

Reputation in travel and tourism: a perspective article

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Introduction

The purpose of this contribution is to shed light on the concept of brand reputation with a focus on the travel and tourism domain. Additionally, the article will contribute to the discussion of future perspectives and developments of this concept. To generate a better understanding about brand reputation, it is important to pinpoint the key dimensions related to the concept of 'brand'. The debate about the multifaceted notion of brand traces back to the early sixties (with the seminal work of Jung, 1964). If brand identity can be understood as a managerial issue (Walker, 2010), brand image can be understood as the consumer's interpretation of brand identity (Kapferer, 2008). Different stakeholders can have different perceptions of the same brand (Dowling, 1986); therefore different brand images may exist simultaneously (Argenti & Druckenmiller, 2004). This led to the conceptualization of 'brand reputation', which can generally be understood as the cumulative sum of the different brand image perceptions of different stakeholders over time (Walker, 2010).

Past Perspectives on Reputation

Organizations should care about reputation because having a good reputation can ensure sustainable competitive advantage (e.g. Fombrun, 1996; Hall, 1993; Roberts & Dowling, 2002). This can be achieved by lowering firm promotional costs (e.g. Deephouse, 2000), enabling firms to charge premium prices (e.g. Fombrun & Shanley, 1990), attracting investors (e.g. Srivastava, McInish, Wood, & Capraro, 1997) and customers (e.g. Fombrun, 1996), increasing profitability (e.g. Roberts & Dowling, 2002), and creating competitive barriers (Milgrom & Roberts, 1982). Reputation is a very complex construct that is difficult to define (Barnett, Jermier, & Lafferty, 2006). To date, few published papers include a proper definition of what reputation is. According to Walker (2010), there are five key attributes to consider when defining reputation: (i) reputation is based on perceptions; (ii) it is the aggregate perception of all stakeholders; and (iii) it is comparative (Wartick, 2002). Two additional attributes are often mentioned in the literature (Walker, 2010): reputation can be (iv) positive or negative, and (v) stable and enduring. Together, these five attributes can lead to a comprehensive definition of reputation that reflects leading articles in the scholarly literature. Reputation can be considered as an asset that evolves over time and requires investment to create and maintain. As an asset, reputation needs to be developed, managed, and protected in an increasingly volatile environment (Mailath & Samuelson, 2001).

The disruptive rise of the internet and the consequent growth of social media challenged and revolutionized the company-consumer relationship. Marketing communications paradigms shifted from the traditional 'one-to-many' to the interactive 'many-to-many' where audiences

participate in content creation over the medium (Hoffman & Novak, 1996). Interactivity impacted global branding strategies (Hoffman, 2000), giving a new collaborative dimension to brand reputation (Buhalis & Inversini, 2014). Before the advent of the internet and social media, brand reputation was measured with stakeholder surveys (e.g. Fombrun, 1996). Nowadays, due to the rise of user generated content (e.g. reviews), reputation can be understood and measured directly through social media by harvesting online opinions about a good or a service (Inversini, Marchiori, Dedekind, & Cantoni, 2010). Online reputation becomes a critical issue for firms around the world, including destinations and hospitality establishments (Inversini, Cantoni, & Buhalis, 2009). In hospitality, as stated by Anderson (2012), a 1 percent increase in a hotel's online reputation score leads up to a (i) 0.89 percent increase in average daily rate, a (ii) 0.54 percent increase in occupation, and a (iii) 1.42 percent increase in revenue per available room.

Future Perspectives on Reputation

As the development of digital media and digital technologies continues, consumer data points are increasing dramatically. Forbes stated that by 2020, 1.7MB of data will be created every second for every person on earth (Marr, 2018). This enormous amount of data, indicating consumer behavior during the customer's journey (Inversini, 2017), along with written and unwritten (but recorded) digital opinions, helps to shape the reputation of travel brands and firms. This now concerns not only the remembered perceptions (i.e. in the form of explicit travel reviews), but also actual and lived experiences and behaviors with the product/service. Organizations in travel have recognized the importance of reputation as a critical asset (Buhalis & Inversini, 2014) and are increasingly incorporating stakeholders' perceptions in their product development (Reid, Marion, Hultink, & Barczak, 2018). The study of online reputation is also becoming very sophisticated and can give real time indications of pricing, investments, and acquisitions toward building competitive barriers. Furthermore, with the growing datafication (Lycett, 2013) of the business world, online reputation is becoming not only a monitoring activity (i.e. providing descriptive information based on past customers' behavior) for travel firms, but a business intelligence activity which can generate prescriptive recommendations on (i) the (near) future orientation of the firm (Bedeley & Nemati, 2014) and on real time services customization and co-creation (Buhalis & Sinarta, 2019).

Conclusions

Reputation can be conceptualized as the cumulative sum of the different brand image perceptions of different stakeholders over time collected via different tools in different media. When reputation is managed properly, it can create competitive barriers. A proper understanding of reputation (and especially online reputation) is a critical success factor for companies, particularly in travel. Due to the increasing datafication of society (Lycett, 2013) and of the business world, (online) reputation is becoming the backbone of competitiveness towards the generation of prescriptive analytics. Reputation can now be studied and managed in real-time and not only 'ex-post' once a brand breakdown occurred. Given different customer data points and interactions, breakdowns can be avoided and/or converted into opportunities.

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