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ANALYSIS OF NEGATIVE ONLINE REVIEWS AND RESPONSES IN DUBROVNIK BASED HOTELS

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ABSTRACT: Online reviews had been the basis for hotels to identify the potential service failure and to achieve service recovery. This paper investigates the areas that customers complain about, how often do hotels respond and what type of responses do hotels provide to complaining guests. A content analysis was done on Trip Advisor platform including one star rated reviews and responses in 15 Dubrovnik hotels. Results suggest that customers mostly complain about F&B and front desk attitude and customers get both Standardized and Personalized responses. Hotels could've been more successful in responding to customer reviews if they focused on having Personalized rather than Standardize responses.

Key words: Customer complaints, Online reviews, Service recovery

ANALYSIS OF NEGATIVE ONLINE REVIEWS AND RESPONSES IN DUBROVNIK BASED HOTELS

For many hotels, online reviews have become the basis for hotels to establish or reinforce their market reputation. According to HotelMinder Team (2020), online guests' feedback is being used as a solid tool for service recovery opportunities, regardless of whether they respond to guests' comments publicly or not. Over the years many online platforms and social media channels have emerged, so today hotels have to deal with responding to negative online reviews and answer to different types of complaints. In that context, Levy et al. (2013) developed a comprehensive complaint framework to address different types of concerns that hotels have. Hotels need to understand the nature of these complaints and how they are affecting the business. Therefore, the aim of this senior project is to address questions like: what are the areas that customers complaint about? How often do hotels respond? What type of responses do hotels provide to complaining guests?

According to Levy et al. (2013) negative reviews are considered more credible and of higher importance than positive reviews, with critical reviews being more closely examined and commented on. The purpose of this paper is to find out how Dubrovnik based hotels respond to these types of negative reviews. More specifically we will explore what kind of complaints do they get, which departments are they complaining about, are there any differences between complaints and responses of five-, four- and three-star hotels.

This research project will be qualitative in nature with content analysis of Tripadvisor.com platform as our main method that we'll employ. Our project will be based on Levy et al. (2013) hotel online complaint model. However, this model was used to meet the needs of our study.

Some of the following hypothesis will be tested:

1. Front of the house complaints (F&B and front desk) in Dubrovnik hotels are predominantly the subject of guests' complaints
2. The attitude of employees is the primary guests' complaint
3. Hotels, in general, do not respond to guests' negative reviews
4. The higher the star rating the higher the response rates to negative reviews
5. Most hotel responses are not personalized, rather they are standardized (copy/pasted) in nature

Electronic word of mouth (eWOM)

According to Zhang and Vasquez (2014) electronic word of mouth has been more and more popular and has made it easier for consumers to decide upon their hotel decision. Hotel quality is no longer evaluated just by professionals but also by “non-specialist” users who participate in various activities. In order to deal with online reviews companies need to find options for online reputation management. Online reviews are known to be rich in content and they hold various valuable information that are of great value for companies. The whole philosophy lays in finding the right response for the online review. Gretzel et al. (2007) conducted a study in which they found out that nearly half of the travelers that were surveyed used consumer generated content in their travel planning process. The most important platform used for generating electronic word of mouth that we will also use as one of the tools for research purposes is TripAdvisor. TripAdvisor hold a title of the most successful platform for travel content information provided by consumers so other can review it and decide upon their travel preferences. Besides the feature that allows

consumers to review a hotel and leave their experience, TripAdvisor gives space for Hotel Management to respond to each review even though they can't edit or delete any of existing reviews. According to O'Connor (2010) and Vasquez (2014) as electronic word of mouth becomes bigger the companies are more eager to engage in online reputation management.

Service recovery

According to Kim et al. (2010) service failures are inevitable even in the best run hospitality organizations. When it comes to the response to the failures consumers tend to do nothing, spread negative word of mouth, complain to the third party but these are the coping mechanisms that are not likely to lead to service recovery. Addressing dissatisfaction directly to the service provider can help them and lead to them resolving the issue and achieve service recovery. Depending on how satisfied consumers they are with the recovery effort it will either result in them switching the service, word of mouth or loyalty. Negative word of mouth is the most common type of coping mechanism that deals with service failure. The Internet talk about the one's consumption experiences has been highly popular due to the accuracy of TripAdvisor reviews and responses. Hart et al. (1990) did a research and found out that half of the consumers they studied were less than satisfied with the complaint-handling process, and on the other side Tax and Brown (2000) research has shown that service recovery performance can help in overcoming customer disappointment and anger and can even salvage a relationship. Later, after the service recovery has been executed consumer have tendency to evaluate the success by three factors: outcome, procedural and interpersonal treatment. But whatever the situation service failure remains the major problem in lodging industry because employees are not fast enough to reply to customer complaints.

