



Article Title

The Effects of Reviewer Expertise on Future Reputation, Popularity, and Financial Performance of Hotels: Insights from Data-Analytics [Summary]

Citation

Xie, K. L., & So, K. K. F. (2018). The Effects of Reviewer Expertise on Future Reputation, Popularity, and Financial Performance of Hotels: Insights from Data-Analytics. *Journal of Hospitality & Tourism Research*, 42(8), 1187–1209. <https://doi.org/10.1177/1096348017744016>

Abstract

Although the impacts of reviews provided by reviewers with expertise are well documented, the literature lacks empirical research on how such reviews are longitudinally linked to performance indicators and whether management responses to such reviews lead to differential impacts on these indicators. This study investigates the effects of reviewer expertise on hotels' online reputation, online popularity, and financial performance. Using a large data set of management responses and online reviews from 730 hotels over 26 quarters, matched with quarterly financial performance data, the authors found that the effects of average ratings and the number of reviews on hotels' subsequent financial performance are attenuated when reviewer expertise increases. The study also demonstrates that business benefits are enhanced if hotels target reviewers of higher expertise when providing management responses to online reviews. Results suggest that when managing electronic word-of-mouth, practitioners should take strategic approaches that leverage the influence of reviewer expertise.

Keywords management response, online reviews, reviewer expertise, hotel performance, data analytics

Summary:

This study investigates how reviewer expertise may influence the online reputation and popularity as well as the financial performance of hotels and how managers can use social persuasion to leverage hotel performance by responding to reviewers with expertise. Our results indicate that consumers value length of membership and

reviewer badge when using online reviews for decision making. As such, the results suggest that source credibility may play an important role in evaluating the information.

Reviewer expertise disclosed online is significantly and positively associated with both reputation and popularity of hotels as endorsed by subsequent consumers. When the expertise of reviewers increases (e.g., longer membership, higher badge status), their opinions not only influence online reputation and popularity of hotels but also hotel performance. Our findings indicate that, when faced with numerous reviews online, consumers more heavily weigh the opinions from reviewers with a higher level of expertise.

However, the importance of reviewers' expertise to hotel businesses and understanding of what strategy managers should employ to use such unique information remain practically less known. This study provides insights into the importance of reviews from reviewers with expertise in influencing hotels' online reputation, popularity, and performance and how hotel managers can use such information to leverage their business performance.

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