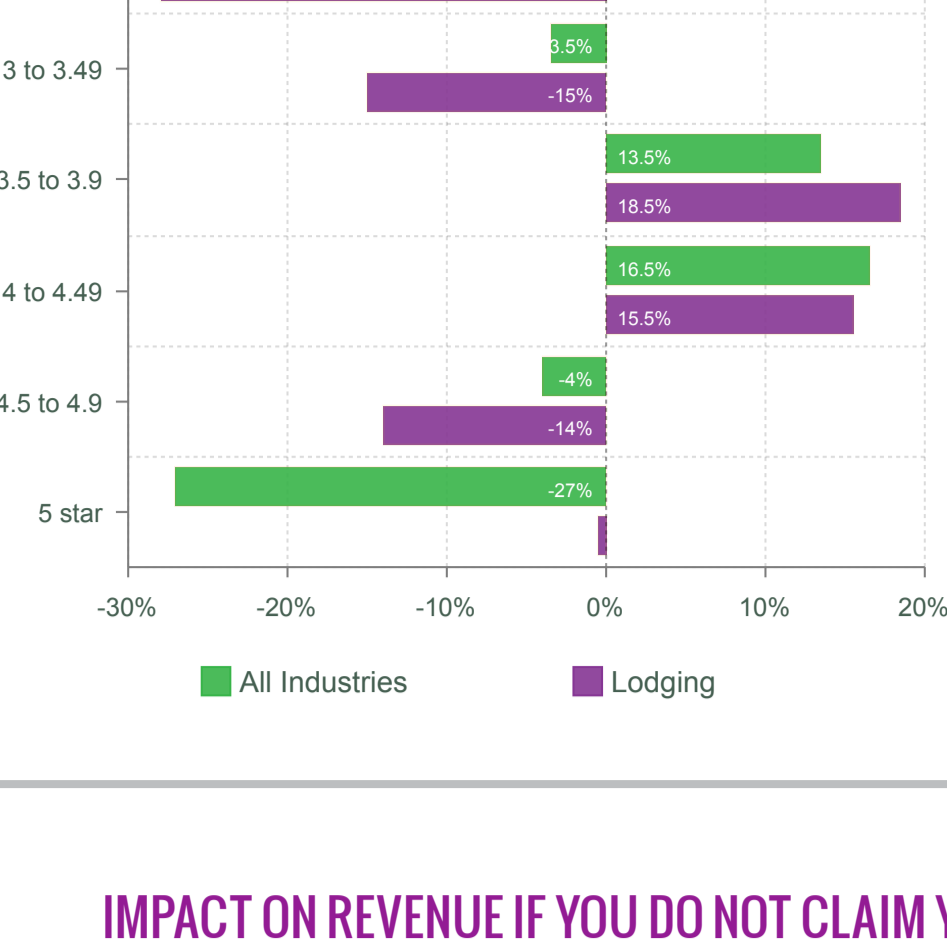




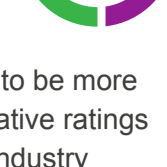
# REVIEW IMPACT ON REVENUE



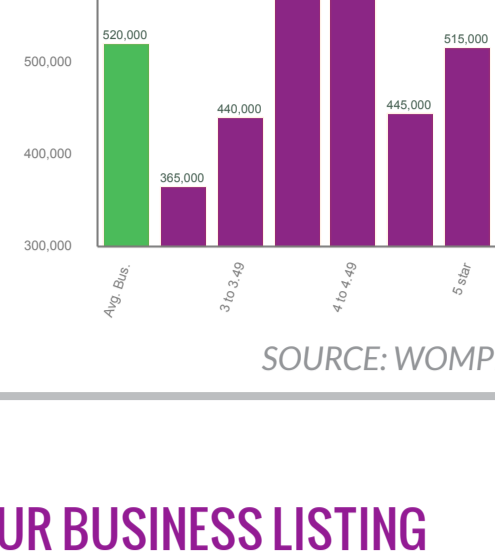
## STAR RATING IMPACT ON HOTELS' BUSINESS



## Revenue by Star Rating

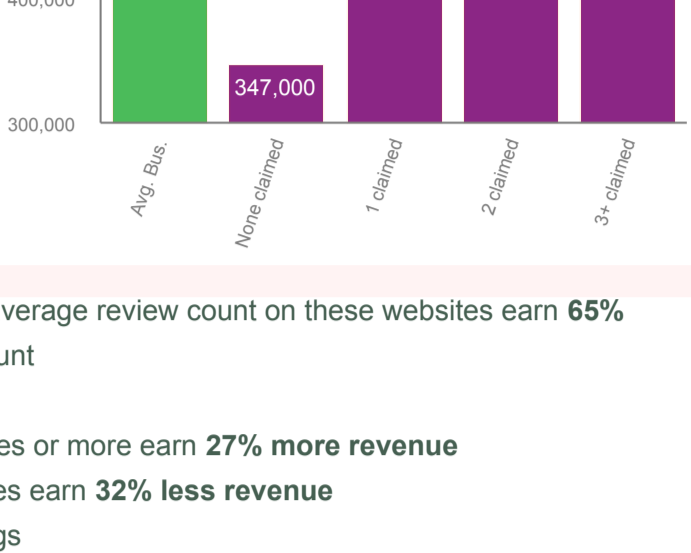
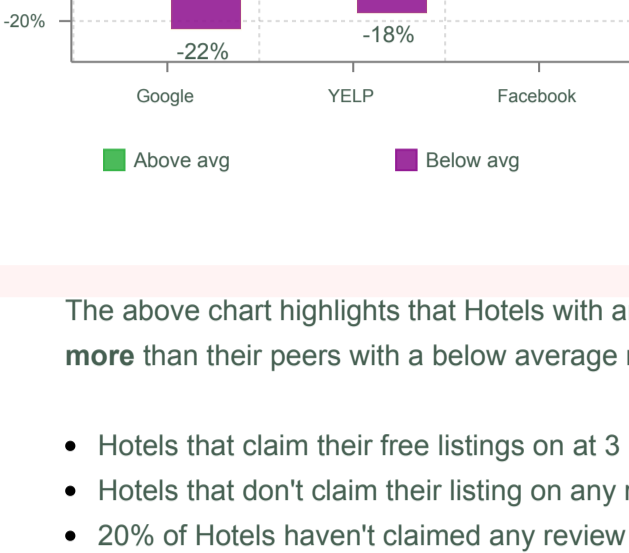


- Hotels continue to be more sensitive to negative ratings than any other industry
