

THE GOOD, THE BAD, AND THE EMOJI

Mastering the Art of Review Data

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INTRODUCTION

In today's fast-paced, interconnected world, customer feedback has become more important than ever. Reviews have the power to shape consumer behavior, build trust, and ultimately determine the success of a product or service. With the proliferation of digital platforms and the increasing influence of social media, the volume and variety of review data available have grown exponentially, providing businesses and consumers with unprecedented access to insights and information.

“The Good, The Bad, and The Emoji: Mastering the Art of Review Data” delves into the fascinating world of review data, exploring its evolution from word-of-mouth to sophisticated online platforms, and its far-reaching impact on businesses, consumers, and industries. Through a comprehensive examination of the sources, collection, analysis, and applications of review data, this book provides a roadmap for navigating the complex landscape of customer feedback in the digital age.



#1

THE NEW MARKETING PARADIGM

How David takes on Goliath.

*Unless you have 100% customer
satisfaction you must improve.*

*Horst Schulze
Ritz-Carlton*

DAVID AND GOLIATH

David and Goliath is a well-known biblical story that tells the tale of a young shepherd boy named David who defeated a giant named Goliath. According to the story, the Philistines and the Israelites were at war, and the Philistines had sent Goliath, a giant who was over 9 feet tall, wore full body armour, and carried a large spear, to challenge the Israelites to send out a champion to fight him. The Israelites were afraid of Goliath, and no one wanted to fight him. However, David, who was not yet a soldier but was sent by his father to bring food to his older brothers who were soldiers, volunteered to fight Goliath.

Despite the ridicule and scepticism of King Saul and the other Israelites, David confidently faced Goliath in battle. David only had a sling and five stones, while Goliath had powerful armour and weapons. David aimed a single stone at Goliath with his sling, which struck the giant in the forehead and caused him to fall to the ground dead.

The story of David and Goliath is a perfect metaphor for how Online Guest Reviews have provided a sling to small unbranded hotels as they try to compete in the luxury hotel segment with established global hotel brands in markets all over the World. Prior to Online Guest Reviews, the Davids of this World had little chance in competing successfully against the much bigger and better-resourced Global hotel giants. Their marketing budgets were non-existent, their distribution channels limited, and they were not appealing for Tour Operators who were looking for volume and



brand recognition. Today, this picture has changed radically and, one could argue, the playing field has been levelled.

In this introduction, we seek to explore how online guest reviews have changed our perception of quality in hotels and what this means for small independent hotels as they compete in Global markets. These changes are not unique to the hospitality industry as the rise of online reviews has disrupted and changed each industry dealing directly with consumers as we will highlight throughout this book. The hotel sector in particular provides excellent insights into the dynamics at play.

A NEW QUALITY PARADIGM FOR HOTELS

The idea that service quality is different from product quality was established in the 1980's. Finnish scholar Christian Gronroos argued that conventional quality management techniques, which were developed for tangible products, were not suitable for measuring service quality, as services are intangible and difficult to quantify. They proposed a new approach to service quality management that focused on meeting customer expectations through a more nuanced understanding of the unique characteristics of service delivery.

Around the same time researchers Parasuraman, Zeithaml, and Berry were instrumental in defining and developing the concept of service quality. They published several articles that helped to establish the idea that service quality is not just based on satisfaction with the service itself, but also with the entire service delivery process and customer experience.

Their work was significant in establishing the importance of service quality and the need for businesses to focus on delivering high-quality customer experiences. Their research continues to influence the way that businesses approach customer service and quality management today.

Up to that point, the hospitality industry measured quality as something that was to be ascertained by experts who would very often focus on tangible elements of a hotel to establish its classification (1-5 star), or its compliance to a brand standard. Guests

would navigate their hotel selection based on these star ratings, or brand, as they had no other ways of determining what quality they could expect as they selected a hotel. The process of booking a hotel stay is quite unique in that we typically do not have the means to visit it prior to our booking and therefore we have to rely on indirect sources.

