Electronic Word of Mouth

- Managing online guest reviews in the hospitality industry

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Abstract

This thesis aims to look closer upon how hotels manage electronic Word of Mouth and suggests potential strategies. Focus is being put on online guest reviews and the research intends to study the impact of online reviews in the hospitality industry as well as defining the possibilities and challenges. The aim is not to make generalizations for the entire industry, but to be a suggestion for how to manage online reviews. Case studies have been performed with six different hotels with different characteristics, to be able to answer the research questions. In order to provide an understanding of the topic, theories concerning e-Word of Mouth marketing, has been chosen. The traditional Word of Mouth and electronic Word of Mouth is defined and the possibilities/challenges are explained. Theories on management of online reviews are also presented in the thesis.

The empirical research has shown that e-Word of Mouth is still a new phenomenon in the hospitality industry. However most respondents agree on the influence of online recommendations which make it important to monitor and track them. The main possibility of managing online reviews is the chance of increased revenues and the ability to create brand awareness. It helps hotels to understand the needs of their customers. However challenges of sincerity and the big amount of information that is needed to control, are problematic. The research has shown that only few respondents work actively with some type of e-Word of Mouth. These results have provided the thesis with suggestions on management of online reviews.

Key words: hospitality industry, electronic Word of Mouth, online reviews, management.
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1. Introduction

1.1 Background and problem discussion

Marketing has assumed an increasingly important role in the hospitality industry. There has been a transformation from a domination of individually owned hotels to giant chains. The chain hotels operate in a competitive environment and therefore good marketing skills are required to win customers over (Kotler et al. 1999). With the growth of information technologies, such as the Internet, the customers have been able to strengthen their position in their relation to businesses (Lexhagen 2009). The Internet has made it possible to search for information and to make reservations. This type of technology enables the hospitality industry the opportunity to reach out and interact with their customers. As a result, it can be utilized as a marketing channel (Rayport, Sviokla 1994). The Internet is interactive and customizable which provides the customers a chance to search for information about products or services that they are interested in. From a marketing perspective, this can create challenges (Lexhagen 2009).

Customer reviews are independent from commercial influence and with the Internet it has become more extensive. It has led to the spread of electronic Word of Mouth which may be defined as; informal communication directed to customers via the Internet, in the context of the use of certain products/services. This includes guest reviews by customers regarding an experience after using a product/service (Goldsmith et al. 2008). Many consumers rely on this type of recommendation before deciding whether to buy a product/service or not (Buhalís, Laws 2008). Information flow across social circles and virtual communities are becoming more and more influential in the tourism business. Customers trust their peers rather than traditional marketing, which create challenges for marketers (Cakim 2010). The big amount of information is problematic for marketers and negative recommendations are shown to be far more influential than positive ones, which may affect the reputation of a company (Kirby, Marsden 2006). Therefore it has become important for hospitality marketers to find ways to manage electronic Word of Mouth properly due to of several reasons.

One issue is that tourism products cannot be evaluated before consumption and therefore online recommendation are considered to be influential during decision-making. It is possible to say that customers can find tourism products to be risky and therefore seek for recommendations from their peers. There is a risk of negative reviews affecting potential customers when deciding where to stay and might even affect the reputation of hotels (Goldsmith et al. 2008). It is also difficult for managers to track and control the online reviews which create challenges for marketers (Dellarocas 2003). The Internet allows people to reach other people very fast. One customer can easily reach out to a large group of potential customers – similar to mass media, and it is as influential as traditional marketing (Hennig-Thurau et al. 2004). Consumers are taking over the role of creating meaningful information which has been the in the hands of marketers in the past (Lexhagen 2009).

Therefore it is vital for managers to manage electronic Word of Mouth, due to competitive advantage is gained from knowing the needs of the customers. This is possible to define through electronic information published by guests. Therefore e-Word of Mouth might help companies to improve their services by receiving feedback and they can use them for improvement. Customer responses by e-Word of Mouth may also help companies to develop new products/services more effectively and enhance managers’ ability to predict sales.
Existing customers allow managers to develop and improve services and by not knowing how to manage it, vital information can be lost (Andreasson, Streukens 2009).

It is important to avoid the spread of e-complaints and localize them to cope with them professionally (Buhalis, Laws 2008). Thus, the new way of communicating requires new strategies that enable the hotels to analyze and improve their products/services, to gain competitive advantage and a good brand (Goldsmit, et al. 2008). Therefore this study has put focus on how hotel marketers and managers may control the big amount of reviews being related to their businesses, and how to use it as a marketing channel. Such advertising can serve as an effective channel to retain customers and add to traditional marketing (Mills, Law 2004).

The Internet is both an opportunity and a challenge for hotel marketers. On one hand, it allows marketers to reach customers directly. On the other hand, it challenges them when trying to get their attentions long enough to tell their stories (Mills, Law 2004). To harness the power of Word of Mouth, organizations need to be prepared for the future where customers depend on online information sources (Cakim 2010). Based on this, the study intends to focus on the issue of how to manage the big amount of information being published online, by consumers. Additionally it is of great interest to study the influence and possibilities/challenges to create an understanding of electronic Word of Mouth, as a marketing channel for hotels.

1.2 Essay aim

This research aims to look closer upon how hotels work with e-Word of Mouth marketing, with focus being put on online guest reviews. It aims to study how influential online reviews are for marketing in the hospitality industry and to suggest potential strategies for using online guest reviews when marketing.

1.3 Limitations

This study has its limits regarding the possibility to generalize the outcomes of the empirical studies being made. Therefore several case studies have been performed to provide the study with results from different types of hotels, to at least give an insight to the industry. Although the hotels’ characteristics differ, they are geographically located in a certain area which can be considered as a limitation. Another limitation is the results gained from the case studies. Most respondents do not give insight information about their marketing strategies and therefore the information gained does not provide with detailed information.

1.4 Research questions

- How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?
- What are the possibilities and challenges of e-Word of Mouth marketing?
- How can the hospitality industry manage e-Word of Mouth marketing?
1.5 Essay outline

Introduction
• Background and problem discussion
• Essay aim, Limitations, Research questions

Scientific Method
• Case studies, Semi-structured interviews, Selections
• Analysis of interview data, Hermeneutical approach, Qualitative research, Validity, Reliability, Objectivity, Abduction

Theory
• Word of Mouth, e-Word of Mouth, The hospitality industry
• Possibilities/Challenges, Management, Networking agents

Empirical Research
• The respondents
• The interviews
• Result compilation

Analysis & Conclusions
• Analysis
• Conclusions
• Suggestions for further research

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Appendix
• Interview guide
2. Scientific method

This chapter describes the methodological choices and approaches of this study. The reasons behind the selections are being discussed. This chapter also contains information on how data has been collected and how it was processed.

2.1 Case studies

A case can be an individual, a group, an institution or a community. It is one which investigates the above to answer specific research questions and which seeks a range of different kinds of evidence (Gillham 2000). The decision to use the case study research method is a strategic decision that stands in relation to size and scope of the research. There are numerous advantages of using case studies. Firstly, it allows several methods depending on the circumstances and the special requirements of different situation (Descombe 2000). Case studies are generally strong precisely where statistical methods are weak. It explores and examines casual mechanisms in individual cases. Additionally, it allows the researcher to look at several variables and studies may also maintain entirely different results compared to earlier studies. Another strength is the ability to accommodate complex casual relations and paths. It provides generalizations that are narrower but more contingents (George, Bennett 2004).

A comparative case study applies a design of several case studies. The design includes comparison logic in that it assumes to provide a better understanding of a phenomenon when studying and comparing them (Bryman 2008). Case studies have been chosen due to its ability to provide more in-depth information. The aim of this study is to suggest useful strategies when managing Word of Mouth marketing, focusing especially on online guest reviews. It shows paths and provides a contingent generalization, which is the intention of this study.

A comparative study helps to create a better understanding of online guest reviews in the hotel industry. It makes it possible to see patterns or variations. When a deviant case leads to the specification of a new theory, the researcher may be able to generalize how the newly identified mechanism may play out in different contexts (George, Bennett 2005). To be able to generalize the result of a case study, it is important to consider if it is representative and if the results are unique (Descombe 2000). Although the aim is not to generalize the result, on how to use online reviews and Word of Mouth marketing, it intends to give suggestions that may be useful for the hospitality industry.

A limitation of case studies is that the research focuses on certain aspects. The requirement for structure and focus applies equally to individual cases since they may later be joined by additional ones (George, Bennett 2005). Another criticism is that case studies create propensity on the researcher to devote less attention to specific contexts and instead focus more on how cases can be set against each other (Bryman 2008). The comparative cases performed in this study are not aiming to only see differences but also to see similarities.
2.2 Semi-structured interviews

Interviews provide in depth and detailed information. The researcher provides with valuable insights and is flexible and can make adjustments (Descombe 2000). A common qualitative approach to collecting data is unstructured interviews. The researcher controls as little as possible, which provide opportunities for the respondent to formulate their responses and comments (Bryman 1997). In depth information has been the purpose of this study and receiving access to various perspectives of the respondents is considered to be important for the research questions. The method provides this type of information and also allows the respondents to be flexible and decide what is important to emphasize.

Semi structures allow the respondents to add their own perceptions. In addition it has also been useful when performing e-mail interviews since it allows the researcher to add questions that arise during the research period. As a starting point, structured questions have been used. It can be difficult to use open questions during e-mail interviews, when not being able to interact and follow up with questions immediately. Thereafter unstructured questions have been asked when questions have arisen during the study. e-mail communication does not allow the researcher to study the body language for an example, since it is not being made face-to-face (Ryen 2004). Only a few interviews have been done by phone, however most contact has been through e-mail. In addition it is vital to mention that all interviews are performed in Swedish and have been translated into English.

The reason for choosing e-mail interviews is mainly based upon the request from the respondents. In addition, it does also have numerous benefits such as reducing geographical limitations. It is not necessary to synchronize meetings, and is also a fast way of getting answers. Furthermore, the researcher can interview several respondents at the same time. e-mail interviews do also allow the respondents to write down the answers themselves. The researcher has time to reflect on the answers and keep continuous contact when questions arise (Ryen 2004). The traditional interview has several challenges and e-mail interviews are pretty much encountering the same ones, such as creating trust, getting in touch with the respondents and getting answers (Ryen 2004). It may be seen as time consuming and problematic regarding reliability. It is difficult to be objective and what is being said by the respondents might not be in accordance with reality (Descombe 2000).

2.3 Selections

When selections are being made in qualitative studies, a researcher must cope with several situations. A selection entails more than determining who should be involved in the research. The environments, events and processes have to be considered as well. Initially, one must have access to study subjects by selecting fields such as a company for an example. Then a researcher selects the people who are essential to interview for the specific study (Ryen 2004). The purpose of the interviews has not been to produce statistical knowledge. As a result, the respondents have not been chosen randomly.

