



Operate

### Why hoteliers can't ignore TripAdvisor

by Alicia Hoisington | May 29, 2018 1:36pm



Photo credit: Pixabay/geralt

TripAdvisor might be a bane to some hoteliers, but new research shows that the online review site has quite the economic impact in the travel space.

According to a recent Oxford Economics study, "Sizing Worldwide Tourism Spending & TripAdvisor's Economic Impact," the review site was shown to propel more people to travel.

In 2017, TripAdvisor was responsible for \$546 billion of global tourism spend, according to the report. That figure isn't slowing anytime soon, researchers said. That's why hoteliers need to continue to pay attention to the review-site behemoth. Without a great presence on the site, it's going to be difficult to get a piece of the pie.

**FREE DAILY NEWSLETTER**

**International Hotel Investment Forum**

**Around the World in 5 Days**  
The latest hotel investment and development news around the globe

**Subscribe**

SIGN UP FOR THE **Operations** NEWSLETTER

I acknowledge that I may receive emails from Hotel Management and on behalf of their trusted partners.



**sign up**

## Like this story? Subscribe to Operations!

Hospitality professionals turn to Operations as their go-to source for breaking news on guest rooms, food & beverage, hospitality trends, management, and more. Sign up today to get news and updates delivered to your inbox daily and read on the go.

—SUBSCRIBE NOW—

### **Related Story: Study shows hotel review responses affect online reputation management**

Following are four things from the report that hoteliers should keep in mind when strategizing for TripAdvisor:

#### **1. More TripAdvisor reviews means higher demand**

Researchers combined TripAdvisor metrics—including property listings, page views, reviews and average review scores—with Tourism Economics' existing model of global tourism flows. They found that when TripAdvisor metrics were included in the data, the model accuracy was improved and helped to explain some of the more rapid growth over the past few years.

What does that mean? TripAdvisor helped to create more travel demand. Researchers found that TripAdvisor reviews had an effect on the volume of trips taken as well as spend. Review scores had a further impact on the length of stay and average spend.

#### **2. TripAdvisor-influenced spend outpaces overall spend**

Traveler spend has a powerful influence on travelers' wallets. Over the past decade, spend that TripAdvisor influenced has outpaced growth in overall travel and tourism spend.

In constant real prices, TripAdvisor's influence continues to grow at a 7.4-percent annual average over the last 10 years. Meanwhile, total tourism spend has an average growth of 3 percent.

### **Related Story: Audience targeting is key to driving direct hotel bookings**

Researchers note that even when total spend fell 5.3 percent during the global recession in 2009,



The 22nd International  
**Hotel Investment Forum 2019**  
4-6 March 2019 | InterContinental | Berlin, Germany  
*The meeting of global collaboration*

ihlf.com **SECURE YOUR ADVANCED RATE BEFORE 15th FEBRUARY 2019**

### **About the Author**



**Alicia Hoisington**



**REGISTER TODAY**  
MARCH 20-22, 2019  
ATLANTA MARRIOTT MARQUIS  
HUNTERCONFERENCE.COM

31<sup>ST</sup> ANNUAL  
**HUNTER HOTEL CONFERENCE**  
The National Owners' Investment Event

TripAdvisor-influenced spend outperformed the larger trend and remained virtually flat.

### 3. TripAdvisor's influence has grown over time

Travel spend influenced by TripAdvisor page views, reviews and scores last year was estimated to be 10.3 percent, or \$546 billion, of global tourism spend, according to the research. That's an increase from the 7-percent, or \$280 billion, share TripAdvisor-influenced spend held in 2007.

**Related Story:** [Social-media strategy crucial part of driving hotel revenue](#)

However, it is important to note that TripAdvisor-influenced-spend growth has slowed a bit over the past few years. In 2015, the share was 10.1 percent. In 2017, the share remained flat over 2016 at 10.3 percent.

### 4. \$80 billion wouldn't have been spent without TripAdvisor

The global travel market consisted of 5.45 billion trips in 2017 and nearly \$5.3 trillion in spending, according to the report. Of that spend, \$546 billion was influenced by TripAdvisor, with \$220 billion on inbound travel and \$326 on domestic travel.

So, why wouldn't \$80 billion have been spent without TripAdvisor? The researchers note that the review site has a higher impact on nights over destination visits. That means TripAdvisor leads travelers to a longer length of stay. That impact also pertains to travelers who were already planning trips or who were already in destinations and TripAdvisor use causes them to stay additional nights, thereby creating extra spend.

**Related Story:** [Hoteliers spending more to get customers in the door](#)

#### Read More On

Economic Research Trends	Economic Factors
Online Tourism Reviews	Hotel Reviews
Online Reputation	TripAdvisor



**GENERAL**

[Home](#)

[Privacy](#)

[Terms Of Use](#)

[RSS](#)

**CONTACT**

[Advertise](#)

[About Us](#)

**NEWSLETTERS**

[Newsletters](#)

[Print/Digital](#)

**CONNECT**

© 2019 Questex LLC. All rights reserved. 3 Speen Street, Suite 300, Framingham, MA 01701

Reproduction in whole or part is prohibited.