CONCEPTUALIZATION OF ONLINE REPUTATION OF TOUR OPERATORS: SOURCES, COMPONENTS, AND SPECIFICS

ZUZANA KVÍTKOVÁ, Dr., Assistant Professor
Prague University of Economics and Business
Management Department
nám. W. Churchilla 1938/4
130 67 Praha 3
Phone: +420 604 635 196
E-mail: lechnyro@vse.cz

ZDENKA PETRŮ, Ing., Assistant Professor
Prague University of Economics and Business
Tourism Department
nám. W. Churchilla 1938/4
130 67 Praha 3
Phone: +420 606 443 380
E-mail: petru@vse.cz

Abstract

Reputation management is important in achieving a competitive advantage for travel agencies. This paper aims to bring more insights into the (online) reputation of tour operators and identify the specifics in this field of business. The authors approached the topic from the perspective of the tour operators. They focused on the following areas: factors influencing customers´ choice according to the managers' perspective, reputation components and identification of the main internal and external sources of reputation, ICT implementation, and reputation protection through an approach to negative reviews. The research was based on the qualitative research design, using in-depth interviews was decided as appropriate and consequently, the content analysis was applied. As a result, in the framework of the research, three external sources of reputation were identified: (1) social media and networks, (2) supplier reputation and quality, and (3) media. Three internal resources were used: (1) supplier reputation and quality as part of the strategy, (2) quality of the service, and (3) education and training of employees. The main specifics of the tour operators are the following: (1) higher dependency on social networks (mainly Facebook considering the form of content and the age group of customers), (2) closed and private groups with no possible protection of the reputation or even monitoring, (3) high dependency on the supplier's reputation and quality standards, (4) fragmented market (many "no name" businesses) is often perceived as a mass by the customers, a negative case described by media can threaten the reputation of the whole sector.

Keywords online reputation, social media, reviews, tour operators

INTRODUCTION

The concept of reputation management is gaining increasing traction, especially within the tourism industry. The widespread use of Internet platforms has become an indispensable component of marketing and communication strategies for tourism service providers such as hotels, airlines, and travel agencies (Buhalis and Law, 2008). Intermediary companies hold a pivotal position in the distribution network of tourism services, assuming a dual role in catering for tourists and service providers in the tourism market.

Travel and holidays constitute one of the most significant and recurring household expenses, constituting a substantial portion of an individual's annual budget (Buhalis and Law, 2008). The expansion of Internet usage has brought about a dramatic shift in consumer behavior within the tourism industry (Mills and Law, 2004). Potential travellers now have direct access to a vast range of information provided by tourism organizations, private businesses, and increasingly, other consumers. Rather than relying on travel agencies, customers actively search for travel-related information and conduct online transactions such as booking flights and accommodations. Consequently, hotels and airlines have emerged as direct competitors to traditional tour operators in this evolving situation.

This paper aims to bring more insights into the (online) reputation of tour operators and identify the specifics in this field of business. The authors approached the topic from the organizational perspective and focused on the following areas: factors influencing customers´ choice according to the managers' perspective, reputation components and identification of the main internal and external sources of reputation, ICT implementation, reputation protection through approach to negative reviews. The aim is also to identify tour operators´ reputation specifics and conceptualize the related issues.

1. LITERATURE REVIEW

Similar to other sectors, the reputation of tourism enterprises is intricately intertwined with various facets such as public relations, as delineated by several scholars (Lesley, 1995; Kotler, 2007; Foret, 2011). The concept of 'image', rooted in psychology, promotion, and public relations, is also closely associated with reputation. Despite their interchangeability in discourse, most scholars exhibit a greater interest in 'image' (e.g., L´Etang, 2009; Kotler and Keller, 2012). Multiple definitions of reputation exist (Fombrun, 1996; L´Etang, 2009), with corporate identity serving as another pivotal aspect. These elements are intimately linked to communication strategies, ensuring effective engagement with target audiences (Foret, 2011).

Tour operators play a crucial role in bringing tourists to tourist destinations by organizing, packaging, marketing, and operating tourism service providers (Sigala, 2008; Pompurova et al., 2022). A tour operator is a tourism service provider, firm, or company that buys travel services from individual tourism service providers to create a package tour, which is then sold at their price to the clients directly or through another intermediary/travel agent. The tour operators might provide some services as some have their own cars and coaches, accommodation facilities, or other travel-related services (e.g., guides, local representatives, etc.). Most tour operators purchase them from other suppliers.