When choosing hotels to study in this research, the aim has been to select as various hotels as possible, in order to capture different aspects of the research questions. The aim is to get access to actions and different perspectives. A researcher should limit the selection so that the interviewees are not too many or too few. Otherwise it might be difficult to make comparisons (Ryen 2004). The cases in this study have not been chosen randomly due to the purpose is not to produce statistical knowledge. With regards to the limitation of this study,
selected hotels are located in the surroundings of Stockholm and the aim has been to choose different types of hotels – both chain hotels and privately owned ones. This provides the researcher with possibilities to see variances and similarities.

Selections have also been based on availability and responses from the hotels. Some hotels have chosen not to participate in this research based on the reason that they do not work with this type of marketing. Other respondents have chosen to be anonymous and their names are therefore not mentioned in the empirical section of this thesis. The goal has been to come in contact with the hotel managers; however selections have been based on referring from the hotels.

2.4 Analysis of interview data

Analyzing qualitative data means reducing the amount. It is important to be selective or it will make it difficult to make a systematic analysis in the end. Therefore the researcher should only pick out what is relevant for the study. When analyzing qualitative data, a researcher should divide it into categories that refer to people, places or activities for an example. Thereafter the researcher makes conclusions based on the data and can choose different methods for this; comparing, looking for patterns or looking at deviations (Ryen 2004).

A literature review has essential functions and shows awareness of earlier studies made in the subject. Sometimes it determines the research questions and gaps. It also provides with guidance to the readers. The literature sets the existing knowledge in the specific subject (Descombe 2000). In this thesis, the literature review is the theoretical perspectives used as a basis for the empirical research. Any major literature review has not been put into focus in this study since there is little research done in the field of electronic Word of Mouth, online reviews and how to manage them in the hospitality industry. The aim is to present those theoretical perspectives that focus on answering the research questions and on fulfilling the purpose of it.

Literature studies include all types of written material such as books and scientific articles. This is secondary data since the information has been used for other purposes than this specific thesis. Therefore it is important to be aware that the information might be bias (Lantz 1993). Since secondary data is based on documents and literature that has been compiled by others, it is important to be critical of them. It may be a limitation when the facts are gathered at an earlier time. Web pages have been used to acquire information about each company being studied. The researcher is aware that the material contained may be bias to its advantage and therefore only general information is utilized such as: background information and contact information.

2.5 Hermeneutical approach

What characterizes a phenomenon, according to the hermeneutics, is that it must be interpreted to be understood. A key premise of hermeneutics is that humans always see something in the light of certain conditions. We never see the world as a blank sheet. When interpreting a phenomenon we must start with ideas on what we are actually looking for. (Gilje, Grim 1992) Hermeneutics is related to explaining which is about clarifying – making the unclear clear (Bauman 1997). Much of the research in the social sciences may be seen as a process of interpretation. People have perceptions about their own identity and from there create perceptions on how their society is and should be. Social scientists must therefore
interpret and understand something that is already interpreted which may be the challenge of hermeneutics (Gilje, Grim 1992).

In this specific study, the data being collected through interviews/case studies are being interpreted by the respondents and by the researcher, which means that it might be difficult to be objective. The data collected is based on perceptions of the respondents/hotels and their answers is being processed and influenced by the perceptions of the researcher. Qualitative studies are intending to focus on evidence that enables to understand meanings (Gillham 2000). This is in accordance with the hermeneutical approach since qualitative studies search for meanings to identify variations, which is important for this thesis.

Although the aim is to be objective, interpretations affect the results. The answers have also been translated from Swedish to English and therefore been interpreted. This study aims to create a better understanding on how different hotels can market themselves by online guest reviews and to suggest useful strategies for doing so. Therefore it is, in this study, considered to be important to study the different opinions of online guest reviews regarding its influence in marketing. This provides a better understanding on whether online guest reviews are important or not in marketing and how to benefit from them. Therefore perceptions and interpretations are considered to be a vital source of information and is the reason for not choosing a positivistic approach.

2.6 Qualitative research

Qualitative methods are essentially descriptive and inferential in character, and for this reason, are often seen as soft. Qualitative methods focus primarily on the kind of evidence that will enable you to understand the meaning of what is going on (Gillham 2000). Qualitative researchers are studying the subject in its natural environment and makes interpretations based on the answers from the respondents. The preferred data is in form of pictures, words and natural data through observations and unstructured interviews, rather than numbers (Ryan 2004).

In this study, unstructured interviews have been preferred to obtain perceptions on the subject from different hotels and interpretations are based on these answers. The most significant feature of a qualitative approach is the desire to see events, actions and norms based on the respondent’s perspective (Bryman 1997). The goal is to identify a phenomenon, characteristics or meanings. It is content seeking and is aiming to identify variations, structures and processes (Starrin, Svensson 1994). Seeing variations, structures and processes are claimed to be of great value in this study when trying to identify marketing possibilities by using Word of Mouth marketing.

There are also some issues in a qualitative approach. Qualitative studies usually include some type of case studies which makes it difficult to generalize the problem or case being studied. One solution to this problem is to study several places to get different perspectives (Bryman 1997). Therefore this study is based on several cases, which allows the researcher to see variations and patterns. This approach is being criticized for using only a few telling examples and for simplifying reality and varieties for being hidden (Ryan 2004). However, the aim is not to generalize any marketing strategy for the entire business. The aim is rather to give suggestions on how to work with online guest reviews and create an understanding of marketing possibilities by using them. Perceptions from the respondents are considered to be of great value in this research and it provides different perspectives regarding the subject. This depth would not have been possible by quantitative methods.
2.7 Validity, reliability and objectivity

Validity, reliability and objectivity can be seen as three dimensions of a study’s credibility. Validity is the extent to which it actually measures what it intended to measure from the beginning. Reliability is the degree of trust and if the result remains the same when being repeated. Objectivity is about the values of a researcher and how much it affects the results (Björklund, Paulsson 2007). To increase validity and reliability several case studies have been chosen, rather than focusing on a single case. It makes it possible to see the results from different perspectives which increase the validity (Descombe 2000). In terms of reliability and validity, comparative studies differ from others. Comparative studies give a better basis for the results (Bryman 2008) which is the method used in this study.

Case studies allow a researcher to identify and measure the indicators that best represent the theoretical concepts that the researcher intend to measure. Many of the variables that interest social scientists are difficult to measure so researchers must carry out contextualized comparisons to address the issue of equivalence. Statistical studies run the risk of lumping together dissimilar cases to get a larger sample; case studies allow refinements with a higher level of validity (George, Bennett 2005). The request of being anonymous by some respondents may affect the credibility of the research; however the researcher chooses to take their requests into consideration. The interviews can still bring useful data to answer the research questions. It might also be possible to see similarities and differences when comparing with the other hotels that have been studied.

Valuations reflect the researcher’s personal opinions. They represent a form of preconceived thoughts and must be controlled by the researcher. However, it is impossible to control them completely. There is a risk of researchers to develop sympathy for the people being studied (Bryman 2008). Although the aim is to be as objective as possible, interpretations have been made during this study when collecting data and when processing it. Results may vary depending on values of the researcher and between different respondents.

2.8 Induction, deduction and abduction

A research goes between the different levels of abstraction in which theory and empirical work are endpoints. Induction starts in reality and tries to find patterns that can be summarized. A subject can be studied without any theoretical work done before. (Björklund, Paulsson 2007). Inductive theory describes implications of the results based on the theory behind the study. (Bryman 2008). Deductive theory represents the most common perception of the relationship between theory and method. Based on what the researcher knows about an area and the theoretical considerations related to it, he/she deduces one or more hypotheses to be tested in an empirical investigation (Bryman 2008). Deduction is starting with theories and then continues with the empirical work. Going between these two levels are called abduction (Björklund, Paulsson 2007). This qualitative study goes between these two levels and there has been a continuous interaction between observations and ideas.
3. Theory

This chapter aims to review current knowledge in e-Word of Mouth marketing and how to manage it in the hospitality industry. Word of Mouth marketing and e-Word of Mouth marketing is being explained and advantages/disadvantages are being discussed. Finally there is a theoretical review on how to manage e-Word of Mouth.

3.1 Word of Mouth

Word of Mouth can be defined as communication about products/services between people, who are perceived to be independent of the company providing it (Silverman 2001). The sources are independent from commercial influence and this is the key characteristic of Word of Mouth (Goldsmith et al. 2008 & Lomax, Stokes 2002). It is especially relevant when the product is characterized by experiences due to people search for recommendations to reduce their perceptions of risk (Lomax, Stokes 2002). This is very essential in the tourism industry since the product is being bought prior to consumption and experiences are intangible (Gu et al. 2009). The best way to make decisions easier is for a trusted person to encourage customers to use the product/service and this is what Word of Mouth marketing is aiming for (Silverman 2001 & Mason 2008). Each activity of Word of Mouth advertising could escalate to create strong images of a business (Mason 2008).

Word of Mouth may be more credible than the most sincere sales person and is able to reach more people faster. Therefore it is claimed to be more powerful than conventional marketing. Word of Mouth is more relevant and complete than traditional marketing strategies. In addition, it is custom-tailored as the customers are provided with recommendations on products/services that are in their interest (Silverman 2001). Seller-created product information is usually describing product attributes such as technical specifications. Consumer-created product information is, on the other hand, describing attributes in term of usage situations and experiences (Chen, Xie 2008). People face thousands of ads everyday and do not necessarily respond to them, however most people trust recommendations from other consumers. Therefore Word of Mouth is an important marketing channel (Silverman 2001).

3.2 e- Word of Mouth

Sharing consumers’ attitudes and behaviors on the Internet is often called electronic Word of Mouth (e-Word of Mouth). It originates from individuals with strong views about brands/companies and the Internet is a good tool to disseminate such opinions (Mills, Law 2004). The difference between traditional Word of Mouth and e-Word of Mouth is that in e-Word of Mouth, recommendations are usually from unknown individuals. This consequently makes it difficult for consumers to determine the credibility of online reviews (Bonner, De Hoog 2011). While opinions and conversations that are shared through face-to-face Word of Mouth rely on the memory of individuals involved, to stay on the public agenda, e-Word of Mouth remains etched on web pages and is easily accessible. When online readers comment or share reviews, they push the post up in search engine rankings which means that the buzz grows bigger and bigger (Cakim 2010).
Electronic Word of Mouth can be defined as informal communications directed at consumers through Internet based technology. Communication is related to the usage of particular products/services. The Internet has empowered both providers and consumer by allowing them to share information and opinions, both between business to consumer and from consumer to consumer (Goldsmith et al. 2008). The web empowers proactive consumers who can navigate through online information and the uncensored information provides with a new level of richness (Cakim 2010). The advent of the web has also changed how companies do business with their customers. As a major communication and media distribution channel, the web is replacing conventional media marketing such as TV and radio (Mills & Law 2004).

The Internet has transformed the way information flows across social circles and customers can use it to gather, distribute and publish information (Cakim 2010). Virtual communities are becoming very influential in the tourism business. The consumers trust their peers rather than marketing messages and therefore people exchange ideas/experiences through media channels. A virtual travel community makes it easier to obtain information and make decisions. By creating an understanding of these communities and their users, tourism businesses can facilitate consumer centric marketing or relationships (Buhalis, Laws 2008). There are several types of e-Word of Mouth media channels and each possesses different characteristics, as depicted below. (Goldsmith et al. 2008).

