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## **Exigency Management Response to Negative Online Reviews**

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### **Abstract**

With the span of time, the communication technologies are changing. Now a day, people rely more on consumer-generated information rather than the information available on the official websites or other social networking sites. In comparison of positive online review, negative online reviews are counted as more effective. The managers too have started paying attention to negative opinions and give responses. The objectives of the study are to examine the consumers' contemplation towards negative online reviews and management response, to investigate the significance of responding to negative online review and to identify the appropriate response strategies to negative online reviews. The managers at hotel, restaurants and attraction need to focus on handling the online complains and respond to the negative reviews. Their response play a vital role in increasing room sales, consumer's satisfaction, building a positive image and creating positive attitude among tourists. Managerial responses keep varying from business to business. Few may adopt strategies of responding only to negative online reviews; few completely ignore the online communication. There is strong need of identifying the reasons behind negative online consumer reviews and doing efforts for increasing positive eWOM.

**Keyword: Negative Online Reviews, Management Response, Hotels, Response Strategies**

## **Introduction**

The social networking sites are gaining popularity among tourists. They continuously use these for various purposes from sharing their travel experiences to gaining information. Facebook, Instagram, YouTube, Twitter, Micro blogging websites, Travel review sites etc. act as a tool of interaction for the consumers as well as the sellers. In hospitality and tourism sector, it has become essential for the service providers to develop skills to deal with online communication, in order to efficiently running the business (Pattison, 2009). The existence of online reviews play major role in creating awareness about the accommodation unites among the tourists (Vermeulen & Seegers, 2009). There are a number of online websites such as Trip Advisor.com, Mouthshut.com, Yelp.com, Holiday Q, etc. which provide platform for the travelers to share their experiences and are helpful for the potential tourists in their holiday planning. The consumers opinions shared online positively affect the performance and operations of hotels (Ye, Law, & Gu, 2009). The potential consumers' intention behind their travel decisions is effectively influenced by the actual tourists' reviews which also represent star rating (Sparks & Browning, 2011).

The ratio of negative reviews on the sites is also noticeable. The purchase intentions of the existing and potential consumers are significantly affected by the negative online consumers' reviews. The negative online reviews are viewed undesirable (Cheng, V. T., & Loi, M. K., 2014). Successful interaction between the seller and consumer help in disclosing the causes of complaining, maintain the tourists satisfaction as well as retaining them (Maxham,2001). Providing appropriate response to the online negative reviews has become essential. In hospitality and marketing research the online travel reviews have caught significant interest (Litvin, Goldsmith, & Pan, 2008; Ye et al., 2009; Ye, Law, Gu, & Chen, 2011). The purposes of the study are to examine the consumers' contemplation towards negative online reviews and management response, to investigate the significance of responding to negative online review and to identify the appropriate response strategies to negative online reviews.

## **Negative Online Reviews**

The number of websites, providing consumer generated contents are gaining popularity. It is even easy to operate these review sites, where many travelers regularly share their positive and negative opinions regarding their experience of tourism products ((Buhalis & Law, 2008). People believe the negative views and it directly influences the business popularity and brand especially of hotels and has an effect on the sale of rooms and online booking (Ye, Law, & Gu, 2009). In comparison to the positive reviews, the negatives reviews are evaluated as more sentimental (Chevalier and Mayzlin, 2006; Cui et al., 2012; Papathanassis and Knolle, 2011). Even in word of mouth communication, the negative WOM is weighed as more analytical and useful than positive or neutral WOM. The negative WOM represent the lower quality of products while the positive and neutral WOM is indefinite and connected with products of varied quality (high, medium, and low) (Herr et al., 1991). It is found that at the early stage, the reviewers tend to give more negative views and lower rating but with the span of time as the number of reviews increase it ultimately results in balanced review valence as well as minimizes the negative impact (Melián-González, S., Bulchand-Gidumal, J., & González López-Valcárcel, B., 2013). Failing in delivering good value to consumers was found a major reason behind negative eWOM (Pantelidis, 2010). The current negative reviews have a higher effect (Sparks and Browning, 2011). Regret, displeasure, rage, irritation, supporting prospective consumers etc. are the major reasons for posting negative reviews (Taylor, 1991). The customers are motivated for giving their judgments online in order to inform the potential buyers, to use consumer rights and to release negative feelings (Bronner and de Hoog 2011).

