequent sales (Mayzlin & Chevalier, 2003). In addition, for hotels, especially those renowned or in famous ones, different customers may comment about them in different periods. As such, volume and timeliness of online reviews could influence consumers' purchasing decisions as well.

Literature Review

Customer Travel Reviews

Besides internet, word of mouth (WOM) one of the marketing strategy with the development of virtual communities and online social networks. The volume of information shared online and the number of people looking for information on the web has grown (Berger & Schwartz, 2011). In addition, networking tools emerged to facilitate communication between business firms and customers, which resulted to exchanges of information and influence (Godes, 2011).

Travel review websites facilitate online WOM marketing by hosting Consumer Generated Content (CGC) from the personal opinions and experiences of travelers (Bronner & de Hoog, 2011). Liu and Zhang (2010) found that consumer feedbacks that are expressed online have the strongest influence on the travel decisions of first-time travelers and travelers who found customer feedback to be effective in the past. In a similar study, Burgess, Sellitto, Cox and Buultjens (2011) stated that people place more trust on travel agents and travelers feedback. Next, quality and quantity of reviews also determine referral effect. Karakaya and Barnes

(2010) indicated that reviews about customer care comprise quality travel feedback. Therefore, information on this particular aspect of the travel experience is highly sought by customers.

Furthermore, travel reviews which highly support travel planning and provide experience-based information that could shift the perceived need for travel of consumers (Hvass & Munar, 2012). In addition, reviews can influence the marketing outcomes on hotels. This supported by Tuominen (2011) which shows the correlation of hotel performance with the number of reviews and the ratings. More positive reviews and higher ratings reflect good performance by hotels while more negative reviews and low ratings indicate bad performance of the hotel.

Previous researcher also stated the difficulty in measuring eWOM, gives its various form on the Internet (Godes & Myazlin, 2004). Namely the valence (Liu, 2006; Sun, 2012; Tirunillai & Tellis, 2012; Zhu & Zang, 2010), the volume of reviews (Chealier & Mayzlin, 2006; Liu, 2006; Zhu & Zhang, 2010) and the variation of review (Godes & Mayzlin, 2004; Park & Park, 2013, Sun, 2012; Zhu & Zhang, 2010). An average rating measure most frequently represent valence. Statistical variation measures dispersion in ratings and the number of posted ratings represents volume most commonly (Lee, 2012). In addition, Jang, Prasad and Ratchford (2012), further suggested that customers often pay close attention to these three factors when referring to online products review in their purchase decision process.

As customers post their comments and ideas about accommodation on social media, they attempt to persuade other customers to see their opinions and thus influence their decision-making (Chu, 2011). Previous research also found that the valence of customer reviews has a statistically positive relationship with product sales. For example, Moe and Trusov (2011) demonstrate that customers' buying behaviour significantly affected by positive ratings from other users. Chevalier and Mayzlin (2006) and Sun (2012) stated that online reviews rating significantly influence book sales and that a high average rating on Amazon.com drives book sales.

Sub-ratings on hotel specific attributes such as service, location, price, room, and cleanliness are observable to customers on social media platforms and commonly taken into account when customers evaluate a hotel (Choi & Chu, 2001; Lockyer, 2005; Ramanathan & Ramanathan, 2011). The discrepancy of online reviews signals the heterogeneity in customer opinions (Sun, 2012; Zhu & Zhang, 2010). There is relatively insufficient literature that examines the impact of review variation on firm performance, and the findings are truly mixed. For example, Ye, Law and Gu, (2009) found that review variation of a hotel has a small impact on hotel sales. However, the result of high variation in customer ratings is not necessarily negative, since high variation signals both great threat and great reward (Zhu & Zhang, 2010). In a similar point of view, Park and Park (2013) suggest that high-variation reviews are more likely than low-variation ones to enhance the evaluation of a high-expectation product.

Previous study on eWOM has revealed the emergence of several contrasting themes such as the impact of the volume of customer reviews on hotels related to several factors. First, customers are likely to follow the ideas and comments of others to influence to a peer group (Zhang, Ye, Law & Li, 2010). Meanwhile, Zhang, Zhang, Wang, Law and Li (2013) shows that the volume of reviews has a positive effect on the number of buyers of a restaurant deal. Cui, Lui and Guo (2012) indicated that the volume of reviews has a greater impact on sales of experience products compared to sales of search products.