This gave hotels a lot of space to overpromise their offerings and secure bookings. Sometimes this was subtle – by using a wide-angle lens to make rooms appear more spacious, and sometimes shamelessly, by promising facilities and services that were simply not being offered. Hotel rating systems and international hotel brands provided some assurance of the standards and quality that one could expect, however neither was close to perfect. Hotel classifications systems would typically be limited to an inspector’s interpretation of the tangible infrastructure of the hotel and comprise a snap-shot that would take place once a year at best. International hotel brands would typically be able to ensure a consistent standard of hotel infrastructure, but in terms of upkeep and daily service delivery would not always deliver as per standard.

Alec Le Sueur’s book “Hotel on Top of the World” proves this point as he chronicles his experiences in the 5-star Yak and Yeti hotel in Kathmandu, Nepal, from 1985 to 1991 in a hilarious manner. The hotel was managed by the Golden Tulip, which had taken over management of the hotel from Sheraton. La Sueur writes about the challenges that arose during the initial opening of the Yak and Yeti hotel, and how he was responsible for ensuring that all aspects of the hotel were operational. He describes how the hotel had been

constructed over 20 years earlier, and that some aspects of it were outdated, including the locking system for the rooms. He writes:

“I discovered that all the room keys were the same, and therefore the system was useless. Any key would open any room. It was like a credit card belt that had been bought for a rupee at a market stall.”

Le Sueur’s memoir confirms the point that neither a 5-star rating, nor an international brand were guarantees for an uneventful stay, especially in developing markets. However, also in more developed markets with more rigid and more frequently controlled standards, a star rating or an international brand did not guarantee a positive guest experience simply because the limited scope and perhaps the paradigm by which quality was measured.

The launch of TripAdvisor in 2000 marked the beginning of a radical change of how we view quality in hotels. No longer were expert inspectors or international hotel brands the judges for what can be considered a great hotel; it was the actual guests. From 2007 onwards, TripAdvisor’s popularity and widespread use has grown exponentially from 4 million reviews in 2007 to 25 million reviews in 2010 and over 1 billion reviews today. The first decade of TripAdvisor’s existence was marked by questions about the reliability of its reviews. How could we know they are real and not written by the hotel itself? Or its angry competitor? Discussions also revolved around the objectivity of hotel guests: ‘Are they not subjective in their opinions?’. Both arguments were flushed out as the volume of reviews started to run in the hundreds and even thousands for a single hotel. It became clear rapidly that it would

simply not be possible to falsify that volume of reviews, especially with TripAdvisor's algorithms screening the user accounts and IP addresses as well as some very clever wording checks. It also became clear that travellers were quite comfortable to rely on the subjective' opinions of hundreds of peers opposed to that of one expert hotel inspector. With Booking.com, Expedia.com and many other Online Travel Agents following suit in publishing verified online guest reviews, the argument was settled that indeed the guests decide what constitutes quality in hotels.



Today we can comfortably book a hotel on the other side of the World which does not feature an official star rating or an affiliation to a Global brand. We merely visit one or more online guest review platforms, look at the scores, read a few reviews, and we feel comfortable that our experience will be similar to those that went before us.

THE TRIPADVISOR TOP 10

Between 2009 and 2011 Wouter conducted research for a Doctoral thesis titled 'Hotel Rating through Guest Feedback'. One of the exercises he employed was to look for identifying traits of the top 10 ranked hotels on TripAdvisor in 11 large cities across the World. Having worked in a number of branded 5-star hotels in Amsterdam as a Hotel Management School student he expected to see a number of them feature in the TripAdvisor top 10 on Amsterdam. Hotel Management Schools typically teach hotel operations based on the model of a 300-bedroom 5-star branded hotel with formal structures, training, departments, and protocols. This was, in his training, the model that should achieve the highest standards and should therefore yield the highest guest review scores.

None of these 5-star branded hotels that he knew and had worked at featured in the TripAdvisor top 10 in 2009. What was worse, he did not recognise a single hotel in the top 10!

As Wouter went on to analyse the list, he learned that only two hotels in the list featured more than 100 rooms and belonged to an international brand. The average hotel in the top 10 featured only 55 rooms and the top 3 averaged less than 8 rooms. Revisiting this list in 2023, he noted that some of the names have changed, but the trend has not: only 3 out of the 10 leading hotels in Amsterdam on TripAdvisor represent hotels that belong to a brand, only 1 has more than 100 rooms, and the average size is 53 rooms.