![Figure 1 – Typologies of e-Word of Mouth](Goldsmith, Litvina, Pana 2008)

Some types of e-Word of Mouth connect one consumer with another consumer, such as e-mails. Other marketing channels connect one consumer to wide range of consumers, such as web pages. E-mail and instant messaging is an asynchronous, one-to-one medium. This is an advantage in e-Word of Mouth marketing due to it gives possibilities to create mailing lists
and does not correlate with e-mailing costs. Once a list is obtained it becomes a highly efficient means of communication between a hospitality provider and its past and potential guests. A website is an asynchronous, one-to-many medium. It can be used to create the first buzz in order to stimulate e-Word of Mouth. An effective website should not only share information but also create the desire to learn more about the product. Blogs, virtual communities, newsgroups, review sites and chat rooms are communication channels and each has its own level of interactivity. Readers access these sources at different times (Goldsmith et al. 2008).

Ebay.com is a good example of a web page where reviews are being shared. Ebay was founded in 1995 and is one of the leading online marketplaces for the sale of goods and services by individuals and businesses. At the beginning of 2003 they had about 49.7 million registered users. The most remarkable aspect of Ebay is that the transactions performed are not backed up by formal contractual guarantees, but by feedback mechanism. Buyers and sellers can rate one another. Ebay makes the entire feedback history of a seller available to buyers and if an honest seller stays on the system long enough he/she will establish a good reputation (Dellarocas 2003).

TripAdvisor.com is another leading virtual community, for the tourism business. It facilitates the reviewing of all hotels around the world and provides users with independent travel reviews and comments written by the members of the community. These comments can help companies to understand the needs of their customers and to undertake actions accordingly (Buhalis, Laws 2008). Epinions.com is a third virtual community that encourages users to rate any kind of business such as airlines, resorts, telephone companies and so on. Citysearch.com encourages opinions on restaurants, bars and performances. Nowadays even online newspapers encourage feedback from readers (Dellarocas 2003).

3.3 e- Word of Mouth in the hospitality industry

Recent web technology advancement has enabled customers to express their experiences about hotel services over the Internet. Consumers can use web-enabled devices to gather, distribute and publish information which empowers them (Cakim 2010). Thanks to these fast changing technology developments, marketing shifts toward customer retention and it has revolutionized the way the hospitality industry reaches out to its customers. Hotels are becoming increasingly dependent on technology based approaches such as Internet-marketing and this creates managerial implications for both the hotels and their customers. From the tourism marketers’ point of view, understanding travelers’ information search behavior is imperative for marketing management. It is crucial to understand their behavioral patterns in order to design effective strategies and campaigns, since it represents the early stage at which marketing can provide information and influence travelers’ decision making (Mills, Law 2004).

e- Word of Mouth communication, such as online reviews, is receiving increasing attention from marketing managers in the hotel industry. Primarily since consumers seek information online before making a reservation (Kim et al. 2011). No matter if the reviews are positive or negative; they create awareness among the consumers. This improves the probability of consumers to consider making a booking (Vermeulen, Seegers 2009). The Internet is playing an important role in mediating between customers and hotel companies by serving as a place where information can be acquired. It can serve as an ideal channel for tourism marketing in general (Mills, Law 2004).
The Internet was seen as the best thing that could happen to the hospitality industry. However, this has been debated. Although the Internet provides significant opportunities for hotel companies to extend a “brand look”, it has also been very significant for the online travel agencies. A lot of customers are making travel plans online which is challenging for hotels (Mills, Law 2004). The hospitality industry has struggled with the implications of travelers booking rooms online ever since this explosion (Kim et al. 2011). The Internet has an influential power and a lot of tourism businesses do not know how to handle the online reviews/complaints which results in loss of customers (Buhalis, Laws 2008). New ways of communicating requires new strategies for management (Goldsmith et al. 2008).

3.4 The possibilities and challenges of e-Word of Mouth marketing

The digitalization of Word of Mouth has created both new possibilities and challenges (Goldsmith et al. 2008). Online feedback mechanisms are known as reputation systems and are used to share opinions and experiences on topics, companies, products or services. The Internet allows companies the advantage to reach audiences of unprecedented scale at low cost by e-Word of Mouth marketing (Dellarocas 2003). It has led to low cost of access and information on a large scale and creates new dynamics in the market (Goldsmith et al. 2008).

Word of Mouth is essential due to it provides companies with the real perceptions and attitudes of current customers and future ones (Silverman 2001). It is possible for marketers to profile their customers when developing a strategy. e-Word of Mouth marketing provides an opportunity to compare information regarding e-consumers’ experiences (Mills, Law 2004). Listening to the market and understanding what people are saying about the brand has several positive effects. First it will help to get the feel for Word of Mouth and a company will find out what is relevant to them. Secondly, it is a starting point for building long-term relations with customers (Kirby, Marsden 2006).

Word of Mouth has shown to influence a variety of conditions such as awareness, expectations and perceptions. It is said to be more influential than advertising in raising awareness and in securing the decision to buy a product/service. Word of Mouth influences expectations and perceptions during the information search phase during the buying process (Buttle 1998). Some studies have shown that good online reviews generate higher revenues in the hospitality industry. Positive online reviews can increase the number of bookings in a hotel however a variance of Word of Mouth has a negative impact on sales. Studies have shown that a 10% improvement in reviews can increase the sales by 4, 4% and a 10% increase in review variance can decrease sales by 2, 8%. Therefore hotel managers should emphasize the management of e-Word of Mouth to increase revenues (Gu et al. 2009).

Online reviews can help companies understand the needs of their customers and undertake actions accordingly when marketing. They can also create better brand awareness and strengthen it by managing online reviews (Buhalis, Laws 2008). No matter if the reviews are good or bad, they improve the probability of consumers to consider making a booking. However, the bad reviews obviously lower consumers’ attitude towards the company even if it leads to improved revenues. Well-known companies are not as affected by the reviews as the smaller companies due to less established attitudes are easier to change (Vermeulen, Seegers 2009).

Online feedback mechanisms can serve as low cost and as an effective channel for retaining customers, complementary to advertising. They can assist an organization to better understand consumer reactions to a current product/service. What makes online feedback different from the past Word of Mouth networks is their unprecedented scale and low cost capabilities.
For smaller enterprises, the main source of new customers is recommendations from existing customers. Therefore some small enterprises do not see any need to invest in additional marketing methods. It is affordable for smaller businesses and most managers prefer the slow build up of new businesses which Word of Mouth generates (Lomax, Stokes 2002).

Positive e-Word of Mouth attracts customers to visit the company’s website rather than other marketing efforts. In this sense, the Internet offers a fast, simple and cost effective approach to reach many customers at the same time. This is especially, as mentioned, an opportunity for smaller enterprises (Grönroos 2008). Scale is essential to the effectiveness of Word of Mouth networks. In an online marketplace sellers care about buyer feedback primarily due to they believe it might affect their future profits. This can only happen if feedback is provided by a sufficient number of current customers and communicated to a wide range of people. A minimum of degree of participation in Word of Mouth communities is required before reputation effect can induce any cooperation (Dellarocas 2003).

Relying completely on e-Word of Mouth has disadvantages. The disadvantage of e-Word of Mouth marketing is that it might be a major risk for companies. There is no guarantee that a company will get people to communicate about what they would like them to talk about due negative Word of Mouth can spread very fast (De Pelsmacker et al. 2007). Relying on informal communications restricts organizations to the limits of those specific networks and is difficult to control and to influence (Lomax, Stokes 2002).

Another challenge of online feedback is the anonymity of the communicators which can be misleading and out of context. Some communicators may use it to manipulate (Goldsmith, et al. 2008) and studies have shown that people find electronic sources as less reliable to absence of source cues on the Internet (Gu et al. 2009). One example of the new challenges emerging from online feedback is the ability to easily change identities online. Internet users can disappear and reregister constantly and therefore it is difficult to manage what is being published online. To stop this, online communities should make it more difficult to change online identities or make it unprofitable (Dellarocas 2003).

Another issue is that negative e-Word of Mouth is far more influential than positive Word of Mouth. Therefore it is important for companies to track it; otherwise undiagnosed negative reviews can spread widely and affect any brand (Kirby, Marsden 2006). e-Word of Mouth can have negative effects on destinations or companies. Bad reviews from unsatisfied visitors can have an overwhelming impact on the image/brand. A good example of a bad experience that leads to bad reviews is locals with hostile feelings towards tourists and leads to a bad image of the entire destination. The bad reviews can decrease the reservations made because it influences other travelers. Good reviews can also create challenges for the hospitality industry since they lead to increasing expectations. It becomes much more difficult to satisfy the customers (Goldsmith et al. 2008).
3.5 Managing e-Word of Mouth

Figure 2 – Managing online reviews

The online reviews provide the hospitality industry with feedback from customers and harvest discussions. Managers can work with product/service improvement and solve the problems of former visitors. It provides the managers to analyze and improve the satisfaction of the customers which can lead to competitive advantage and a good brand reputation (Goldsmith, et al. 2008). Word of Mouth marketing makes the decision easier and companies should encourage the customers to use the product/service. It is therefore good for companies to deliver Word of Mouth rather than confusing them with low-credibility information such as advertising, sales people or traditional marketing (Silverman 2001).

Word of Mouth marketing can be influenced and in that sense controlled. Therefore managers should monitor it, track it and observe it. Then they can learn to speed it up and change its direction (Silverman 2001). One simple way to decide if e-Word of Mouth marketing is beneficial for a company is to ask the customers if they would recommend the product. If people are unlikely to recommend it, then e-Word of Mouth will probably not boost the sales. To create a campaign that generates Word of Mouth, companies should choose a target. If they can get 10% of this target to spread the word and recommend the product, they will reach out to the rest (Kirby, Marsden 2006). Silverman (2001) suggests six strategies that a company can use to benefit from e-Word of Mouth.

1. The first step is to assign people to monitor every forum, list-group and other Internet discussion mediums that possible influences the sales.
2. Secondly a company should build in Word of Mouth attributes into their website to create credibility.
3. Spread testimonials of positive reviews into the website of the company.
4. Set up lists of friends, customers and send out short notes. Companies can encourage these people to spread the word.
5. Use the company website to get across and to get people talking.
6. Plug into experts to influence and spread the word.

Goldsmith et al. (2008) suggests that hotels can use their websites to create a “buzz” to stimulate e-Word of Mouth among visitors. It can allow former visitors to share their positive experiences. Loyal customers can be encouraged to post their thoughts or have links to the website through their personal websites to direct visitors. Blogs and virtual communities are also common platforms for e-Word of Mouth. The industry should stimulate the usage and make bulletin boards interesting to get the users to return. This can provide the company with feedback and allow them to work with service recovery.