- Hotels that have a rating between 3.5 and 4.5 actually earn far more than any other group



SOURCE: WOMPLY

## IMPACT ON REVENUE IF YOU DO NOT CLAIM YOUR BUSINESS LISTING



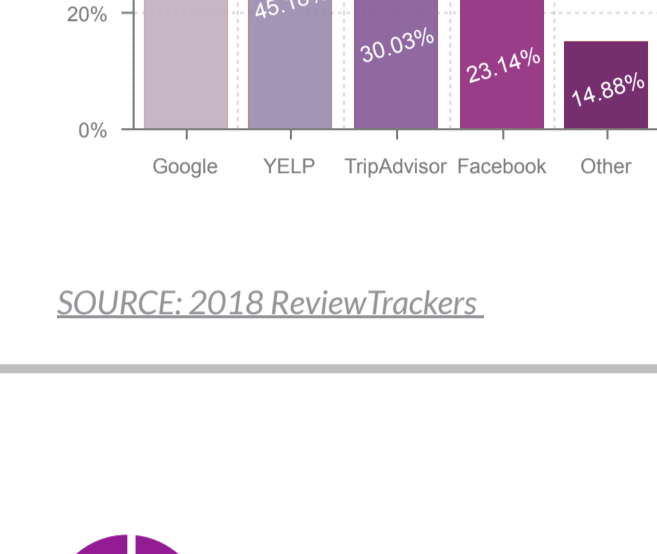
The above chart highlights that Hotels with an above average review count on these websites earn **65% more** than their peers with a below average review count