## **Consumers Contemplation towards Negative Online Reviews and Management Response**

Review balance could be positive, neutral, and negative in case if the positive reviews are higher than, equal to, or lower than the rest respectively. For the potential consumers, it becomes tuff to understand who is actually responsible for the negative opinions of the actual consumer (Cowley, 2005). In case of positive balance the readers' judge the consumers responsible for any type of issue but in case of negative balance, automatically the service

providers are blamed (Weiner, 2000). But it is hard to know the accountability in case of reviews are posted almost in equal ratio. Prospective consumers do not weight the services reliable if they found that the service providers are not behind their failure (Michel et al., 2009). The consumers with high involvement tend to monitor the quality of consumer reviews in order to verify the perspective of reviewers when the negative reviews are increasing in comparison of positive. In case of consumers with low involvement only consider the perception of review in such situations (Lee, J., Park, D. H., & Han, I., 2008).

In comparison to positive information negative information is regarded more analytical, useful, informative and more influencing (D.Maheswaran, J.Meyers-Levy, 1990). The conformity over a point is highly in proportionate to the group with the same viewpoint. The majority of group persuades individuals (J M. Granovetter, S. Roland, 1988). The review balance highly affects the likely buyers' purchase decisions as these provide then chances of getting information regarding the products sales. They can know the proportion of satisfied users (P. Chatterjee, 2001, Y. Chen, J. Xie, 2004). With each increasing number of negative eWOM, the wish of buying the product or service decreases, as the transaction seems riskier. As in the High-Quality online consumer review, the content providing information about the product is consider trustworthy, understandable and provide a scope of satisfactory analysis. These are believed to be more convincing. Such aspects of High-Quality online consumer review are ignored in Low-Quality online consumer review (R.E. Petty, J.T. Cacioppo, 1984, R.E. Petty, J.T. Cacioppo, D. Schumann, 1983). So is the case with High-Quality negative online consumer review and Low-Quality negative online consumer review. Consumers will reckon the products or services less favorable if the number of High-Quality negative online consumer review increases (Lee, J., et al. 2008).

Min, H., Lim, Y., & Magnini, V. P. (2015) found that consumers consider a response against complain favorable if it has personal appeal and empathy. In online communication as consumers do not wait in person for the response, so timing and speed of responding do not act as a factor. In spite of products, service-based transactions are greatly influenced by negative eWOM (Christodoulides, Michaelidou, and Argyriou 2012). Levy, Duan, and Boo (2013) found that hoteliers are not stuck with any confined practice to deal with online reviews. Potential tourists regard a response more favorable if it summaries the complain

(Min, H., et al. 2015). There is a need for managing in-person complaints and online reviews independently by the hotels (Min, H., et al. 2015).

### **The significance of Responding to Negative Online Review**

In the lodgings business, online management response is counted as a new form of customer relationship management (Gu and Ye, 2014). The manager response to a positive review is regarded as their quality of being gratified, listening, emphasizing the consumer's positive word of mouth. It has been observed that managers trend to respond the negative reviews. The consumer's perception regarding the ethical and equality practices of service and products providers are positively affected when the plan of service failure recovery is presented by them through their response. It ultimately boosts the consumers' satisfaction. (Mccoll-Kennedy and Sparks, 2003). Gu and Ye (2014) identified that receiving the managerial response directly improved the satisfaction level of the consumers who have complained about their products or services. The hoteliers' instant responding point out their efforts of monitoring the perception of their guests and showcase their efficiency of providing effective services (Xie, K. L., Zhang, Z., & Zhang, Z., 2014).

Due to the viability of internet, the response of manager over the reviews is exposed to all the potential readers. Their feedback to the review is mulled over more than the consumers' opinions (Rancourt, 2013). Through the traditional mode of transaction, the interaction between the service providers and the consumers is limited to both of the parties. But due to the internet, now the complaints about the services are considerably increasing. Here the appropriate response of the hotel managers to the reviewers who have issues and have driven low rating act as a medium for improving their satisfaction and assist in revisit intentions. Gu and Ye (2014) found the response helpful in positively influencing the tourists with lower ratings of 1 and 2. Answering the positive reviews represent the warm connection between the consumers and service providers. It assists them in establishing goodwill even the consumer appreciate their efforts (Wei et al., 2013). The responding actions of the service providers influence the potential consumers' trustworthiness in their business and win over consumers' interest (Sparks, B. A., So, K. K. F., & Bradley, G. L., 2016). If any business enterprise does not take into account the negative reviews of its

consumers and simply ignore, there will be more chances of failure in gaining potential consumers (Chan and Guillet, 2011, p. 362).