Service recovery strategies and effect

According to Brady et al. (2002) it is important to recognize and appraise customer dissatisfaction, as we do when it comes to customer satisfaction. Customers in hotels expect that their level of expectations is matched with experience they get from the service. The expectations that are not in accordance with experience are what leads to service failure and customer dissatisfaction. Achieving service recovery is not as simple as it may appear. Strong service recovery strategy can enhance customer satisfaction and reduce the number of negative online reviews. According to Dong et al. (2014) there are three types of service recovery strategies: Customer service recovery, firm service recovery, and joint service recovery. Little is known about the effect of these three service recovery strategies. According to Claycomb et al. (2001) customer service recovery deals with the extent of customer involvement in taking actions to respond to a service failure. Customer engagement has been an important factor when it comes to service failure recovery and it is known as hotel management's tool to solving a problem. Customer involvement is based on the complexity of the problem, perceived urgency of the failure and money factors. According to Dong et al. (2007) firm service recovery speaks of customer involvement in "taking actions in order to respond to a service failure and service recovery efforts are driven entirely or mostly by the company or its employees. If firm service recovery is executed efficiently it can lead to customer's satisfaction or greater business loyalty. According to Dong et al. (2007) Joint service recovery includes customer involvement in taking actions to respond to a service failure by co-opting with service providers. Customer takes part as "partial employee" by devoting time and effort to undertake some of the service recovery functions.

Customer complaints

According to Hu et al. (2019) in order to improve quality, customer satisfaction, and revenue it is important to get into the depth of customer complaints and to analyze them. Negative reviews are more beneficial for the hoteliers than positive reviews because they are perceived as more credible and honest aspects of hotel service and they will give space for hoteliers to think about the potential ways to improve. Roberts et Al. (2014), designed Structural Topic Model (STM) to investigate what hotels complain about. This model has been used for Hu et al. (2019) research and they decided to apply STM model to New York lodging market. The purpose of this study is to introduce STM model to people and to show how customer complaints vary across different hotel grades. Results have showed that major sources of customers' dissatisfaction on low-end hotels are facility related issues and for high-end are hotels service-related issues and pricing problems, while all hotel grades have high percentage of customer dissatisfaction based on booking cancellation and room type discrepancies. Attitude of employees have also been recorded as one of the main complaints. These results are of big importance for us to understand the nature of customer dissatisfaction that led to negative reviews.

Online review responses from hotel's perspective

According to O'Connor (2008) way of communicating on internet has shaped consumer's decision making. One of the most excessive examples are the online reviews that people often leave after they consume the product or service, also known as electronic word of mouth. Trip advisor is the tool used by many hotel managers to track customers dissatisfaction and to lead them to service recovery. The response is to be viewed depending on its very public nature. For

the purpose of the study the research has been conducted where they collected 80 responses from hotels from China. After the further analysis, they have come to idea to choose only 4 to 5 star rated hotels rather than lower rated hotels because they lacked responses to reviews. Platform that has been used for the purpose of research is TripAdvisor. 100 hotel reviews have been recorded but 20 of them were written in other languages so they just kept it for the sake of research. Since the focus are the responses to negative online reviews it is not surprising that majority of responses begin with the apology. 66 of total 80 responds record the invitation for the second visit, and it is mostly somewhere near the end of the response. 63 of total 80 responses were oriented on the actions taken to come to the negative review. It is also important and seen in the 53 of 80 responses that you acknowledge complaints/feedbacks. We need to acknowledge that there are two types of hotel responses and those are: intertextuality and generic or specific responses. As recorded in the research 30 of total 80 responses were just regular without any reference to the review responses. These types of reviews refer to the usage of the template or the “copy-paste” approach. Also, there is the message that hotel management is sending to the customer by these kinds of responses, and it is that they give a little value to what customer has to say about their service. Not many responses included closing pleasantries and that means using your own name at the end of the response or professional title. This research showed how most of the hotels either use the set of moves (up to 10) or they use a template or “copy-paste” responses.