- Hotels that claim their free listings on at 3 review sites or more earn **27% more revenue**
- Hotels that don't claim their listing on any review site earn **32% less revenue**
- 20% of Hotels haven't claimed any review site listings
- Google is the most important** free listing site for Hotels

SOURCE: WOMPLY

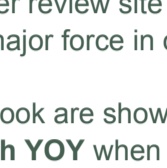
## IMPACT OF GOOGLE ON HOSPITALITY INDUSTRY

Decision Source: These review sites are checked most when guests are making decisions

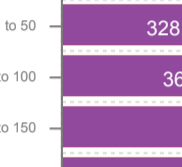


SOURCE: 2018 ReviewTrackers

## The Google Impact



- Google is the **review site of choice** - more than any other review site - thus becoming a major force in online reviews
- Google and Facebook are showing the **highest growth YOY** when compared to sites that focus primarily on reviews such as TripAdvisor which are seeing lesser growth YOY
- Google is very proactive about **soliciting reviews** from users
- Google for hoteliers now includes **enhancing hotel pages** with review filters, search and sorting options



## Revenue by Number of Reviews

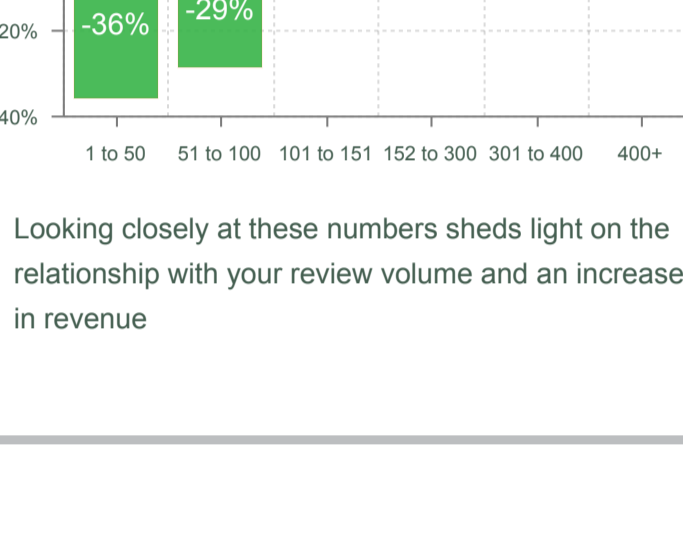


- You can see that the volume of reviews continues to **impact the Hotel's bottom line**
- Hotels that have 50 reviews or less **earn 35% less** than average
- The threshold seems to be 100+ reviews to see a positive impact on revenue while reaching 400 reviews is the ultimate in having the **highest impact on revenue** gained

SOURCE: WOMPLY

## REVIEW VOLUME IMPACT ON HOTELS

Below chart highlights that Hotels with more than the average number of reviews earn 62% more in annual revenue compared to Hotels with less than 151 total reviews that earn 25% less than their peers.

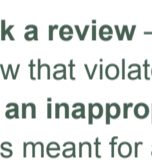


Looking closely at these numbers sheds light on the relationship with your review volume and an increase in revenue

## IMPACT OF REVIEW VOLUME ON PROPERTY VISIBILITY PER GOOGLE

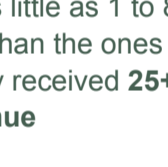
Due to a new review search feature, visibility of your hotel depends on:

- More reviews because it leads to better information from guests – **peer to peer** is the key.
- Most **recent reviews** plays a bigger role - it helps to have a steady inflow of new reviews. It appears that **algorithms** may give recency more weight than volume of reviews.
- Google suggests a few simple ways to improve the volume and quality of review content such as **prompting guests to leave a Google review** through a link in your Guest Satisfaction Survey, adding a link to leave a Google review in correspondence to guests, and then using the Google My Business (GMB) platform to respond to user reviews. Their goal is to have **ALL reviews visible**, not just 3rd party reviews but reviews of guests that were booked Hotel Direct.
- Major addition – peer to peer conversations; Google Maps users can ask and answer questions about your hotel real time. It is important to **monitor answers for accuracy** about your hotel and respond quickly and thoroughly to their questions for others who are considering your Hotel for their stay.