Successful entrepreneurs find ways of managing and encouraging recommendations by proactive methods. Giving the customers a sense of involvement can also encourage customer loyalty and recommendations. Active listening and effective questioning are necessary to encouraging referrals. Hotels can encourage guests and travel agents to recommend them and continually remind them by visual aids to give feedback (Lomax, Stokes 2002). Hotels can benefit from working with e-mail addresses, by collecting names and addresses of customers and interact with them more personally, without offering annoying mass-mailing. If done properly, it can become an efficient way of communication between the hospitality provider and the potential guests. It is important to keep the mailing addresses current which can be challenging. It is an opportunity when trying to reach out to the frequently visiting guests (Goldsmith et al. 2008).

Hotels can for an example provide their guests with cards during check-in, where they can write down their e-mail addresses and reward them with discounts or free meals (Goldsmith et al. 2008). Another strategy is for hotels to restore rooms so that guests get a positive surprise since they like to talk about something that was different about their holiday. This leads to positive reviews online. Regarding negative e-Word of Mouth it can be a good idea to make sure that guests access the decision makers easily, which helps to decrease the number of complaints and allows managers to quickly solve problems that arise (Lomax, Stokes 2002).

3.5.1 Networking agents

Cakim (2010) claims that those who use the Internet with such success that they go beyond their physical neighborhoods and gain significant visibility by posting reviews, are called networking agents. To find these networking agents, companies should read and listen to online-consumer reviews in blogs, social networks and forums. To manage reviews they should sort through online conversations to see what is associated to whom and find a way to connect with these agents.

One strategy is to be authentic, transparent and responsive to earn the trust of these networking agents. Companies need to act like agents themselves. When monitoring discussions, companies should look at what the topics are, what the tones of the reviews are and finally where they are taking place. Cakim (2010) also suggests preparing a list of key words related to the brand and that the consumers often use. Thereafter companies should evaluate and quantify online influence for the brand. It can include number of people and volume of online posts.
The next step is to find those who regularly speak up and makes recommendations, and to change the attitudes if needed. One proactive approach to reach networking agents is to communicate with all Internet users who can make the effort to send a comment. Companies should consider profiling target audiences who express interest in getting information about products/services. Strategies suggested to screen for networking agents are (Kirby, Marsden 2006).

1. Frequency
2. Participation in chat rooms
3. Being active in bulletin boards
4. Sending E-mails
5. Provide feedback

Enlisting networking agents to support a brand requires meeting them where they are in social media. It is important to draw their attention and to get their support in spreading news. Companies can invite them by launching a company blog and invite the audience to online contests and have them participating in forums. Companies should bear in mind that the aim of communicating with agents is to create brand awareness. To gain the trust of networking agents, it is important to deliver, solicit feedback and to respond. Encouraging reviews will make customers able to speak directly with company representatives. (Cakim 2010).

![Brand advocacy pyramid](Kirby, Marsden 2006)

Any client can be categorized into a brand-advocacy pyramid. There are three different categories; brand adopters, brand adorers and brand advocates. Brand adopters are satisfied enough to become regular customers and some of them will show loyalty to the brand and become brand adorers. When the brand adorers become so satisfied that they are prepared to proselytize about the brand, they become brand advocates. Companies can encourage consumers and reward them to make them brand advocates. For an example, Amazon.com encourages customers to recommend a product to a friend and offer them a discount on the next purchase (Kirby, Marsden 2006).
4. Empirical research

This chapter presents the different hotels that have been interviewed during this research and thereafter the results are being presented. The interviews are summarized and the answers are divided into three questions, which represent the scientific research questions of this study. Finally the results gained from the case studies are being summarized.

4.1 The respondents

4.1.1 Anonymous hotel 1

This is a middle sized hotel that belongs to a well-known hotel chain. It is located in the city center of a middle sized city and is close to shopping malls, restaurants and bars. The hotel offers around 150 rooms, a restaurant, bar and conference facilities. According to the vision of the hotel chain, it is a hotel that focuses on sustainability and on environmental issues. The respondent of this hotel wishes to be anonymous in this research and therefore detailed information and the hotel name, and hotel chain, will not be mentioned.

4.1.2 Hotel President – Norrköping

Hotel President is located in the city center of Norrköping with 78 rooms including 11 suites and 49 double rooms. The hotel also offers conference facilities and other activities such as weekend packages. Hotel President is a part of the chain ProfilHotels which is being owned by ProfilEvents AB. The company operates hotel businesses in eight units, including Hotel President Norrköping. The business idea is, by offering professional and personalized service, to create a chain of hotels to acquire, establish and refine hotels in Sweden and Europe. ProfilHotels has a creative approach to form and creates a dynamic atmosphere by giving attention to details and interior. Hotel President is also a part of the Green key (Gröna nyckeln) which means that they are environmental friendly. A hotel that applies for this certificate must fulfill some criterions regarding environmental policies, action plans and reduced environmental impact on water and raw materials (Profilhotels.se).

4.1.3 Hotel Statt – Katrineholm

Hotel Statt is located in the centre of Katrineholm and is privately owned. The hotel offers 92 rooms, conference facilities for up to 300 guests and banqueting in three different restaurants together with the annex Safiren. There is also a wide range of entertainment possibilities as well as a nightclub on Saturdays. The present building was built between years 1914-1915 and was inaugurated in 1916. The building housed offices of the hotel, a restaurant and a bar as well as a dental and medical clinic. The municipality of Katrineholm bought the building in 1918 and the property has since been mainly owned by local authorities. The current owner Hotel Hus Sweden bought the building from the municipality in year 1999 and is still running the business (hotelstatt.se).
4.1.4 Scandic Hotels – Head office

Scandic is the leading hotel chain of the Nordic region with 160 hotels in nine countries. The first Scandic hotel was opened in 1963, and Scandic became the largest hotel chain in Sweden in 1973. The aim of Scandic is to provide simple and accessible accommodation to their guests by simplifying procedures and offering hotels in locations where many people travel. The vision of Scandic hotel chain is based on creating value and therefore a lot of focus is being put on sustainability and decreasing the environmental impact. They have been active in environmental and social issues for many years and have a sustainability fund which aims to promote sustainable social development. For an example, Scandic hotels have since year 2009 only served water from its own dispensers in order to avoid unnecessary transport for bottled water (scandichotels.se).

4.1.5 Anonymous hotel 2

The hotel is located in Stockholm city. The idea has been to create a unique and timeless first class hotel. The architecture and design aims to inspire the guests and the hotel has its own bar and holds a spa. This is a part of a known hotel chain which has over a 100 hotels in Scandinavia under different chain markets that categorizes them. This specific hotel offers full service with strong personalities that aim to create a difference for the guests. They offer environments with art, music and design.

4.1.6 Princess hotel – Norrköping

Princess hotel is located in the city centre of Norrköping and is a privately owned hotel that goes under the Best Western hotel chain. The hotel offers 119 rooms and offers simple snacks and drinks however does not have an own restaurant. They have collaborations with restaurants that are located very close to the hotel. Princess hotel does not have their own conference halls but offers their guests to organize conferences with their partners. The Best Western hotel chain in Sweden has 78 hotels in 53 cities. All hotels are privately owned with unique designs and characteristics. Best Western was founded in the USA year 1946 and has always been a chain of privately owned hotels and offers personalized service. The chain has 4000 hotels in 80 countries and has global quality assurance programs and includes thousands of points and guarantees consistently high service and quality (princesshotel.se).
4.2 The interviews

4.2.1 Interview with the hotel manager of Anonymous hotel 1

How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?

The hotel manager of this middle sized hotel, that wishes to remain anonymous in this research, claims that online guest reviews are partially influential when it comes to decision making. It does affect the revenues since some customers read recommendations and reviews before making a decision on where to stay. The manager assumes that online reviews influence the decision making up to 50% however this specific hotel prefers to manage their customer complaints and views during their stay, as much as possible.

The manager states that he believes in service recovery before unsatisfied guests leave the hotel. He feels that not all online reviews are a 100% sincere especially if the guest has not given them a chance to recover from the service failure. The hotel does not have any e-Word of Mouth marketing strategy and the manager states that it might be problematic in the hospitality industry since many hotels are used to taking care of service failures during the guest’s stay. Although online reviews might affect the revenues, the manager does not think that online guest reviews affect their brand.

What are the possibilities/challenges?

The main possibility that marketing of online guest reviews provide is an increase in the number of reservations being made by customers. This specific hotel does not market themselves highly on Internet platforms and social media, except for the marketing being made by the head office. They do not work with Word of Mouth marketing and online guest reviews and have no marketing strategy that includes it. Therefore they have not seen any specific possibilities of this type of marketing and only around 5-7% of all reservations are being made by third-party reservation sites.

The main challenge is the sincerity of the online guest reviews and the amount of reviews being published online. Therefore it can be tiring to read all of it and to monitor them. The manager says that most reviews are anonymous and this makes it difficult to reach out and recover a service failure since it is difficult to get in touch with the guests. At the same time, repetitive complaints can provide a hotel with the possibility to see a pattern.

What strategies can the hospitality industry use when working with e-Word of Mouth marketing?

This specific hotel does not work with e-Word of Mouth marketing and does not have any specific marketing plan for managing online guest reviews. They prefer to manage service failures during the service encounter. They have internal investigations to obtain feedback, from their customers, however the manager does believe that it might be possible to encourage positive online reviews by marketing strategies. As mentioned previously, the manager states that it is possible to see patterns of dissatisfaction among guests, by reading online guest reviews.
4.2.2 Interview with the hotel manager Anne Li Boman of Hotel President Norrköping

How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?

Hotel President does not have an e-Word of Mouth marketing strategy however the manager states that it might be important to work with online guest reviews. A lot of customers are probably reading them before making a reservation. Anne-Li Boman also believes that online guest reviews are becoming more and more influential and the reason behind it might be the increase in number of reservations made online. Positive reviews may lead to more reservations and negative reviews may contribute to a bad reputation. Therefore these can be considered as influential in the hospitality industry.

What are the possibilities/challenges?

The main possibility that can be gained by e-Word of Mouth marketing, in the hospitality industry, is increased revenues and it also contributes to a good brand, if reviews are positive. The manager of Hotel President says that the challenge is the opposite; negative reviews may contribute to a decrease in number of reservations being made and might also damage the reputation. Anne-Li Boman states that most of what is being related to the brand is possible to control by e-Word of Mouth marketing, however she also states that some things might be beyond their control.

What strategies can the hospitality industry use when working with e-Word of Mouth marketing?

As mentioned previously, Hotel President does not have an e-Word of Mouth marketing strategy although the manager does monitor some booking channels such as Booking.com to follow up the reviews being published on its website. Hotel President does also follow up negative reviews if the guest has published their name or given other contact information. Beyond this, negative reviews are being followed up internally. One reason for not developing specific strategies for monitoring online reviews and comments being related to the hotel is due to it is a small sized hotel. Although they do not work with e-Word of Mouth marketing, the manager says that it is possible and a good idea to encourage current customers to share their positive experiences on the hotel web page.
4.2.3 Interview with the reception manager Lisa Gustafsson at Hotel Statt in Katrineholm

**How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?**

Hotel Statt does not feel that online reviews are influential in the decision making. The hotel has mostly business travelers and conference guests visiting them and the reception manager believes that it is mostly private travelers writing the reviews and recommendations online. Hotel Statt is one of the few hotels in Katrineholm and therefore, the reception manager believes that private travelers are those guests who are active regarding reviews and recommendations. The business travelers might not be as active as they are when choosing hotels.