METHOD

Content analysis method is used for the purpose of this study to examine the nature of customer reviews and responses. Content analysis can be defined as “an approach to documents that emphasizes the role of the investigator in the construction of the meaning of and in texts” (Bell et

al., 2019). Content analysis underlines the development of categories from the data and recognizes the importance of understanding the meaning of the context where the analyzed items appeared (Bell et al., 2019). Quantitative content analysis seeks to “quantify content in terms of predetermined categories and in a systematic and replicable manner” (Bell et al., 2019).

This method is useful so that we can identify the nature of customer reviews and effectiveness in responses when it comes to service providers. According to sources found for the purpose of this research, they have been doing content analysis as well and examined pattern in customer reviews. Levy et al. (2013) model will be the base for this study since their idea was to develop a comprehensive customer complaint framework and they have been aiming for Washington D.C. hotel’s reviews and responses that were one star rated. To collect qualitative and in-depth analysis we used two basic criteria: a) only three-to-five-star hotels in Dubrovnik, b) one star rated reviews. TripAdvisor was the data source we have used to answer research questions.

For the purpose of this study, 10 most recent one star rated reviews were collected from 5 hotels with three, four and five stars. This means we used 50 reviews from each star category and 150 of total reviews that we will further examine. What was to be examined is the nature of the responses, did the hotels even respond to the reviews, were responses standardized (copy-paste) or personalized, were reviews directed towards attitude of employees or was it F&B related, front desk related etc. We looked into the complaint themes that dominate in reviews, response rates of hotels, response styles (Personalized vs Standardized) and response categories (freestyle, copy-paste, and customized template) The data was collected and stored in the Microsoft Excel Spreadsheet. Excel used by millions of people around the world, and it is an easy tool for coding and structuring the text data which can be used by a basic computer literate. (Amozurrutia & Servós, 2010)

RESULTS

In this section we would like to present the results that we have gathered. We have tested out five hypothesis and worked with the raw data to find out if they are proven or not.

Our first two hypothesis were focused on the customer complaints. We wanted to find out if front of the house complaints (F&B and front desk) and the attitude of employees were the biggest concerns of guests.

H1: Front of the house complaints (F&B and front desk) in Dubrovnik hotels are predominantly the subject of guests' complaints

H2: The attitude of employees is the primary guests' complaint

“Staff-front attitude “was the most frequent complaint theme and in desperate need for service recovery. 86 in 150 reviews were directed towards staff-front attitude.

„Space/Room/Facility/Location/Interior and Exterior” is the additional complaint theme that has been appearing in customer reviews reaching 78 in 150 reviews. F&B appears to be the third most used complaint theme in customer reviews with the reach of 60 in 150. According to customers' reviews Housekeeping reached 35 in 150 reviews. During research, the example was found where all 4 of the used complaint themes were mentioned:

“Bathroom is tiny. The Buffett is appalling, depressing, demoralising. When dealing with the front desk staff one always is left feeling that they cannot wait to be rid of you. Like you’re in the way ... a sort of impediment to their actual jobs. The air conditioning units in the rooms are dirty ... they are visibly in need of cleaning and have not been opened up and cleaned out in a very long time and one is left nervous about the notion that they’re blasting fluff etc all over the room when you switch them on.”