Management of Review capabilities – including conversations on Google Maps:

- Block a review** – for example, a profane review or a review that violates Google policy
- Flag an inappropriate review** – for example, a review that is meant for another hotel nearby with a similar name to your hotel; "north" vs "south"
- Request that outdated photos or photos that are no longer relevant to your hotel, i.e. prior to renovations, **be removed**



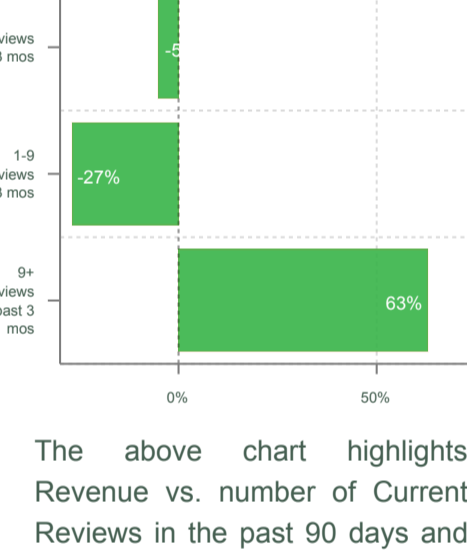
SOURCE: Google My Business

## IMPACT OF NEW REVIEWS VS. OLDER REVIEWS ON REVENUE

- Hotels with more recent reviews **increased revenue by 30%**
- In comparison, Hotels that did not have more current reviews **lost 20% in revenue**
- Hotels that obtained as little as 1 to 8 new reviews earned 31% more in revenue than the ones with no new reviews
- Hotels that consistently received **25+ fresh reviews earned +41% in revenue**



## Recent Review Impact on Revenue

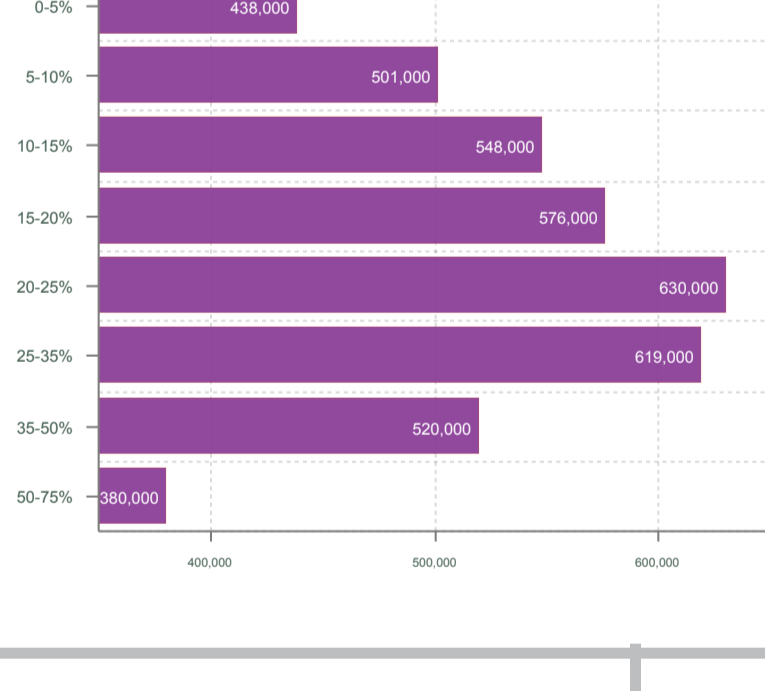


The above chart highlights Revenue vs. number of Current Reviews in the past 90 days and it's correlation

SOURCE: WOMPLY

## IMPACT OF NEGATIVE REVIEWS ON HOTEL REVENUE

Hotels that had a healthy mix of positive **AND** negative reviews earned the most revenue. How much is a "healthy mix"? Anywhere from 20% to 35% negative reviews!