Reputation management is the vital factor in achieving a competitive advantage for travel agencies. The main tour operators strive to differentiate themselves from their competitors, offering similar products and portfolios and building favourable relations with their stakeholders (El Asrag et al., 2018). In contemporary times, especially after the Covid-19 pandemic, this need for a good reputation and customer relations are even more important. Customers as stakeholders with their "word of mouth" information influence tour operators´ reputations (Matuleviciene and Stravinskiene, 2015, 2016). Since the introduction of Web 2.0, reviews (e-Word of Mouth) have been affecting customers' behavior (Litvin et al. 2008), especially in the service industry (Singh et al., 2023). A company with a good reputation can also have a higher pricing policy and lower marketing costs (Svoboda, 2009). Abrate and Viglia (2016) confirmed the direct impact of reviews on the price of tourism. The tour operator's specific product, the package tour (Holland and Leslie, 2018) is affected and evaluated according to the quality of services, which the package tour consists of. Service quality, customer satisfaction and trust create customer loyalty to service providers (Setó-Pamies, 2012). The reputation of the tour operator is affected by the reputation of suppliers (Kassim and Abdullah, 2010; Kvítková and Petrů, 2023). Hotels are the most important stakeholders, in turn, the reputation of which impacts the reputation of tour operators (Ghada and Maher, 2015). Reputation is very closely linked with the image, which is also one of the factors influencing the choice of a package tour (Ferencova, 2012). Reviews create or influence customer expectations and later customer satisfaction (Rodriguez del Bosque et al., 2006) and virtual reality influences travel intentions to respective destinations (Skard et al., 2021). Managing the online reputation of a tour operator is about achieving two important things: (i) ensuring that negative online reviews or ratings do not cause new or existing customers to get the wrong idea about the tour operator´s product and services (ii) using reviews to proactively improve the tour operator´s quality and customer service (Kvítková and Petrů, 2022).

Generally, the tour operator's reputation issue is not much of research interest. Most researchers focus on hotels (Kvítková and Petrů, 2023) or users, and the tour operators stay aside of interest. Reputation is a very complex phenomenon, it indicates to the customers what services are "safe" to buy, tells the employees what company to work for, and to investors what stocks are worth investing in (Khairat and Maher, 2015). This paper adopts the lenses of potential customers but approaches the reputation from the business side. The tour operators´ business is specific (Holland and Leslie, 2018), and the related reputation issues are an identified research gap. This paper aims partly to fill this gap by focusing on the tour operators in detail.

2. METHODOLOGY

The research on tour operators was part of a large project (2020 – 2023) including research in the hotel industry, hospitality, destinations, and customers. The data analysis is continuously conducted and the results´ publications are still in progress.

The authors decided on a qualitative approach, conducting in-depth interviews with the tour operators´ managers. In-depth interviews are a suitable qualitative data collection method and social science researchers use it. These interviews enable respondents to articulate their perceptions and interpretations of the situation, using their own words (Knott et al., 2022). This method is well grounded in the research, acknowledged and widely used by the researchers (Sin, 2009; Zavattaro and Daspit, 2016).

The tour operators were nominated based on their position in the market, e.g. on a purposive basis (Yin, 2011). This enables collecting answers from respondents in different situations. Yin (2011) states that this approach allows one to get a broader perspective and context of an analyzed situation.

Together 11 tour operators in the Czech Republic were addressed. Finally, five in-depth interviews were conducted. In 2022, two major players on the market (marketing or PR manager) and three small and middle-sized tour operators (owners) were interviewed. The interviews revealed slight differences depending on the size.

Table 1: **Overview of the interviewed units**

Type of TO	Position of the person	Number of participants
Major players	Marketing or PR manager	2
Small and Middle-sized TO	Owner	3

Source: Own research

The in-depth interviews lasted between 30 and 60 minutes. The interview structure consisted of 30 questions. The interviewed persons were introduced to the topic, the first questions were simple, just to build trust and gain certainty. The second part was focused on the core questions. The focus covered the following areas: factors influencing customers´ choice according to the managers' perspective, reputation components and identification of the main internal and external sources of reputation, ICT implementation, and reputation protection through an approach to negative reviews.