**What are the possibilities/challenges?**

A conspectus of guest reviews being published on the Internet is good for a hotel, to get a sense of their opinions however at the same time it is challenging to monitor all reviews being published. Furthermore it is not possible to prevent anyone from publishing positive or negative reviews online. It is also possible for any hotel to publish good comments about themselves however this is not sincere. Such strategies will not be advantageous as the online reviews offer hotels the possibility of obtaining information about service failures that guests have not expressed during their stay.

**What strategies can the hospitality industry use when working with e-Word of Mouth marketing?**

The hotel does not have a specific strategy for managing online guest reviews however states that it is important to monitor all kinds of reviews that comes from the guests. It is not possible to monitor all of it however it is important to get a conspectus of the reviews being published on the Internet. The reception manager is monitoring and tracking the online reviews periodically both on booking channels as well as on Google.

As mentioned previously, there is no specific marketing strategy on how to manage them; however it might be under consideration for the future. Currently, Hotel Statt is encouraging their guests to provide the hotel with feedback by placing guest satisfaction surveys, which incorporates conference guests, to obtain feedback. The reception manager states that they prefer to deal with guest complaints during the service encounter. The manager believes that no matter how much you market the hotel; it comes down to the real experience.
4.2.4 Interview with the ecommerce department of Scandic head office

*How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?*

A member of the ecommerce department of the Scandic head office stated that it is extremely important to work with the online guest reviews that exist on the Internet. First of all, it is more expensive for a hotel to gain new customers than keeping the existing ones. Working with online reviews is therefore important and a lot of consumers are relying more and more on the online reviews that are made by “regular” consumers.

If we divide the elements that affect consumers’ choice of hotel; such as room rate, brand, and location, reviews stand for about 4%. Nevertheless it is difficult to state how influential online reviews are and how much they affect the hotel brands. The member of the ecommerce department of Scandic also states that good marketing cannot help gaining total control of what is being related to the brand. It still comes down to the service delivery.

*What are the possibilities/challenges?*

The main possibility of working with e-Word of Mouth marketing is that positive/negative Word of Mouth affects sales, mainly because a lot of consumers rely on reviews from “regular consumers” before making a decision. Working with online reviews may create possibilities to strengthen brand value as well. Scandic had an e-Word of Mouth campaign which aimed to create a “buzz” about the campaign by cooperating with 60 different bloggers. This campaign was called the Staycation Campaign.

The campaign is offering their guests the possibility to make a room reservation for two at a Scandic hotel of their choice and allows guests to send greetings by making a video on the web page (scandichotels.com). What may be the challenge with e-Word of Mouth marketing is that the big amount of reviews requires a lot of resources. Especially regarding the amount of time being put in to them and regarding education of employees.

*What strategies can the hospitality industry use when working with e-Word of Mouth marketing?*

The Scandic hotels are not yet working with e-Word of Mouth marketing regarding online reviews. However they are currently developing strategies for how to manage them and use them in their marketing. Therefore they are not continuously tracking and following up online reviews at the moment. However the Staycation Campaign and the cooperation with bloggers is a good example of how hotels can utilize online reviews when marketing themselves.

The member of the ecommerce department of Scandic also states that it is possible to encourage guests to publish positive reviews through marketing strategies; however that it is important to follow rules. Above all it is important to be transparent when encouraging positive reviews via marketing. As mentioned previously, it is considered to be imperative to work with online reviews. However it does not provide control over what is being related to your brand – the service sets the foundation.
4.2.5 Interview with the marketing coordinator of anonymous hotel 2

*How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?*

The marketing coordinator of this hotel states that it is important to work with online reviews, for the reason that it is always of great importance to monitor and track what the guests are writing about the business. About 30% of all reservations, of this hotel, are being made online and they do market themselves through social media such as Facebook. She says that online guest reviews can have an influence on decision making and on their brand reputation however this may vary depending on what web pages the reviews are published at. Therefore, it is difficult to estimate how influential it is in general.

*What are the possibilities/challenges?*

The online reviews create the possibility for hotels to monitor and follow up customer experiences easily and although it is difficult to measure the effects, it does influence the businesses. An advantage is that customers have the possibility to easily express their experiences however negative Word of Mouth can spread very fast and this may be very challenging.

Another advantage is that hotels can encourage guests to share their experiences and this helps the hotel to appear online frequently. As mentioned earlier there is also a risk of negative Word of Mouth appearing. The market coordinator states that marketing strategies may help a hotel to catch up on negative reviews before they spread too widely on the Internet, however it will probably not give the hotel total control over them.

*What strategies can the hospitality industry use when working with e-Word of Mouth marketing?*

The hotel has an employee that has the task of monitoring and tracking online interviews related to their brand. If negative Word of Mouth is discovered, it is being followed up to see what went wrong during that specific service encounter. Another strategy that the hotel utilizes is to encourage their guests to express their opinions online. Although there is a risk of negative reviews, it helps the company to appear online more often. It is also possible to ask guests to write their opinions on different online channels to spread the positive reviews.
4.2.6 Interview with the hotel manager Pia Sejmyr of Princess Hotel

**How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?**

Princess hotel does not work with online marketing specifically and is not promoting themselves on social medias. The online marketing is rather being managed by the chain Best Western and by some partners, however the manager believes that online information sources are very influential. Pia Sejmyr states that online guest reviews are influential and maybe sometimes even dangerously influential. There is a lot of information out there and sometimes negative reviews can be irrelevant due to the purpose of the stay at a hotel can vary a lot. The view of a 20 year old guest and an older guest will probably differ and therefore a recommendation is not always valid for all potential guests.

The scoring system that exists on the booking channels are also influential during decision making. A smaller difference such as 8,2 and 8,4 may not be that influential when choosing between hotels however it might affect the decision making when one hotel has a score of 5 points and another a score of 8. Therefore online reviews may affect the revenues and since really good and really bad reviews has a tendency of motivating guests to express themselves, it is also possible that it might affect the reputation.

**What are the possibilities/challenges?**

Online guest reviews make it possible for managers to see patterns of the opinions being expressed on the Internet. Therefore, this type of information is very valuable for hotels and is enlightening. In addition it is possible to encourage guests to share their opinions and to get feedback from them. This helps hotels to follow up service failures and provide with the opportunity to recover from them.

Simultaneously it is very common that the very best and worst experiences motivate guests to express themselves online. This can be problematic as those opinions that are between the two ends, of positive and negative, may disappear. Another challenge is the fact that some booking channels pick out and emphasize some sentences from a recommendation which can lead to misunderstandings. Finally another challenge is the amount of information that exists online. It is easy to drown in the amount of information and therefore it is problematic to control what is being published.

**What strategies can the hospitality industry use when working with e-Word of Mouth marketing?**

Princess hotel is monitoring and tracking reviews that are being published online by looking at different booking channels such as Booking.com. By seeing repetitive comments, they can see patterns and improve on those elements. Monitoring and tracking online reviews also provides the managers with an opportunity to follow up service failures. The Best Western hotels are working with online-surveys where customers can share their experiences. This information is then being transformed into statistical information and if service failures are detected, they are being followed up.
Princess hotel is also encouraging their guests to fill in the online-surveys to receive feedback. They have reminders in the hotel rooms that inform guests about the possibility to share their views with them. If reservations are made through their own webpage, guests get reminded to provide the hotel with feedback as well. Beyond this, guests get rewarded with 250 extra points when sharing their views by filling out the online-survey.

4.3 Result compilation

The empirical research has shown that most hotels have no e-Word of Mouth marketing strategy however the majority of the respondents feel that online reviews are influential. Although it is difficult to say how influential they are, most respondents say that it affects the decision making and the revenues. Some hotels feel that online reviews are affecting the brand/reputation and others feel that it does not influence their brand at all. It is also possible to see that most chain hotels emphasize the importance of noticing online guest reviews, even though there is a possibility of them not being true or relevant at all times.

Most respondents agree on the possibility of increasing revenues by e-Word of Mouth and it allows the hospitality industry to see patterns in complaints and also in positive reviews. Online platforms allow the customers to easily express themselves and although most reviews seem to be either very positive or very negative, it still enlightens the hotels on service failures. At the same time the sincerity and the large amount of information is challenging for hotels to manage. The amount of information and the little control businesses have over what is being published, makes it difficult to control what is being related to their brands. Most of the respondents agree on the possibility of encouraging guests to share positive opinions and any other feedback, although only few are actually actively using this strategy.

The empirical study has shown that very few of the respondent work actively with e-Word of Mouth and online guest reviews. The common strategy that most of them use is to monitor booking channels continuously and to follow up negative feedback if possible. The bigger chain hotels seem to work more actively with campaigns, such as Scandic with their e-Word of Mouth campaign by collaboration with bloggers. Princess hotel is another good example of how to work with encouragement of guests sharing their experiences, systematically. As the empirical study shows, it seems like the importance of online reviews and its influence has been realized however many of the respondents still believe in dealing with complaints during the service encounter.
5. Analysis & Discussion

Data that has been presented earlier, in this study, will be discussed in this chapter. Theoretical data and empirical results will be compared and linked together to answer the research questions that this thesis is focusing on.

The answers gained from the empirical research are very brief and the respondents do not share detailed marketing strategies. Most respondents do not work with e-Word of Mouth marketing and cannot provide with suggestions on strategies. Therefore not all respondents have given detailed information and others do not have experience enough from this type of marketing. It is also important to state that most hotels in this research are not actively working with online marketing in general. This can be explained by the theory that the hospitality industry has paid more attention to satisfying the immediate demands of online consumers rather than capturing the marketing capabilities (Mills, Law 2004). The Internet has an influential power and tourism businesses do not know how to manage it (Buhalis, Laws 2008).

The empirical research indicates that few respondents work actively with e-Word of Mouth marketing. Most of them see online reviews as an important source to get an insight to the customer experiences. The answers gained from the respondents do not provide us with details on their marketing strategies. Therefore e-Word of Mouth strategies may still be considered as a new phenomenon. The big amount of information is seen as challenging for marketers and shown to be far more influential than traditional marketing (Cakim 2010 & Kirby, Marsden 2006). It seems that managers feel it is almost impossible to manage and influence what is being related to their brands. However all respondents are frequently monitoring online reviews as suggested by Kirby, Marsden (2006) and Silverman (2001) as a strategic implication.

Relying on e-Word of Mouth might be seen as a disadvantage which is also mentioned by De Pelsmacker et al. (2007), who state that there is no guarantee that a company will get people to communicate about what they want them to communicate about. As mentioned by Scandic, e-Word of Mouth marketing requires a lot of resources, education and is time consuming. Therefore hotels might not want to take the risk. There is also an issue of credibility in online reviews due to recommendations are from unknown people, which is the difference between traditional and electronic Word of Mouth. This consequently makes it difficult for even consumers to determine the credibility of online reviews (Bonner, De Hoog 2011) and therefore managers might not put focus into this. Gu et al. (2009) emphasizes that people find electronic sources as less reliable to absence of source cues.

