Chapter 6 **eWOM**: The Importance of Reviews and Ratings in Tourism Marketing

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ABSTRACT

It is difficult to find a traveler who has not written and/or read an online review at any stage of their travel. Most people will not book a hotel if this has no reviews and/or will not choose a destination before reading some opinions from other users. Tourism professionals can gain a comprehensive understanding of the dynamic relationships and key influential factors which are relevant to online reviews. A single business can have thousands of reviews. This creates a situation of information overload for hotel managers, who encounter themselves with increasingly larger numbers of information to analyze and act upon. The ability to effectively analyze data, using in occasions dedicated software becomes a crucial aspect of hotel management. The chapter ends with a reflection on how eWOM is leading to the generation of a new approach to business management.

DOI: 10.4018/978-1-5225-5835-4.ch006

INTRODUCTION

The Internet and social media have given place to what is commonly known as the *democratization of content* and this phenomenon is changing the way that consumers and companies interact. Business strategies are shifting from influencing consumers directly and induce sales to mediating the influence that Internet users have on each other. A consumer review is *a mixture of fact and opinion, impression and sentiment, found and unfound tidbits, experiences, and even rumor* (Blackshaw & Nazarro, 2006). Consumers' comments are seen as honest and transparent, but it is their subjective perception what shapes the behavior of other potential consumers.

With the emergence of the Internet, tourists search for information and reviews of destinations, hotels or services. Several studies have highlighted the great influence of online reputation through reviews and ratings and how it affects purchasing decisions by others (Schuckert, Liu, & Law, 2015). These reviews are seen as unbiased and trustworthy, and considered to reduce uncertainty and perceived risks (Gretzel & Yoo, 2008; Park & Nicolau, 2015). Before choosing a destination, tourists are likely to spend a significant amount of time searching for information including reviews of other tourists posted on the Internet. The average traveler browses 38 websites prior to purchasing vacation packages (Schaal, 2013), which may include tourism forums, online reviews in booking sites and other generic social media websites such as Facebook and Twitter.

Nowadays, it is difficult to find a traveler that has not used Internet in any stage of their travel (Camilleri, 2018a, b). A few years ago, in 2013, Google produced a study that laid out the five major stages of travel: dreaming, planning, booking, experiencing and sharing (Figure 1). These five stages of travel define the consumer's behavior before, during, and after their trip. Internet influences travelers at each of these stages through other travelers' opinions, mainly in the form of Social Media and Online Reviews.

- Dreaming: Travelers are less likely to respond to advertising than to content
 that entertains, informs, and surprises them. People find travel inspiration
 on social media, so businesses can reach the dreamer by encouraging their
 followers to share their travel stories and interact with their online community.
- **Planning:** The decision is taken, and travelers focus on the logistics: when to travel, how long to spend, how to get there, accommodation, activities, etc... The customer is now in the planning stage where, they'll be visiting around 20-40 different websites and will search for online reviews about almost everything.
- **Booking:** Guests are ready to make their purchase decisions and have reached the right-hand side stages of the diagram in Figure 1. At this point the key

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