To analyze the interviews the content analysis was applied and the main components were identified. Considering the number of interviews and the specifics of the topics, a manual analysis was made. For the paper, the conceptual analysis was chosen. The answers were coded and assigned to categories where appropriate.

The question about factors influencing customers´ choice was important to see if reputation is understood as an important factor by the managers. Reputation components and identification of the main internal and external sources of reputation were important to understand how the reputation is created. The sources were divided into two groups – internal (are under control, can be influenced by the business and constitute the reputation) and external sources (are out of control, explicitly express the opinion of clients and are available to the public). The section of reputation protection through an approach to negative reviews was included to identify and describe the strategies.

3. RESULTS

3.1. Factors of consumer choice

The interviews brought insight into the problems. Starting with the perceived factors of customer choice as an introductory topic, the managers and owners perceive the following factors as decisive:
- Emotions
- Price
- Trust
- Recommendation
- Brand

These factors were mentioned, and the answers overlapped. No one mentioned explicitly reputation, however, trust, brand, and recommendation can be understood as part of reputation and WOM. The brand was relevant for the major market players.

After the discussion about customers´ choices, the interviews focused on reputation, its components, and specifics. From the interviews, and the subsequent content analysis, the following areas were identified.

3.2. Sources of online reputation

Social media and networks – the external source of reputation

The tour operators usually have their page on Facebook, some also on Instagram. They understand social media as an important communication channel. The main problems mentioned were that content is out of control, closed and private groups are not possible to monitor, the unsatisfied customers are the loudest, no protection from the platform providers. There is a website (in the Czech Republic), which was created for reviews of the tour operators www.recenzecestovek.cz. This website is not perceived as appropriate by the managers as most unsatisfied customers write there their reviews and there is no possibility of reacting or contacting the customer. Some tour operators monitor the platform and in case of a specific problem, they try to find the customer in their database.

Supplier reputation and quality – the external and internal source of reputation

External perspective means, that the product of the tour operators is mostly dependent on the quality of the hotels. The stay in the hotel creates the most important part of the stay and influences significantly the satisfaction of the client. The tour operators cooperate with TripAdvisor, and some of them have a direct plugin incorporated into their website to immediately show the rating of the offered hotel.

The internal perspective means, how the tour operator includes the hotels´ rating and reputation in their product strategy and reputation management strategy. Some tour operators regularly check the reviews and ratings. Some tour operators have a certain rating limit and if the rating decreases under this limit, they stop cooperating with the hotel.

Media – the external source of reputation

Media are important, especially for the major market players. They are in the spotlight of the journalists. The customers are aware of it, and some can misuse the power of the media for their benefit (e.g., in case they feel like their complaint was not resolved). However, the media also plays a positive role in reputation and image. Interviews, statistics, trends, and comments are helpful inputs for the media´s content. The major market player has a crisis communication plan and in case of an issue, the trained person can talk to the media to calm the situation down.

For small and medium-sized tour operators, the media are not important for direct contact, but media create a reputation of the whole field of business and influence trust in tour operators in general. Small and medium-sized tour operators usually monitor what is going on in media as their customers may react to it.

Quality of the service – the internal source of reputation

The quality of own services is perceived as crucial. Customer service and communication before departure, guides and travel agency delegates, animation programs, information flow etc. These are aspects of the services of tour operators. Their quality is one of the decisive factors influencing the complex experience and feeling the customer gains. Small and medium-sized tour operators rely on a personal approach and loyalty building.

Education and training of employees – the internal source of reputation

The tour operators don't have special training in reputation management. In the major market players, there is a system of training relevant to the specific position - complaint handling, PR, social media communication etc. The small and middle-sized tour operators don´t have any training related to reputation or communication.

3.3. Reputation protection, approach to negative reviews

The third area of discussion followed and the approach to online reputation management was discussed. Here the difference between major players and smaller tour operators was identified.

The tour operators focus on the prevention of dissatisfaction, however, when asked explicitly about answering negative reviews two main approaches were mentioned by the major market players: (1) follow a prepared strategy in answering, and/or (2) rely on ambassadors and a built community, expecting that somebody will defend their name and reputation. The small and middle-sized tour operators do not have any strategy, they focus on prevention and (3) direct communication between the delegate (or tour guide) and the customer or (4) direct feedback collection, and thus prevent the negative feedback being published online. One tour operator said they collect questionnaires, and the other one contacts the loyal customers individually and asks for feedback.