This observation is not limited to Amsterdam. It can be observed in many other tourism destinations: the top hotels seem to be small, independent, and quite frequently owner managed.

Why is this? Don't larger and internationally affiliated hotels have many more resources to deliver exceptional service and an unforgettable stay? There is no argument that larger hotels benefit economies of scale and should be able to offer more facilities and services to their guests from the simple observation that the costs of these additional services and facilities could be absorbed by more rooms? They typically also have the benefit of better technology, standardised processes, centralised support structures, guest loyalty schemes and many other advantages that small independent hotels do not have.

However, there is one critical thing they typically cannot get right and that is personalisation. Guests want to be catered to their needs, not to a general standard. They want to be recognised, engaged with, and referred to as a unique individual with unique needs during their stay. These needs can only really be catered for in a small-scale service setting where the host gets to know the guest and his or her unique needs. A simple example is that of coffee choice at breakfast. Let's say a guest likes to drink a double espresso first thing in the morning before even ordering breakfast. In a boutique hotel, this is noted on the first morning and from thereon build in as a routine, very often without the waiter even asking. This makes a guest feel recognised and special: 'the waiter knows who I am and what I like'. This cannot possibly be replicated in even the most luxurious 400 room five-star hotel unless supported by



technology, or dedicated butlers on each floor. The first solution would probably not be perceived as real and the second one would escalate the cost of a stay to only be accessible for the lucky few.

Especially when it comes to unique travel needs, small independent hotels find themselves in a position to exceed expectations more easily. From hosts getting up outside of normal times to prepare breakfast for guests who need to depart early to tailored food and drink presentations in the room, to unique travel advice. This kind of service delivery results in ratings and results that allow these small hotels to dominate the top places on Online Review Platforms.

THE MARKETING ADVANTAGE

Research indicates that there is a strong positive correlation between online review ratings and the financial performance of a hotel. Studies have found that hotels with higher online review ratings report higher occupancy rates, higher room rates, and higher revenue per available room (RevPAR) compared to those with lower ratings. A study using data from nearly 3,000 hotels in the United States by Cornell University in 2012, found that a one-point increase in a hotel's average online review rating on websites like TripAdvisor was associated with a 1.42% increase in RevPAR. Subsequent studies have consistently found that higher online review ratings can be associated with higher hotel prices and increased occupancy rates, indicating that guests are willing to pay more for hotels with better reputations. These findings indicate that online review ratings are a key factor for hotels when it comes to attracting and retaining customers, and ultimately, driving financial performance.

This however also works the other way around: while marketing can help to promote a hotel and increase its visibility, it is unlikely to be enough to overcome consistently negative online reviews. Marketing can attract new guests to a hotel, but once they begin reading negative reviews about the property, they will be hesitant to book a stay. According to a 2021 survey conducted by TripAdvisor, 97% of travellers in the United States consider online reviews important when choosing a hotel for their next trip and 85% of travellers worldwide think reviews are essential in the decision-making process. Also these findings have been consistent across

other studies and confirm that online reviews are a crucial factor in the decision-making process for most travellers.



In other words, a great hotel that consistently receives excellent scores will have to do very little marketing, and a hotel that consistently receives poor reviews cannot possibly 'market' its way out of that poor reputation. The differentiating factor in terms of competitive advantage is therefore not in how well one can position oneself, but what one's guests have to say about you. The data is clear that smaller and independently owned hotels have the edge to dominate the top of the charts and from that position beat Goliath.

The Mantis Collection

“Throughout my 30-year journey in the industry, I’ve witnessed the evolution of marketing, with a particular emphasis on Guest Reviews in the Boutique Industry. From the early days of relying on celebrity endorsements to the present era of electronic ‘Word of Mouth,’ one thing remains unchanged—the significance of our valued guests. In this digital age, we must embrace the reach and influence of online platforms, but never forget the importance of our guests—the heartbeat of our industry. For anyone seeking insights into the transformative role of Guest Reviews in the Boutique Industry, this story is a must-read.”

Adrian Gardiner Executive Chairman The Mantis Collection

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