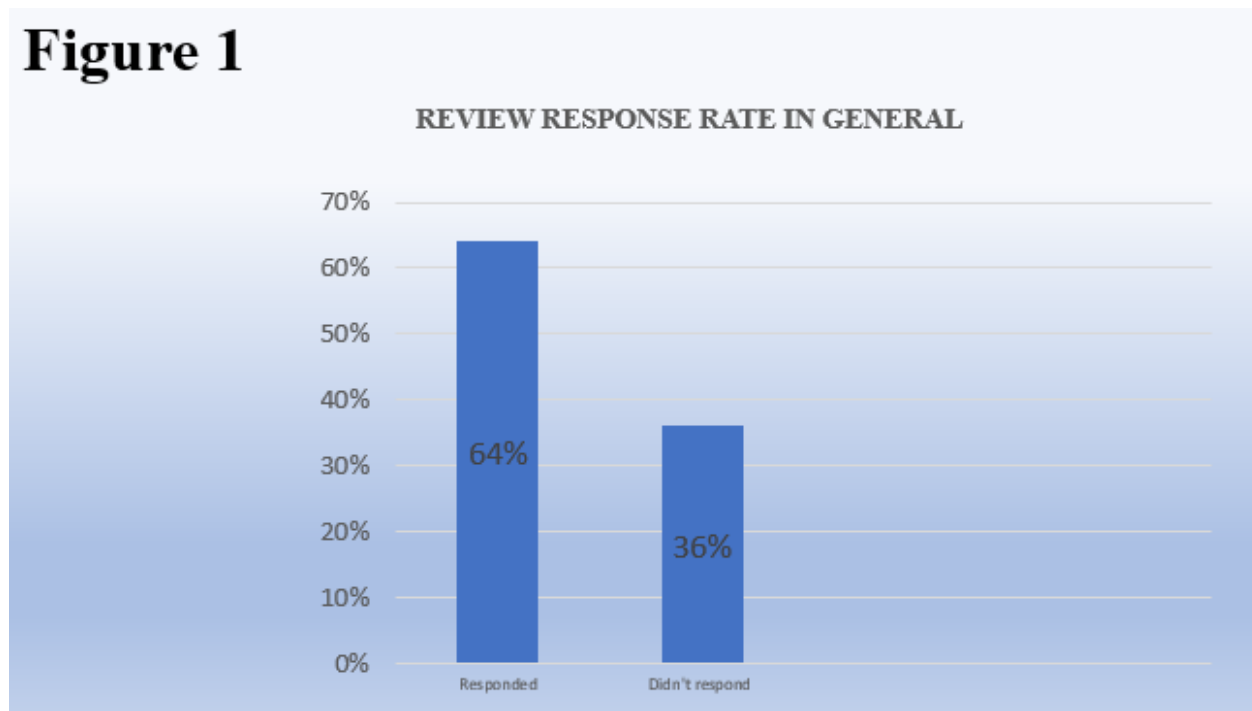
After all the reviews in our sample were analyzed, we can conclude that these findings have proven our first two hypothesis, first being: “Front of the house complaints (F&B and front desk) in Dubrovnik hotels are predominantly the subject of guests’ complaints.”, and second hypothesis: “The attitude of employees is the primary guests’ complaint.” have been proven.

Our third hypothesis has been dealing with hotels response rates meaning the frequency of the hotels responding to the guests’ reviews. We assumed hotels choose not to respond to negative reviews rather than taking time to respond to them.

H3: Hotels, in general, do not respond to guests’ negative reviews

Figure 1 shows that most of the hotel managers or staff have responded to the reviews rather than not responding to negative reviews. Out of 150 reviews in 15 hotels that were examined 96 responses were recorded (64%) and 54 didn’t take time to respond (36%).

Figure 1



Source: author

Hence, our hypothesis: “Hotels, in general, do not respond to guests’ negative reviews” was not confirmed.

The fourth hypothesis of this research was designed to explore whether the hotel star level has anything to do with the review response rates. We wanted to find out if five-star hotels have bigger response rate than 4- and 3-star hotels and if four-star hotels have bigger response rate than three stars. We wanted to test and find what is the gap between response rate of different star ratings.

H4: The higher the star rating the higher the response rates to negative reviews

According to our results, 5-star hotels seem to be dominating in the response rates since they responded to 39 reviews of 50 total. Three-star hotels are little bit behind with 34 recorded responses, and lastly Four-star hotels being in the bottom with 22 responses. (Figure 2)