One explanation for not implementing e-Word of Mouth marketing strategies may be based on the theory of Vermeulen, Seegers (2009) who state that established and well known brands are difficult to change. Customers have an idea of hotels that go under the name of a well known chain and their expectations are already shaped. Therefore hotel brands such as Scandic may be less affected by online reviews. Buttle (1998) states that Word of Mouth is more influential than advertising, regarding expectations, perceptions and in creating brand awareness. Although most respondents agree that online reviews are influential when
increasing or decreasing the number of reservations, they do not see them as a threatening of their brand.

Although, it must be mentioned that only the big hotels have implemented some type of strategies. Scandic has for an example used e-Word of Mouth campaigns and the Princess Hotel is the only hotel to actually encourage e-Word of Mouth. Scandic has mentioned the need of resources and education to be able to manage it properly and the chain hotels have better possibilities to provide with that. It is also possible to say that chain hotels are being marketed, online, by their head offices. The empirical research indicates that marketing strategies for how to manage online reviews are not developed yet. As Goldsmith et al. (2008) mentions, this is perhaps still a new way of communicating and it requires new strategies that enable hotels to analyze and improve their services.

5.1 How influential are online reviews and e-Word of Mouth marketing, for the hospitality industry?

The respondents agree on the influence of e-Word of Mouth and the importance of monitoring it; however most respondents do not include strategic implications to their general marketing strategy. This might indicate that online reviews still are considered as an information source, rather than a marketing possibility (Mills, Law 2004). As the Scandic head office states, consumers are relying more and more on recommendations from their peers. The marketing coordinator of Anonymous hotel 2 states that it is always of great importance to monitor guest experiences and the Scandic head office supports this statement. It is far more expensive for a hotel to gain new customers than keeping existing ones. Therefore they consider management of online reviews to be important. However several respondents mention that it is very difficult to control what is being published online. As the manager of Anonymous hotel 1 states, the hotel industry might still believe that everything comes down to the service delivery. Therefore service failures are managed during the stay of the guests.

The empirical research has shown indications on the imperative of online guest reviews and most hotels consider them to be influential. All respondents agree on the imperative of monitoring and tracking online reviews and the information that is being related to the specific hotel. Both Anonymous hotel 1 and Princess Hotel emphasizes the possibility of seeing patterns in complaints by monitoring online guest reviews which is in correlation with Buhalis, Laws (2008). These comments can help companies to understand the needs of their customers and help them to undertake actions accordingly.

By creating an understanding of virtual communities and their users, tourism businesses can facilitate consumer centric marketing. It is crucial to understand their behavioral patterns in order to design effective strategies and campaigns, since it represents the early stage at which marketing can provide information and influence travelers’ decision making (Mills, Law 2004). As Cakim (2010) states it is also possible to define networking agents by monitoring online reviews and being active. This helps hotels to see what is being associated to their brands and they can see the tone of the reviews. Thereafter they can evaluate and quantify online influence for their brands. As seen in the case of Princess Hotel, it is possible to influence current guests and encourage them to provide with feedback on specific channels to create brand advocates.

The respondents also agree that online reviews are influencing the revenues. The manager of Anonymous hotel 1 states that online reviews influence revenues since customers have a tendency of reading them before making a reservation. He assumes that online reviews influence the decision making up to 50%. The ecommerce department of the Scandic head
office says that there are different elements affecting the choice of hotel; such as room rate and location. The online reviews stand for about 4% according to them. Buhalis, Laws (2008) has stated that consumers trust their peers rather than marketing messages and therefore people like to exchange their positive and negative experiences. Cakim (2010) supports this and states that e-Word of Mouth stays etched on web pages and is easily accessible. When Internet users share reviews, they push the post up in search engine rankings and the buzz grows bigger.

As mentioned in the problem discussion of this thesis, web technology has enabled customers to express their experiences on hotel services. Consumers can gather, distribute and publish information that provides their peers with opinions (Cakim 2010). The reason for the growth of online reviews in the tourism industry is because the products/services cannot be evaluated before consumption. Therefore online recommendations have become influential when making reservations and have an impact on revenues. The tourism products are risky to purchase and consumers choose to make a research before making a decision (Goldsmith et al. 2008), which is supported by the empirical data.

The scoring system that exists on booking channels may also be influential in the decision making, according to the manager of Princess Hotel. It is not about the smaller difference in the scoring however it might be influential if differences are big. These scores are determined by online customer reviews. The marketing coordinator of Anonymous hotel 2 states that the decision making might be influenced by online reviews: however the extent of it might vary depending on what web page or community it is published at. Former studies support this and have shown that good online reviews generate higher revenue in the hospitality industry (Gu et al. 2009). Consumers seek information online, before making a reservation and no matter if the reviews are positive or negative, they create awareness (Vermeulen, Seegers 2009 & Kim et al. 2011).

The only respondent who claims that online reviews have no impact on revenues was Hotel Statt, who believes that it is mostly private travelers writing reviews and recommendations online. The target of this hotel is business travelers and they do not feel that they are as active regarding online reviews. This is a middle-sized hotel and this statement does not support the theoretical aspect seen in Lomax, Stokes (2002) where smaller enterprises are seen as the ones investing in Word of Mouth. It is claimed to be more affordable for smaller enterprises due to of its low cost capabilities (Dellarocas 2003). Hotel President is also a small-sized hotel and is not working with Word of Mouth marketing either. However, most respondents agree on the influence of online reviews on revenues. As Scandic states, managing online reviews requires resources and is not always affordable.

The majority of the respondents do not feel that online reviews affect their reputation however they mention that there is a risk. Pia Sejmyr at Princess Hotel says that the reputation might be influenced since most reviews are either very positive or very negative. The marketing coordinator of Anonymous hotel 2 supports this by saying that there is a risk of the brand being affected depending on where the reviews are published. Most respondents believe that it is difficult to say how influential online reviews are and most of them believe that it comes down to the service delivery, in the end. Dellarocas (2003) states that brands only get affected by online feedback if provided by a sufficient number of current customers. One single negative review does not affect a brand however several negative reviews that reach out to a wide range of people might influence it. A minimum of degree of participation in Word of Mouth communities is required before reputation effect can induce any cooperation. This supports the empirical data; online reviews might affect reputation if a complaint is repeated.
The hotel manager of Anonymous hotel 1 emphasizes the issue of credibility as well. Although he claims the online reviews to be influential in decision making there is a challenge of sincerity. The amount of reviews and the possibility of publishing them anonymously, make it difficult to reach out. This challenge of online feedback is supported by Goldsmith et al. (2008) where a risk of misleading reviews and out of context comments are emphasized. The manager of Princess Hotel states that the online reviews being published on the Internet may be dangerously influential due to the information is not always relevant for everyone. The recommendations may vary depending on the purpose of the stay. A 20 year old guest has different needs compared to older guests. Therefore a negative review may not always be valid for each and every guest. This is in correlation with the statement of Bonner, De Hoog (2010). Recommendations are usually from unknown individuals which mean that there is a difficulty in determining the credibility of recommendations.

5.2 What are the possibilities of e-Word of Mouth marketing?

The main possibility of e-Word of Mouth is, based on the empirical research, proven to be the increasing number of reservations made by customers. Most respondents agree on this and the manager of Hotel President states that increased revenues can be gained and positive reviews may also contribute to brand awareness. The Scandic head office supports this statement and believes that online reviews affect sales, mainly because a lot of customers rely on this type of information. They consider it to be influential during decision making and therefore positive reviews can increase number of reservations. It may in the long term create possibilities to strengthen brand values. Studies show that both positive and negative reviews improve the probability of consumers to consider making a reservation. However negative reviews lower the attitudes toward a brand (Vermeulen, Seegers 2009).

As mentioned by Dellarocas (2003), the Internet allows companies to reach consumers of unprecedented scale. This may also be the reason behind the possibility of increasing revenues through management of online reviews. This is supported by Gu et al. (2009). Positive online reviews can increase the number of bookings. Additionally they point out that a small improvement in reviews result in more reservations. Therefore management of electronic Word of Mouth is creating great possibilities to reach out and gain more customers. The manager of Princess Hotel also states that scoring systems on online booking channels are influential. If there is a big difference between the score of two hotels, potential customers might choose the hotel with the higher score. So it is possible to say that positive reviews help to boost the room sales. Gu et al. (2009) supports this by mentioning that positive reviews generate higher revenues and states that a 10% improvement in reviews increases the sales by 4, 4%. The empirical research does not include any detailed statistical information that supports this statement, however respondents agree that positive reviews influences the customer decision making.

Grönroos (2008) also suggests that positive online reviews attract customers to visit company websites rather than online marketing efforts. Potential customers are being influenced by positive reviews which creates curiosity. However the empirical data suggest that there is no active management of implementing e-Word of Mouth attributes to the hotel web pages and most of them are not active in e-marketing in general. However it seems to be a potential possibility to reach out and encourage feedback (Silverman 2001). Princess Hotel and Scandic are the only respondents that indicate the development of e-Word of Mouth. Scandic developed Word of Mouth campaigns where bloggers were included. They give a sense of involvement by valuing their opinions and are actively listening to what they have to say.
Blogs and other virtual communities are considered to be an important part of the e-Word of Mouth channels and make the users return (Goldsmith et al. 2008).

As Lomax, Stokes (2002) states, successful entrepreneurs can find ways of encouraging recommendations and can remind them by using visual aids. Princess Hotel is a very good example of this. They have placed cards in every room as a reminder to the guests of sharing views on their own website and reward them. This is a very good example of how to use the brand advocacy pyramid (Kirby, Marsden 2006). They use their brand adorers – who are included in their loyalty program – to actively recommend and share their experiences. This creates a buzz and turns the adorers into advocates. This is one of the major possibilities created by e-Word of Mouth.

Brand awareness is also brought up by respondents, as a possibility. Even though they do not consider online reviews to affect their brand to a wide extent, they are aware of the possibility. However the marketing coordinator of the Anonymous hotel 2 states that the impact might depend on what web page or viral community it is being published at. Online reviews create a possibility to strengthen brands due to it can help companies to understand the needs of their customers and to undertake proper actions (Buhalts, Laws 2008). However Vermeulen, Seegers (2009) state that brands of smaller companies that are less established in the minds of consumers are more affected by negative reviews than well-known brands. This might explain the answers of chain hotels and their view on electronic Word of Mouth.

Even though most respondents have a difficulty in determining the influence of online reviews on their brands, it allows them to understand what customers are saying about them. It helps them to see opinions and to find out what is relevant and allows them to create relationships with their customers (Kirby, Marsden 2006). As mentioned previously e-Word of Mouth marketing provides the ability for managers to see patterns of opinions being expressed. Hotels gain feedback from customers and have the possibility of developing product improvement by emphasizing repeated complaints. They also get the chance to see what their target is requiring. It provides the managers to analyze and improve the satisfaction of the customers (Goldsmith, et al. 2008). To some extent; the empirical evidence suggests that the respondents are aware of this due to all of them assign people to monitor specific channels.