## Negative Review Impact on Revenue

- On average, **31% of Hotel reviews are negative** - which is greater than the average business
- Interestingly, Hotels with **20%-25% negative reviews earn the most revenue**
- Hotels with 0-5% negative reviews earn 14% less than average
- Hotels with 35-50% negative reviews still earn 1% more

SOURCE: WOMPLY

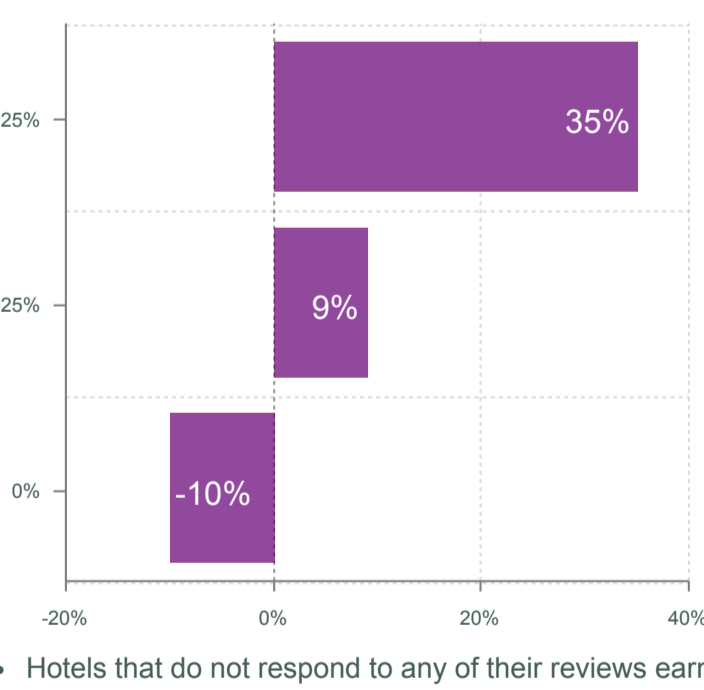
## HOTEL GUEST EXPECTATIONS FOR THEIR REVIEWS

- 53%** of guests expect a hotel to **respond to their online review within 7 days** which is an increase of +1.6% YOY
- 63%** of guests said they **never heard back** from a hotel after leaving a review
- 45%** of guests said that they are **more likely to visit** a hotel if it responds to negative reviews
- 80%** of the guests believe that a hotel **cares more about them** when its management responds to their reviews