Table 1: Examples of Popular Travel Site by Reviews.com (2018)

	<u>Booking</u>	<u>Expedia</u>	<u>Kayak</u>	<u>Hipmunk</u>	<u>Priceline</u>
	Best Airfare Site, Accommodation	Best Car Rental Site	Best for Flexible Planning	Best for Comparing Features	Runner-Up Best Car Rental Site
Owned By	Priceline	Expedia	Priceline	Hipmunk	Priceline
Airfare Prices	Best	Average	Good	Good	Expensive
Car Rental	N/A	Best	Average	Average	Expensive*
Flexible Dates Options	+/- 3 days	N/A	+/- 3 days; monthly search	+/- 3 days	+/- 1 day

Hotel Guest Loyalty

The existing literature on guest loyalty is extensive and focuses particularly on customers display varying degrees of loyalty, assurance, or commitment in various aspects of their daily interactions. In general, customer loyalty described as occurring when customers repeatedly purchase goods and services. Customer loyalty considers measurements of consistent, repetitive purchase behaviour as an indicator of loyalty. Furthermore, it interprets a form of customer behaviour directed towards a particular brand over time (Bowen and Shoemaker, 1998).

Emergent body of literature has examined that the loyalty of hotel guest exclusively related to the behavioural dimensions (Ehrenberg, Goodhardt, & Barwise, 1990; Krishnamurthy and Raj, 1991). According to Dick and Basu (1994) this type of measurement provides limited understanding of the factors underlying repeat purchase. Another problem with the behavioural approach is that repeat purchases are not always the result of a psychological commitment towards the brand (TePeci, 1999). For example, a traveller may stay at a hotel because it is the most convenient location. When a new hotel opens across the street, they switch because the new hotel offers better value. Thus, repeat purchase does not always mean commitment (Bowen & Chen, 2001). Therefore, this study clearly indicates that there is an effect of customer travel reviews towards hotel guest royalty, which will increase the performance of the hotel.

The Relationship between Travel Reviews and Guest Loyalty

Previous studies are keen to examining the causal relationship between online reviews and travellers' intentions and behaviours. For example, Ye, Law, Gu, & Chen (2011) studied the influences of user-generated reviews on online sales. Their results showed that a 10 per cent increase in travel review ratings would increase online bookings by more than 5 per cent. Besides, Zhang and Mao (2012) stated that a 1-point growth in the review score can rise ADR by 9%. These significant roles of travel reviews towards hotel's ADR and hotel's sales shows that travel reviews have direct effect on customer's readiness to pay premium price, which is one of the major processes of customer loyalty.

Moreover, Vermeulen and Seegers (2009) stated that exposure to online reviews would improve customers' choice of a hotel. As content and forms of customer reviews may differ considerably across products and services, it would be more practically beneficial for hoteliers to gain a better understanding of how individual aspects influence customers' decision-making. Besides similarities to traditional Word of Mouth (WOM), online reviews contain several added

appearances. In the online environment, both positive and negative reviews presented to potential customers separately (Chatterjee, 2001; Herr, Kardes & Kim, 1991). However, in order to get customer loyalty, receive their trust or create a trusting situation that could improve loyalty (Ye, Law, Gu & Chen 2011). Indeed, website trust also has a high degree of connection with online customer loyalty and consequently may give positive connection with each other in an online environment. Hence, customer travel reviews have positive effects and or affect the guest loyalty because customers who had positive prior experiences are eager to make repeat purchase.

Conclusion

Generally, by attracting new customers itself is not ensure the successful of hotel industry. The hotels should increase positive image to sustain their performance and remain the existing customers in future. Research regards with determining travel reviews has undergone significant growth in recent years. Building guest loyalty is a sure-fire way of creating sustainbale growth for every hotel business. It believed that all parties involved in the industry may receive benefits throughout the roles of travel reviews such as researcher, hotel industry players and future consumers. The results further suggest that the role of travel reviews may increase confidence by reducing risk as well as giving imagination of the places to the travellers. Furthermore, travel reviews one of the online marketing tool for hotels to monitor consumer's attitudes and make corresponding changes in how they deliver their service in future.

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