

# Chapter 15

## The Importance of Online Reputation Management in Four- and Five-Star Hotels: Case of Lisbon

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### ABSTRACT

*In recent years, online reputation management has become increasingly crucial in the hotel industry, as online reviews have become one of the most critical factors in choosing accommodation. Consequently, hotels have adapted themselves to this new reality and define strategies focused on online reputation management, whose primary goal is to monitor and correct unwanted situations verified on the internet. Regarding its importance, several investigations about online reputation management have been made, but mostly about their impact on consumer satisfaction and decision-making. This investigation shows that hotels in Lisbon adopt adequate strategies in both four and five-star hotels, and their classification (star rating) did not influence the strategies chosen by them. Additionally, hotels with the same classification have similar strategies, in contrast to some investigations in the literature. Finally, the method of data collection chosen for the current investigation was the online survey, since it allows the collection of a significant volume of data in a short period.*

### INTRODUCTION

The present investigation aims to answer the following starting question: “What are the strategies adopted by the four and five-star hotels in the city of Lisbon, given the importance of online reputation

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management in the hotel industry?”. Once the hotels’ strategies are known, it is intended to analyze each category’s behavior and understand if the hotel classification influences the chosen approaches.

Considering the review of the existing literature on the subject, it is observed that most studies focus mainly on the consumer (Lee & Blum, 2015; Diana-Jens & Ruibal, 2015; Xie, So & Wang, 2017), particularly on what refers to the impact of online reputation and online reviews on their satisfaction (Picazo-Vela, 2009; Li, Ye & Law., 2013; Gu & Ye, 2014; Berezina, Bilgihan, Cobanoglu & Okumus, 2016) and decision-making (Litvin, Goldsmith & Pan, 2008; Vermeulen & Seegers, 2009; Levy, Duan & Boo, 2013; Melián-González, Bulchand-Gidumal & López-Valcárcel, 2013; Rose & Blodgett, 2016). Thus, the present investigation aims to focus on the view of hotels and analyze their behavior in this area.

Nevertheless, some studies in the literature portray the impacts of reputation on the performance of hotels (Diana-Jens & Ruibal, 2015; Xie et al., 2017) and equally (and similarly to this research) the management of responses to online reviews, according to some indicators (Lee & Blum, 2015; Liu, Schuckert & Law, 2015; Xie, Zhang, Zhang, Singh & Lee, 2016; Aureli & Supino, 2017; Xie et al., 2017).

Lisbon (Metropolitan Area) choice was since there were no similar studies in this region and because it has significant international recognition<sup>84</sup> as a destination of excellence in Portugal. For example, the Portuguese capital was recently considered the “Best City Break Destination in the World” by the World Travel Awards (Público, 2017).

Concerning four and five-star hotels, the choice fell on the two highest categories as they focus more on face-to-face interactions and provide highly individualized and personalized service to their customers, which may contrast with the communications made in the online panorama (Park & Allen, 2013). Also, proper online reputation management is more expected in higher category hotels (Xie et al., 2016).

Finally, this article is divided into five main points, namely: literature review, methodology, results and discussion, conclusion and implications of the investigation.

## **LITERATURE REVIEW**

### **Online Reputation Management**

Inserted in the online world, companies are currently a click away from millions of people, becoming the topic of reputation (and respective management) increasingly crucial in the success of organizations. This issue can act for or against companies, making it crucial to adopt appropriate strategies.

Thus, online reputation management consists of “monitoring the media, detecting relevant content, analyzing what people say about an entity and, if necessary, interacting with consumers” (Amigó, Artiles, Gonzalo, Spina, Liu & Corujo, 2010, p.1). Although this management is focused on online reviews, it was decided to focus this research on this element as it is an aspect that assumes significant importance in the hotel industry. This situation can be proven in a study by the World Tourism Organization (2014), which found that 69% of respondents said that online reviews were extremely important for the hotel.

As a source of reliable information in the consumer’s eyes (Lee, 2009; Sparks, Perkins & Buckley, 2013), online reviews allow you to create an even more positive image about the hotel and shape its reputation (Campbell, 2015). If, on the one hand, positive online reviews allow to increase reserves and market share (Torres, Singh & Robertson-Ring, 2015), negative ones lead, on the contrary, to reputational damage and consequent drop in revenue (Sparks & Browning, 2011; Vermeulen & Seegers, 2009).

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