### **Appropriate Response Strategies to Negative Online Reviews**

There may be firms who do not consider it necessary to answer to the negative eWOM, while few others adopt a policy of not dealing with online opinions of customers (Schouten, 2007). There are possibilities that firms may be unaware of the eWOM or they do not possess enough resources for dealing with these. Disclimation from the firm's side represents it as untrustworthy, lack of consolation and encourages consumers to talk against it (Kerkhof et al., 2010; Utz et al., 2009). McLaughun, Cody, & O'hair, (1983) found that ignoring negative reviews will reduce blameworthiness over to the service provider while Smith (2013), stated that such a tactic is only reliable in case of loyal customers. Mauri & Minazzi, (2013) found that responding to tourists can adversely affect the purchase intentions of consumers and hotels performance (Xie, Zhang, & Zhang, 2014). Few other studies concluded that not answering the negative reviews will ultimately damage the image of the firm as well as provide no means of challenging the reviewers posting negative views (Lee and Song, 2010). Apology for the service failure is meant as the service provider confesses the issue as well as is responsible for it (Davidow, 2003). They further identified that whenever the managers' apology for the inconvenient, offer compensation and promise of taking accurate actions it acts as a helpful mechanism in building the image of the enterprise. The reviewers who get a reply from managers' start thinking positive of them (Lee and Song, 2010).

If there are more negative reviews than positives, there arise the greater need of influencing the behavioral intentions of customers towards the service providers and create a positive attitude. In case of the ratio of dissatisfied consumers is very less there is no need of responding back. When the review set is neutral, there arrives need of assuring of solving the issues as well as apologize for the same (Dens, N., De Pelsmacker, P., & Purnawirawan, N., 2015). Further, it is found that if the majority of reviewers are not satisfied, the service providers should not only apologize and promise recovery but also need to recompense (Dens, N., et al. 2015). It has become difficult for the service providers to deal with the arising online complains with suitable strategies (Hennig-Thurau et al.,

2010). Regaining consumers trust further requires efforts (Berger et al., 2009; Evans et al., 2012; Munzel and Kunz, 2014). The assistance of webcare is sorted in order to minimize the effect of negative response from customers (Van Noort and Willemsen, 2012). Wangenheim and Bayon, (2004), concluded that it is helpful in enhancing customers' satisfaction, loyalty, and positive word of mouth while Lee and Song (2010) found that negative eWOM results in responsibility which further leads to off-putting of business. Researchers described six strategies adopted by the managers while responding consumers i.e. "refutation, no response, the apology only, apology plus prospective explanation, apology plus compensation, an apology plus prospective explanation plus compensation" (Benoit, 1995; Davidow, 2003; Gelbrich, 2010; Johnston and Mehra, 2002). In spite of the offering reimbursement to consumers, simply promising for solving the issue is more appropriate for the potential consumers (Dens, N., et al. 2015). Numerous researchers have identified and classified these recovery strategies. Sparks (2001), illustrated denial and avoidance the two "non-recovery" strategies and apologize, rectify, explain, invite customer input, and offer compensation the five "recovery strategies". Likewise, Davidow (2003) anticipated timeliness, apology, redress, credibility, facilitation, and attentiveness as the six qualities of service recovery strategies. Further, Liao (2007) examined the impacts on consumer satisfaction and purchase intention of five strategies e.i. apology, explanations, courtesy, problem solving, and promptness.

In contrast of the usual complaint handling techniques, writing a response that espouse a vital direction to urging is believed to be most efficient in order to handle the negative consumer reviews (Cheng, V. T., & Loi, M. K., 2014). Controlling the manifestation of negative online reviews is not easy. It has been suggested that responding to the reviews will directly increase the booking of hotels (Ye, Gu, Chen, & Law, 2008). In order to adopt the suitable tactic of responding there is need of handling the negative online reviews. It further assists the hoteliers in gaining the consumers' interest and motivating them for purchasing as well as reducing unfavorable consequences. Although, now the managers are well known to the significant of the responding negative reviews yet they are not experts in skirmishing these (Freed, 2011).

## Conclusion

Negative online consumer reviews are more influencing than the positive and neutral. The service providers should know the importance of responding to online reviews and adopt the suitable strategies in different conditions. It is one of the prime responsibilities of the managers to answer their consumers if they are unsatisfied and provide the reason behind any kind of inconvenience (Leung, Law, van Hoof, and Buhalis, 2013). It is the requirement of today that the researchers too should work in the area for examining the competence of the responses. The tourism stakeholders such as hoteliers, restaurant operators, and attraction managers need to focus on the causes behind negative opinions and do efforts for increasing the number of reviews.

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