Source: author

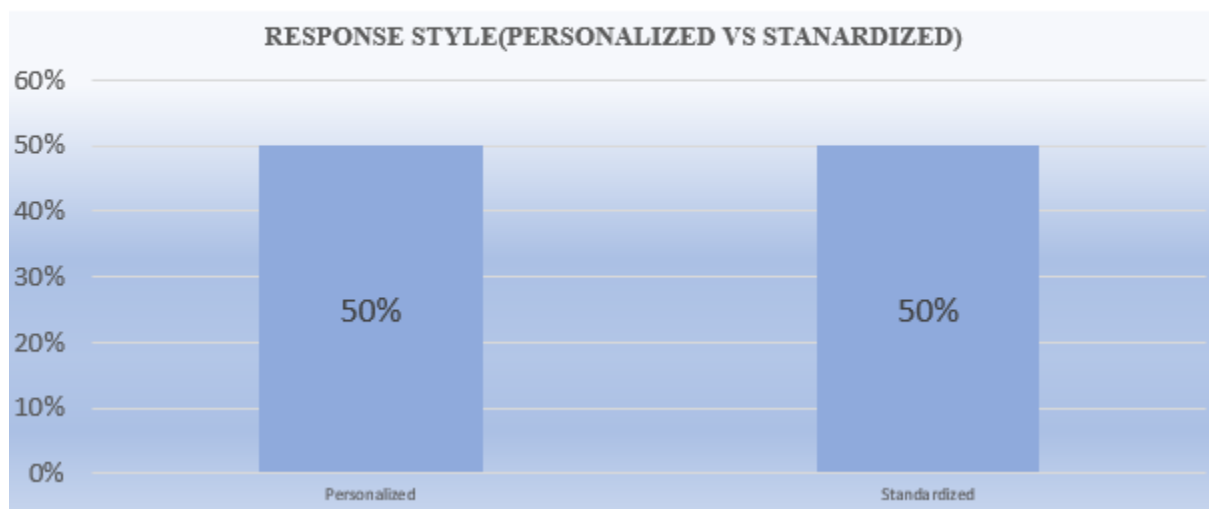
Therefore, hypothesis “The higher the star rating the higher the response rates to negative reviews” has been partially proven based on the results which indicate that hotels with three-stars don’t necessarily respond less than four-star hotels, but when looking at the five-star hotels they respond less. Five-star hotels respond more than four-star hotels which partially proves our hypothesis that the higher the star rating the higher the response rate to negative reviews.

Finally, our hypothesis H5 was dealing with response style meaning we have looked into the way that responses were put together. This have left us to find out if responses were Personalized or Standardized

H5: Most hotel responses are not personalized, rather they are standardized (copy/pasted) in nature

Figure 3 shows that 50% of the responses are Personalized, and 50% are Standardized. When looking at the exact numbers there are 48 both Personalized and Standardized responses out of 96 total responses.

Figure 3



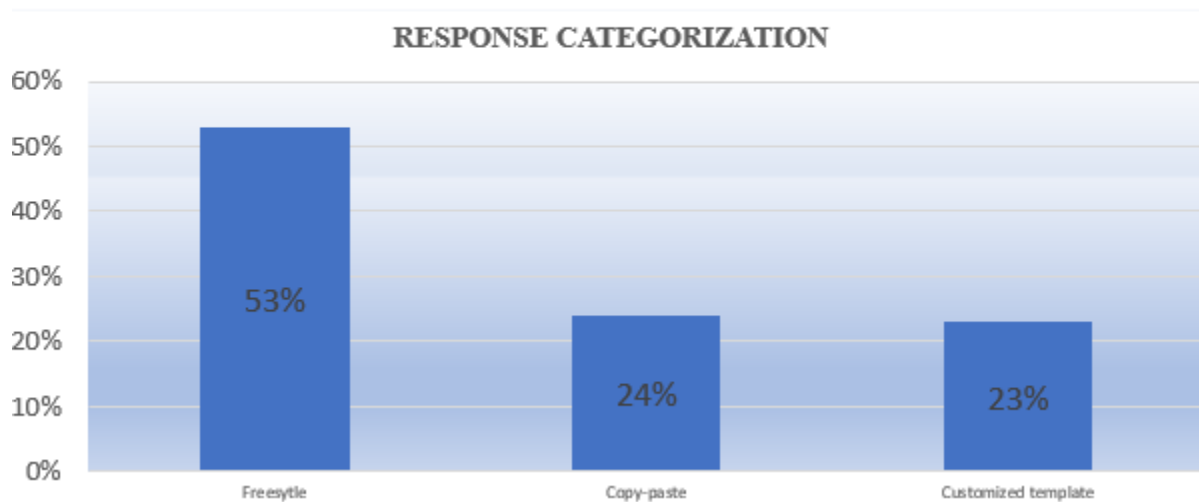
Source: author

Our final hypothesis “Most hotel responses are not personalized, rather they are standardized (copy/pasted) in nature was neither proven or not proven because results indicate we have 48 Personalized and 48 Standardized responses which means the percentages are the same, therefore we couldn’t establish a conclusive result.