3.4. ICT implementation

The fourth area was the ICT implementation in terms of reputation. The tour operators agreed that there is no program that would be able to monitor the reputation and reviews of tour operators. The major market players use social listening programs and monitor the mentions.

The small and medium-sized don't use any ICT, they monitor the feedback manually. When asked about the possible implementation of such a program for online reputation management, their concerns are the price, training, upgrades, and reliability. In this context, they mention again the closed and private groups on Facebook.

The situation in the Czech Republic is specific in this regard, as most of the small and medium-sized tour operators were established in the 1990s and the owners might have a reserved attitude to technologies, automation, and new communication tools. They mostly have stable and loyal clients, and they prefer direct and personal communication. Therefore, the issues mentioned during the research are serious enough to prevent the desire and will to search for the appropriate ICT solutions.

4. CONCEPTUALIZATION

In the framework of the research, three external (social media and networks, supplier reputation and quality, and media) and three internal (supplier reputation and quality, quality of the service, and education and training of employees) sources of reputation were identified. The "supplier reputation and quality" is mentioned in both categories, as it has two dimensions: (1) the impact of the reputation of the hotels on the tour operators´ reputation, and (2) internal processes and approach to this - setting limits, monitoring, choice of the offered hotels.

The main specifics of the tour operators are the following: (1) higher dependency on social networks (mainly Facebook considering the form of content and the age group of customers), (2) closed and private groups with no possible protection of the reputation or even monitoring, (3) high dependency on the supplier's reputation and quality standards, (4) fragmented market (many "no name" businesses) is often perceived as a mass by the customers, a negative medialized case can threaten the reputation of the whole sector.

The concept of tour operators´ reputation and its specifics are conceptualized in the following scheme.

Figure 1: **Concept of tour operators´ reputation and its specifics**
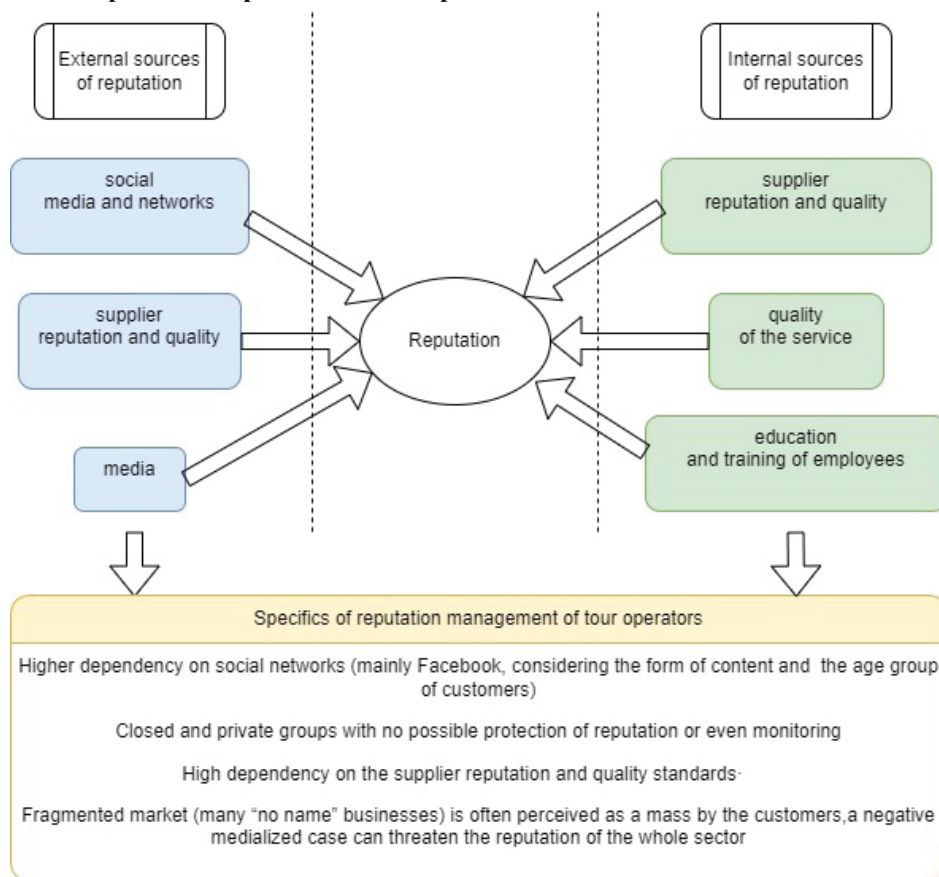
Source: Own elaboration based on the research

The concept presents the identified sources and specifics of the reputation management of tour operators.

