Chapter 13
The Role of the Electronic Word–of–Mouth in the Hotel Industry

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ABSTRACT

In the digital age, electronic word-of-mouth plays a role extremely important for the hospitality industry. Due to the intangibility of the tourism product, travelers need to seek information in order to reduce the perceived risk. They usually compare different options and search for accurate and reliable information to make choices, such as user-generated contents. Moreover, tourists pay much more attention to digital platforms that foster interaction and information exchange between users. This study aims to investigate, through an online questionnaire, the managerial behavior of 103 hotels of the province of Rimini towards the electronic word-of-mouth phenomenon. The findings highlight the proactive attitude of hotels towards the phenomenon, to increase the booking and to improve the service quality. The study conducted provides hints of originality because it filled some gaps emerging in the literature regarding the dealing with responses, the stimulation of generating comments, and the impact of online reviews on hotel performance.

INTRODUCTION

With the spread of internet communications and the emergence of web 2.0, there has been a new revolution in the tourism sector, especially in the hotel sector. Today more than ever, the attractiveness and competitiveness of accommodation facilities depend on their presence and visibility on the internet, as well as the communication and management of bookings depend on the use of tools that are always up-to-date.

E-Tourism[1] has introduced new ways of planning and organizing travels, starting from the very first phase of searching for information, modifying the process of purchasing tourist services and resulting in the opportunity offered to travellers to significantly increase the "tourism to make you". The changes have concerned both the supply side and the demand side, the latter ever more eager to live tourist experiences, giving rise to new scenarios and perspectives.

Digital travelers primarily go online to search for information because most of them believe that it is where they will find the best prices (Law et al., 2014). People find reviews and opinions posted by other users, as well as content generated on social media platforms, to be especially useful. Travelers consider this information to be reliable and helpful to them in the process of choosing a product with a good quality-to-price ratio and to avoid making a poor decision.

The EWOM[2] represent another facet of the increasing virtual presence of hospitality which has seen developments in areas such as network hospitality (Molz, 2012) and virtual tourism (Tavakoli & Mura, 2015).

The electronic word-of-mouth (EWOM) has attracted significant attention as an important influencer of consumer behaviour and is defined as any positive or negative statement made by potential, actual or former customers about a product or company which is made available to a multitude of people and institutions via the internet (Henning et al., 2004).

This study aims to investigate the hotels managerial behavior towards the electronic word-of-mouth. Based on this objective, we ask the following research question:

RQ1: What is the value assigned to EWOM by hoteliers?
RQ2: How hotels manage online reviews?

To answer these research questions, we carried out the analysis of the literature of the EWOM and the online reviews (paragraph 2).

The paragraph 3 shows the empirical survey conducted sending of a questionnaire addressed to 900 hotels in the province of Rimini. The sample surveyed consists of 103 hotels, statistical analyses were necessary to meet the research objective. The findings are discussed in paragraph 4 and finally the paragraph 5 shows theoretical and managerial implications, limits and future directions.

THE ELECTRONIC WORD-OF-MOUTH: A SYNTHETIC LITERATURE REVIEW

The last twenty years has been extremely important for the evolution of the tourism sector, going hand in hand with technological evolution. New business models, types of offers, distribution channels and a whole new way of communicating are just some of the changes that the tourism industry has experienced with the rise of the 21st century. In particular, it has allowed to reach a high level of interaction between website and user, resting on three pillars: interaction, sharing and participation. Hence the possibility on the part of those that we could define users-tourists to share their own experiences and to assist, at the same time, those of others.

Customers might choose a hotel based on its location (for instance, close to an airport, tourist location, or downtown), brand name, various facilities (such as swimming pool, golf course, spa and fitness center), service quality, price, loyalty program, and quality ratings by past guests. Any or all of these would enter into the customer choice mix (Verma, 2010). Other factors evaluated in the consumer

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