This is supported by Silverman (2001) to be a very important strategy when managing e-Word of Mouth. Online reviews create the possibility to monitor and follow up customer experiences which is being stated by most respondents. e- Word of Mouth provides hotels with perceptions and attitudes of customers towards the product/service (Silverman 2001) and marketers can profile their customers when developing marketing strategies (Mills, Laws 2004). The marketing coordinator of Anonymous hotel 2 supports this by saying that e-Word of Mouth marketing provides hotels with the possibility to monitor reviews and to follow up service failures. e-Word of Mouth marketing provides an opportunity to compare information regarding e-consumers’ experiences (Mills, Law 2004). This is mentioned by the manager of Princess Hotel and she says that it enlightens them which are also being supported by the manager of Anonymous hotel 1. Marketing coordinator of Anonymous hotel 2 states that marketing strategies may help hotels to catch up on negative online reviews before they spread too widely on the Internet. It is possible to say that e-Word of Mouth creates the possibility of determining the needs of their customers.
5.3 What are the challenges of e-Word of Mouth marketing?

One issue of e-Word of Mouth marketing is that negative online reviews are far more influential than positive ones. This is being explained by the manager of Hotel President who states that it is challenging and may contribute to a decrease in number of reservations. She also says that it might damage the brand reputations and that most of what is being related to a brand is possible to control, however some things might be beyond their control. Kirby, Marsden (2006) points out the same issues and therefore emphasizes the importance of tracking negative reviews to prevent the spreading. It seems to be a common issue and many of the respondents feel that it is out of their control.

A variance in reviews decreases sales (Gu et al. 2009) and it might be very problematic to control, since the entire feedback history stays in the system long enough to establish reputations (Dellarocas 2003). However the empirical research does not indicate that the respondents feel that their reputation is affected to a wider extent. For well known brands there is probably not a major risk since there is an established attitude among customers (Vermeulen, Seegers 2009). Silverman (2001) states that Word of Mouth can be influenced and in that sense controlled. However the respondents feel that some things are beyond their control and this might explain why respondents cannot provide us with detailed information on how they manage online reviews. It might be problematic to have a strategy that is applicable on all situations.

The Internet has empowered the customers and allows them to share experiences. Online information published by customers is uncensored and creates richness (Goldsmith et al. 2008 & Cakim 2010). Since the touristic product is being bought before consumption and since experiences are intangible, it is considered to be a risky purchase (Gu et al. 2009). This can be seen as a reason for negative reviews being majorly influential. When complaints and warnings are being repeated, customers may not take the risk of purchasing it. Therefore it is influential in the decision making and since there is a lot of information on the Internet, hotels might feel that it is out of their control. They have rather tried to focus on the service delivery, which several respondents have emphasized. As Dellarocas (2003) states, e-Word of Mouth differs from the traditional Word of Mouth in its unprecedented scale. This might be a big challenge for hotels and will probably require a lot of resources to manage, as states by Scandic.

The big amount of online reviews is a shared concern of the respondents. Many of the hotels feel that it is time consuming to monitor them and it might be impossible to control. This is a common view of almost all respondents and might be a reason behind the choice of not developing electronic Word of Mouth strategies. Scandic emphasizes the issue of resources. Big amount of reviews require a lot of resources and staff needs to be educated in how to manage and monitor this type of information. The amount of time being put into this is also important to uphold. The well-known brands might not feel threatened by negative reviews affecting their brand since they have well established reputations (Vermeulen, Seegers 2009). However the smaller hotels that are not well-known globally might not have the resources to control all information being published.

As the marketing coordinator of Anonymous hotel 2 states, negative e-Word of Mouth can spread very fast and therefore is very challenging. The disadvantage of e-Word of Mouth marketing as a risk for companies is being explained by earlier studies as well. There is no guarantee that companies can gain total control over what is being related to a brand. It is not easy to get customers to communicate about what they want them to communicate about (De
Pelsmacker, et al. 2007 & Lomax, Stokes 2002). As the reception manager of Hotel Statt mentions, it is challenging to monitor all reviews being published and not easy to prevent people from publishing them. The manager of Princess Hotel also points out that customers usually get motivated by really positive or really negative reviews and therefore those standing in “the middle” may disappear. This creates the problem of having very extreme endpoints and therefore not all reviews can be considered to provide with a fair picture of a company or service.

Sincerity is another challenge in e-Word of Mouth. The hotel manager of Anonymous hotel 1 considers it to be a main challenge of online feedback. As mentioned by Goldsmith et.al (2008) reviews can be misleading and out of context. There is a possibility of communicators using negative reviews to manipulate. Therefore online reviews can be seen as less reliable since it is easy to change identities online (Dellarocas 2003). The manager of Anonymous hotel 1 also says that the anonymous reviews make it challenging to reach out to customers and to recover from service failures. The manager of Princess Hotel supports this and says that some bookings channels have the tendency of emphasizing a few sentences from recommendations, which can be misleading. Hotel Statt has a similar view and states that there is a risk of dishonest reviews.

This has been a common issue of all respondents and therefore managers might see it as important to track online reviews, however not to take it too seriously. It is very difficult to separate the honest reviews from the dishonest. Although there is a challenge of sincerity and difficult to control what is being published, it is possible to encourage positive reviews by getting help from current guests (Kirby, Marsden 2006). This is implemented by the Princess hotel and is a strategy of spreading positive testimonials and collecting feedback on their own web pages.

5.4 How can the hospitality industry manage e-Word of Mouth marketing?

The empirical research has shown that very few respondents have no defined strategies for how to manage online reviews. As the manager of Anonymous hotel 1 states, some hotels prefer to manage service failures during the service encounter and they work with traditional guest surveys, still. This is also the case for Hotel Statt and Hotel President. However all respondents monitor and track online guest reviews. Any general electronic marketing is not in focus yet; however chain hotels are being marketed through their head offices. Although online Word of Mouth strategies are not defined among most respondents, all of them are monitoring booking channels and specific online forums to get a conspectus of what is being said.

This is in correlation with the first step of Silverman (2001) who suggest that monitoring discussion mediums, forums and other web pages is the first step when managing online Word of Mouth. It is therefore important to monitor web pages that might influence the sales, and booking channels are probably a good example of this. As seen in the research, all respondents have recognized the need of monitoring online reviews to get an idea of what is being related to the brand and to see patterns in customer complaints. Kirby, Marsden (2006) supports this by adding that frequency, participations, being active and providing feedback is key elements when managing electronic Word of Mouth marketing.

The second strategy, suggested by Silverman (2001), is to use the hotel website to create credibility. A company should build in Word of Mouth attributes to encourage feedback and spread testimonials of positive reviews into their website. This is a way of electronic
marketing in general. However electronic marketing and e-Word of Mouth marketing does not seem to be implemented on websites of the respondents. Many of the respondents raised the issue of credibility in reviews and the big amount of them. Using the own web page might be a solution for this, as Silverman (2001) already mentions. It is a good way of getting across to customers and also a way of encouraging them to share opinions. By doing so, all reviews can be directed to specific online channels and will make it easier to follow up negative reviews. If most consumers share their contact information with hotels, it will be easier for hotels to follow up and recover from service failures. Therefore it is important to be available to consumers and make it easy to contact managers.

It seems like this is the next step for many respondents. Most of them are pointing out the issue of having too much information to follow up and that it is time consuming. Cakim (2010) suggest that companies must draw attention and get support in spreading news. Companies can therefore invite them by launching a company blog or invite customers to online contests. This will help hotels to get in touch with unsatisfied customers immediately, before it spreads around on other Internet forums. It can also serve as a platform for setting up e-mail lists of customers to send out short notes and encourage people to communicate. As Goldsmith et. al (2008) states, it is a good way of creating a “buzz” to stimulate e-Word of Mouth among visitors. It can allow former visitors to share their positive experiences. Loyal customers can be encouraged to post their thoughts or link to the website through their personal websites to direct visitors.

One strategy that is mentioned continuously in the empirical research is encouragement. The marketing coordinator of Anonymous hotel 2 does say that there is a possibility of asking loyal customers to share their views on different channels to spread positive feedback, which can be compared to the strategy of encouragement. Princess Hotel works with this actively and they are providing this research with a good example of how hotels can encourage their customers. This specific hotel encourages guests by placing cards in the rooms, which remind guests of sharing their views. Such a strategy is supported by Goldsmith et al. (2008) where providing cards during check in are suggested. Offering guests discounts or free meals is also a very good strategy and Princess Hotel is encouraging guests to provide feedback by offering them points.

This strategy is supported by Cakim (2010) who suggests that companies can screen for networking agents to be able to control what is being published. To be able to implement this strategy, companies need to read and listen to online consumer reviews in blogs, social networks and forums, which all respondents have implemented. The brand-advocacy pyramid is useful when working with encouragement of online reviews, as in the case of Princess hotel. By identifying loyal customers, it is possible to encourage them to proselytize about the brand and encourage them to become brand advocates (Kirby, Marsden 2006). This model can be a base for categorizing guests and to identify whom to encourage. It seems like the Best Western hotel chain has implemented a similar strategy that their hotels use to get feedback.

Finally e-Word of Mouth campaigns has emerged as a suggestion to strategic possibility, which may be seen as encouragement as well. The Scandic head office stated that they are currently developing strategies for management of online reviews. However they have used strategies to encourage positive reviews by developing a campaign with 60 bloggers. This campaign aimed to market a specific product and to spread the word by having bloggers giving their opinions about it. However, Scandic emphasizes the importance of being transparent when working with this type of marketing. Cakim (2010) states that being
authentic, transparent and responsive is one of the main elements of using such a strategy. Kirby, Marsden (2006) suggest for companies to choose a target when working with Word of Mouth campaigns. If they can get reach out to a part of the selected target, they will reach out to the rest with the effect of Word of Mouth. The campaign strategy is similar to the suggestion of finding networking agents, as suggested by Cakim (2010).

Cakim (2010) defines networking agents as people who gain significant visibility by posting reviews and to be able to find these agents, companies need to read and listen to consumer reviews published on blogs or other forums. Therefore bloggers can be seen as networking agents who have a “power” to influence others. It is a possible marketing channel to spread the word about new products or about companies in general. Companies need to find those who regularly speak up and make recommendation that can change attitudes and bloggers are a good example of this (Kirby, Marsden 2006). The Word of Mouth campaign of Scandic is therefore in correlation with the theory of networking agents, and can be used as an e-Word of Mouth strategy for hotels in general.

