

Is Webcare good for business? A big data investigation of the effect of managerial responses to online reviews on hotel bookings

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Abstract

Previous research has shown that engaging in webcare – i.e., responding to online reviews – positively affects consumer attitudes, intentions and behavior. In this study, we test whether webcare affects the number of bookings a hotel receives. Using a big data approach, we analyze review and booking data for seven hotels on Booking.com for a period of four years, while controlling for online review valence and volume, and seasonality of bookings. Our results show that responding to online reviews has differing effects on bookings for different hotels, which means that we cannot generalize about the overall effect of responding vs. not responding to online reviews. This raises the question of what causes different effects across hotels. Further research using a combination of text mining and experiments is suggested to understand what is driving the different effects for different hotels.

Keywords: *webcare; online reviews; hotel bookings*

Track: Digital Marketing & Social Media