There are some additional results that we have gathered but they were not in the focus of our research. These contain information about the response category (Freestyle, Customized template, and Copy-paste) and we have found out the following: most of the hotels use Freestyle

response category with the results being 51 out of 96 responses. They use Copy paste responses more (precisely 23 out of 96 total) than Customized template, 22 out of 69 (Figure 4).

Figure 4



Source: author

DISCUSSION

The purpose of this study was to analyze negative reviews and responses in lodging industry. Furthermore, author wanted to find out what is the nature of the reviews and how hotel managers or staff respond to these reviews. Author was curious to find out how often do hotels respond to the reviews and is it true that they are responding less to the negative reviews and if they do respond do they respond in Personalized or Standardized way. Research was oriented towards responses also, and the complaint themes that repeated in various reviews.

The results of this research provide supporting evidence that most complaint themes are directed towards Front of the house complaints (F&B and front desk). It came as no surprise that other complaint themes besides those that we put an assumption on will be Housekeeping and Room/Facility/Space/Interior and Exterior since these have been constant themes at other hotels too. Second key finding of the research is closely related to first finding and it points out that the attitude of employees is the primary guests' complaint. This finding will be of benefit to hoteliers because the key standard of their hotels is to have a trained staff that will be of help to guests whenever they need. Third key finding is that hotels do respond to guests' negative reviews.

Why we assumed this will not be the case is because positive reviews are what hotels are looking for and mostly putting an effort to recognize because of their assumption that guests should be satisfied with their service in the first place. They should continue with the practice of responding and acknowledging negative reviews because they lead to service recovery. Fourth key finding is that five-star hotels are responding more to reviews than four- or three-star hotels and that is no surprise because there is a certain expectation of five-star hotels because they have their standards and they should respond to every customer review, good or bad. What I find out as one of the most interesting findings is the fact that three-star hotels are responding to reviews more than four-star hotels. What was expected is that four- and five-star hotels will have bigger percentage of responses than three-star hotels. This finding gives heads up to three-star hotels to continue with what they are doing and reminding them that they should not be discouraged with negative reviews because at the end with their response they are sending positive vibrations to the guests. Four star hotels could have had better result if they took more time to understand the customer complaints and if they followed the steps that lead to successful response. Further

research is needed to understand our results. Fifth key finding is that in Dubrovnik hotels there is no gap between Personalized and Standardized responses when it comes to three-, four- and five-star hotels that we took as examples. It was a surprise that this was the case because of the expectation that most responses would be Standardized rather than Personalized. We have even better results than we expected and even though our hypothesis was not proven at least we have good news for Dubrovnik hotel managers and their success in responding to reviews. Even though we assumed there will be more Standardized than Personalized responses it would be of a pleasure to read more Personalized responses because that is how hotels show they care about their guests.

An analysis of negative online reviews and responses have been identified in secondary research. In their research, Levy et al (2013) stressed out that negative reviews have been of particular interest for hotels because of their credibility and higher import than positive reviews. They can easily damage hotel's reputation and poor responses can make that even worse. No response is a response too. The importance of the negative reviews has risen because they strengthen hotels possibility to achieve service recovery. Front desk staff was the most common issue in the reviews in Washington D.C. hotels and our results showed that as well. Their results and our results have some things in common. However, we must emphasize that their research was a bit differently modeled than ours. While we have taken three-, four- and five-star hotels Levy et al (2013) have taken all sorts of hotels from luxury, upscale hotels and so on, and they have used more than one online review platform while we have used only TripAdvisor.

LIMITATIONS

Our sample of 150 reviews from 15 hotels in Dubrovnik is too small and it should have been bigger. We were not able to do that due to Covid-19 and the drop in guests coming to hotel in the season of 2019 and 2020 so there was a lack of negative reviews from that period.

FUTURE RESEARCH

The author suggests that the further research on this topic should include the brands. It should question if foreign brands respond more to negative reviews than local brands. Also, author would be interested to find out about the steps that hoteliers follow while responding to reviews and if they have a certain pattern that they follow. It would be interesting to find out the difference in reviews and responses between regions on Dalmatian Coast and continental hotels. Lastly author's suggestion for the future research would be analyzing reviews and responses in hotels by their functions, for example leisure hotels vs business hotels.

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