SOURCE: ReviewTrackers



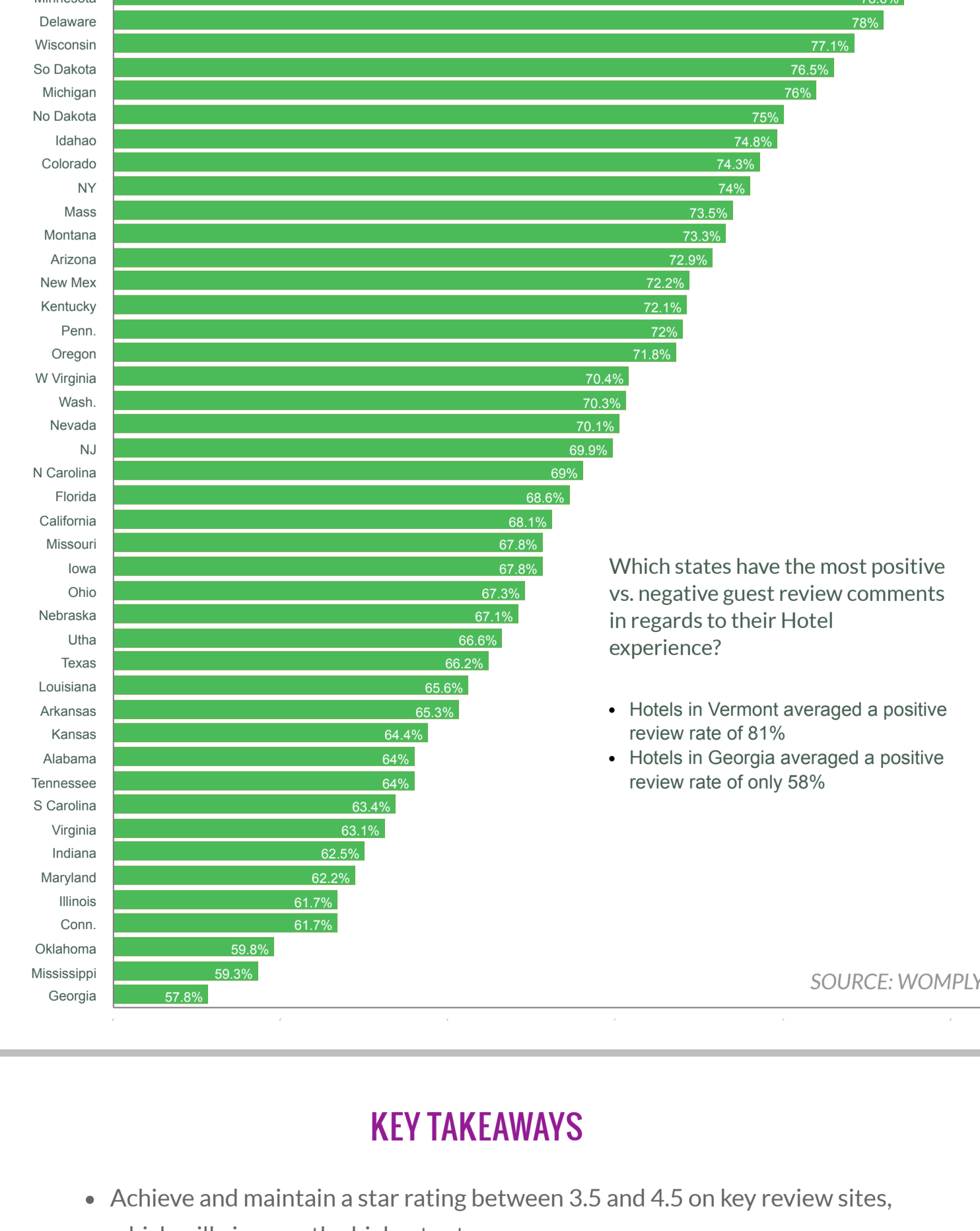
## Revenue Impact on Responding to Reviews



- Hotels that do not respond to any of their reviews earn 10% less in their revenue
- Hotels that respond 1% to 9% of their reviews earn 9% more than their competitors
- Study also showed that Hotels that reply to more than 25% of their guest reviews earn \$180K more each year than their competitors.

## HOW DO YOU FARE WITH YOUR PEERS IN YOUR STATE?

Positive Review % Rate by State



Which states have the most positive vs. negative guest review comments in regards to their Hotel experience?

- Hotels in Vermont averaged a positive review rate of 81%
- Hotels in Georgia averaged a positive review rate of only 58%

SOURCE: WOMPLY

## KEY TAKEAWAYS

- Achieve and maintain a star rating between 3.5 and 4.5 on key review sites, which will give you the highest return
- Claim your free business listings on relevant review sites and remember the impact that your Google listing has on your Hotel
- Be responsive to customer feedback posted on review sites as it is expected by your guests who have posted about their experience
- A steady flow of authentic reviews is needed to be successful
- Have a credible review profile, comprised of about 15-35% negative reviews that you have responded to

CREATED BY

Rose Mentrie / iResponse  
September, 2019