5.1 Suggestions on e-Word of Mouth strategies to use in the hospitality industry

Hotels should assign people to monitor online reviews and educate them in what to look for and how to define patterns. By seeing patterns in customer complaints, hotels can get an idea of what to improve on and might also find networking agents. Networking agents can help hotels to gain control over what is being related and it is possible to collaborate with them. Bloggers are a good example of this, as shown in the empirical result of Scandic head office. Moreover, hotels can choose a target and identify the networking agents within it. By collaborating with them, they can influence the whole selected target and reach out to them. Companies need to find those who regularly speak up and make recommendation that can change others attitudes and by doing so they can spread the word about a new product/service or just the create brand awareness.
Hotels should also work actively with marketing on their own web pages. It is possible for hotels to collect all reviews on their own web pages and by doing so it will be easier to monitor it. It is possible for hotels to build in Word of Mouth attributes to encourage feedback and it will make it easier to get in touch with unsatisfied guests. They can also add positive reviews to market their hotels and spread testimonials on their websites. Another strategy is to launch a company blog or invite customers to online contests. This will encourage guests to share their views and will also make it easier for the customers to get in touch with company representatives. Due to, feedback and showing guests involvement is a very important key element.

Encouragement by reminding customers of providing hotels with feedback is another possible strategy. As in the case of Princess Hotel, it is possible to leave cards in the rooms that remind customers of sharing their opinions on the hotel web page. It is also important to reward the customers. This can be done by offering guests points or by making contests where they can win a free stay. Hotels can also identify loyal customers and encourage them to proselytize about the brand.
6. Conclusions

This chapter presents the final conclusions gained from this research and provides with answers to the research questions. Finally further research is suggested for future academic research as well as suggestions for the hospitality industry.

6.1 Conclusions

The case studies of this research, indicates that more and more consumers rely on online reviews and recommendations from their peers, rather than traditional marketing. Most respondents have a difficulty in determining how influential online reviews are, however they state that a lot of customers read them before making a decision on where to stay. Almost all respondents state that online reviews are influential during decision making and to some extent also influential regarding brand awareness. Cakim (2010) supports that consumer’s gather, distribute and publish information to share opinion. Goldsmith et. al (2008) further suggests that the importance of online reviews is growing in the tourism industry, since the products are intangible and bought before consumption. Therefore online recommendations have become influential when making reservations and have an impact on revenues.

All respondents agree on the importance of monitoring and tracking online reviews to see patterns in customer complaints which helps them to understand the needs of their customers. This makes it possible to undertake proper actions. However, it is difficult to define how influential online reviews are. The influence might vary depending on where the reviews are being published and how influential the information source is itself. There is also an issue of sincerity of recommendations being published on the Internet and therefore can be dangerously influential, due to they are not always relevant for each customer.

The research also indicates that e-Word of Mouth marketing is still a new phenomenon and that some hotels still prefer to pay attention to satisfying the needs of their guests during the service encounter. The issue of credibility seems to be a common issue and can be misleading (Goldsmith et al. 2008). Although Buhalis, Laws (2004) state that customers trust their peers rather than traditional marketing, the anonymous reviews and the possibility to change identities on the Internet, may damage its trustworthiness. Therefore it is difficult to state how influential online reviews are, meanwhile it is stated to affect revenues, decision making and brand awareness.

The main possibility of e-Word of Mouth marketing is proven to be the increasing number of reservations. Most respondents agree on the possibility of reaching out to more customers and that positive reviews can motivate new customers to make reservations. Vermeulen, Seegers 2009, Dellarocas (2003), Gu et al. (2009) agree on this theory due to the Internet allows companies to reach consumers of unprecedented scale and positive reviews might increase revenues. Online reviews affect customers during their decision making and improve the probability of consumers to consider making a reservation. If there is a big difference between the score of two hotels, potential customers might choose the hotel with the higher score. So it is possible to say that positive reviews help to boost the room sales. Gu et al. (2009) supports this by mentioning that positive reviews generate higher revenues and states that a 10% improvement in reviews increases the sales by 4, 4%.
Positive reviews can also contribute to brand awareness. Even though respondents do not see it affecting their brand to a wide extent, they mention the possibility strengthening brand values in the long term. This can be managed by encouraging guests to provide with feedback. Online reviews also create the possibility to monitor and follow up customer experiences which helps hotels to see the attitudes of customers towards a product/service. By monitoring reviews they can profile customers and develop marketing strategies. Summarizingly it is possible to say that online reviews enlightens hotels by allowing them to see patterns of opinions and may help them to catch up on negative reviews before they spread to widely.

As Lomax, Stokes (2002) states, successful entrepreneurs can find ways of encouraging recommendations and can remind them by using visual aids. Hotels can place cards in every room to remind guests of providing them with feedback and reward them for doing so. Encouragement is also suggested by Kirby, Marsden (2006) who categorize customers as brand adopters, adorers and advocates. Indications on similar strategies are seen and mentioned in the empirical research. This supports the importance of encouraging guests to share opinions which can help hotels to strengthen brands due to it helps managers to understand the need of their customers (Buhalis, Laws 2008). However smaller hotels are considered to use this type of strategies more frequently (Vermeulen, Seegers 2009), which is not seen in this empirical study. The bigger chain hotels are more actively working with e-Word of Mouth marketing.

The challenges of e-Word of Mouth marketing are that negative reviews seem to be more influential than positive ones and it spreads around very fast. This may contribute to a decrease in revenues and if the buzz grows really big, it might damage the reputation. Kirby, Marsden (2006) points out the same issues and therefore emphasizes the importance of tracking negative reviews to prevent the spreading before it grows to big. As Cakim (2010) states, online reviews are being etched on search engines and can grow bigger and bigger, which may damage brands. The entire feedback history stays in the system long enough to establish reputations (Dellarocas 2003). The issue of having little control over what is being related to their brands is raised by most respondents. Just as positive reviews increase sales, negative ones decrease sales according to the empirical research. However most respondents do not see online reviews as threatening of their brands and this indicate that well established attitudes towards a brand, is difficult to change (Vermeulen, Seegers 2009).

There is also a risk of online reviews being dishonest. It is easy to change identities on the Internet and the recommendations can be misleading or out of context. Therefore online reviews can be seen as less reliable and make it problematic for hotel representatives to follow up service failures. This is both mentioned by the respondents as well as it is seen in earlier literature. Goldsmith et. al (2008) state that reviews can be misleading and out of context. As the manager of Princess Hotel states, a 20 year old a 40 year old guest may have different purposes with their stay. Therefore all reviews are not relevant for each customer. There is a possibility of communicators using negative reviews to manipulate. Therefore online reviews can be seen as less reliable as supported by Dellarocas (2003).

Suggested strategies to manage e-Word of Mouth is to monitor online reviews continuously to get an idea of what is being related to a brand and to see patterns in customer complaints. Hotels can monitor booking channels, blogs and other social networks; however it is important to educate employees and assign them to monitor online reviews properly. Silverman (2001) suggests monitoring discussion forums and other platforms to be the first step when managing e-Word of Mouth and all respondents have recognized the need of
determining what is being related to their brands. This helps hotels to see patterns in complaints and this requires frequent participation, as supported by Kirby, Marsden (2006). Cakim (2010) states that being authentic, transparent and responsive is one of the main elements of using such a strategy.

Secondly companies need to find those who regularly speak up and collaborate with them. Bloggers have been one example, seen in this research. They can change the attitudes of others and spread the word. Scandic has used this strategy to promote a specific product. It is suggested to define a target when working with e-Word of Mouth campaigns. If hotels reach a small part of the target group, the buzz will reach out to the rest as well (Kirby, Marsden 2006). Bloggers are influential and can affect attitudes. Therefore it is a good way of spreading the word and is similar to the networking agent strategy suggested by Cakim (2010). Networking agents are defined as people who gain significant visibility by posting reviews. Companies need to find those who regularly speak up and make recommendation that can change others attitudes (Kirby, Marsden 2006).

Furthermore, hotels should use their own web pages more actively. It is possible to build in Word of Mouth attributes and spread testimonials all over the web page. Hotels need to make it easy for customers to get in touch with company representatives and by doing so they can collect all reviews to specific channels (Silverman 2001). One good strategy is to launch a company blog or arrange contests to encourage guests to share their opinions with the hotel, directly (Cakim 2010). This will help hotels to get in touch with unsatisfied customers immediately, before it spreads around on other Internet forums. Most respondents agree on the issue of credibility, however by directing and encouraging feedback to specific channels, they can gain better control over reviews. The respondents are not actively marketing themselves on the Internet in general, however since most of them are aware of the influence of online reviews, using their own web pages is considered to be the next step, in this research.

Finally, one important strategy is to encourage guests to provide with feedback and this can be done by placing cards in the hotel rooms, to remind guests and then rewarding them with extra points, for an example. This is implemented by Princess Hotel and is suggested by Goldsmith et al. (2008) as well. To be able to implement this strategy, companies need to read and listen to online consumer reviews in blogs, social networks and forums, which all respondents have implemented. The brand-advocacy pyramid is useful when working with encouragement of online reviews. By identifying loyal customers, it is possible to encourage them to proselytize about the brand and encourage them to become brand advocates (Kirby, Marsden 2006). This is also a good way of collecting reviews on own web pages instead of having customers sharing opinions on other platforms. This can be considered as a solution of managing the big amount of information being published online, as emphasized by the respondents.

6.2 Suggestions on further research

This study has shown indications of how the hospitality industry can manage online reviews in their marketing strategies and what the possibilities/challenges are. These results are only suggestions that might be useful when working with online reviews. However the study has only given brief suggestions and further research can be made to receive more in depth information about the marketing strategies used by hotels that work with e-Word of Mouth. Therefore further research, with focus on specific hotels that work with e-Word of Mouth, can be useful for testing the validity of the strategies suggested in this thesis. This type of
marketing still seems to be a new phenomenon, based on the empirical research made in this study. However some hotels seem to implement e-Word of Mouth strategies into their traditional marketing. Another suggestion is to study the influence of e-Word of Mouth regarding decision making and its impact on brand awareness by focusing on the view of hotel guests. This might give the research area a depth and make it easier to understand e-Word of Mouth as a whole.

Managers in the hospitality industry should focus on developing and testing the validity of the electronic Word of Mouth strategies and find ways to actively encourage their guests to share their views. Focus can be put on how to control the online reviews and how their own web pages can be used as a viral community for their guests. Research can be made on their current guests to see how influential online reviews are on the decision making and what motivates them to share their views. This can help the hospitality industry to understand the motivations behind online reviews, how influential they are how to control it and use it in their overall marketing.
7. References

7.1 Reference list


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### 7.1.1 Electronic sources

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8. Appendix

8.1 Interview guide

How important do you consider electronic Word of Mouth marketing to be?
- Do you use e-Word of Mouth marketing?
- Why/Why not?
- Is it possible to encourage guests to be a part of the e-Word of Mouth marketing?
- Why/How?
- What are the possibilities/challenges of e-Word of Mouth marketing?

How do you manage online guest reviews?
- What strategies do you use to manage online reviews?
- Is someone assigned to continuously follow up online reviews?
- How do you control what is being related to your brand, on the Internet?
- Do you encourage guests to share their views online?
- What are the advantages/disadvantages?

Do you consider online reviews to be influential?
- Why/Why not?
- Do they influence the customer decision making or the reputation?
- What effects does positive/negative reviews have for your hotel?
- What are the possibilities/challenges of online reviews?