As the managers were interviewed in 2022, the Covid-19 pandemic was still significantly impacting the travel sector. The most important aspects in terms of reputation were the vouchers issued in 2020, the approach of the tour operators and the media interpretation. The pandemic had the power to destroy the reputation and trust in the business, however, the tour operators managed it quite well. The respondents think that the tour operators following the legislation were perceived better than those who issued their vouchers with different conditions and that this might have an impact on their reputation. One small tour operator said that they returned the money immediately and that helped their reputation and increased the trust of their customers. They were also afraid of the bankruptcies of the entrepreneurs and the media presentation as this might threaten the trust of tour operators in general. Most respondents conclude that it was a difficult period, but the reputation of tour operators and trust in the field of business increased. However, this is specific for the time being and does not apply to the general concept of online reputation.

CONCLUSION

The research aims to bring insight into the reputation management of tour operators as this was identified as a research gap. The paper identified the sources of reputation and the specific features of tour operators. The findings are in line with the current research streams, confirming that the main source of reputation is the suppliers, mainly hotels. Talking about online reputation, social media and networks play a crucial role.

The findings bring theoretical and managerial contributions. The theoretical contribution consists of the concept of the reputation sources of tour operators and its specifics as this was missing the extensive literature about reputation management. The practical and managerial contribution is in revealing some of the possible strategies and approaches to online reputation management and the explicit identification of the reputation sources. Especially small and middle-sized tour operators suffer from a lack of systematic approach and this paper can bring their attention to the main issue linked with online reputation management.

The research has some limits. To identify more strategies and approaches, it would be helpful to interview more respondents. However, their willingness to cooperate was rather low. The competition on the market is very strong and the managers are afraid of giving any information in concern of loss of competitiveness due to information leakage. There are some specifics of the Czech market, where five major players operate and then many smaller tour operators. Their reputation is threatened by the reputation of the whole sector. Therefore, the sensitivity of clients towards the reputation of the particular tour operator can

differ in time based on the medialized cases and reputation of the whole tour operators´ sector. This might be different in other countries depending on the market structure, history, customer protection efficiency and reliability.

ACKNOWLEDGEMENTS

REFERENCES

Abrate, G. and Viglia, G. (2016), "Strategic and tactical price decisions in hotel revenue management", *Tourism Management*, Vol. 55, pp. 123-132.

Buhalis, D. and Law, R. (2008), "Progress in information technology and tourism management: 20 years on and 10 years after the Internet – The state of eTourism research", *Tourism Management*, Vol. 29, pp. 609-623.

El Asrag, A.S.A., Fahmy, M.T., and Gaafar, A.H. (2018), "The Impact of Reputation Management on Achieving Competitive Advantage for Travel Agencies". *Journal of the Faculty of Tourism and Hotels-University of Sadat City,* Vol. 2 No. 1

Ferencova, M. (2012), "Travel Agency and its Image – Factor Influencing the Attitude of Tourism Client towards the Choice of a Holiday Package", *International Journal of Business and Social Science,* Vol. 3, No. 12, pp. 309-316

Foret, M. (2011), *Marketingová komunikace - 3., aktualizované vydání.* Brno: Computer Pres

Ghada, K., and Mahler, A. (2015), "Determining the Critical Factors Affecting Tour Operator Reputation Based on Stakeholders' Perceptions: Reputation Quotient Approach", *Journal of Association of Arab Universities for Tourism and Hospitality,* Vol. 12, No. 1, pp. 140-157

Holland, J., and Leslie, D. (2018), *Tour Operators and Operations.* CABI, Wallingford, UK. IBSN 978-1-78064-823-1

Kassim, N., and Abdullah, N.A. (2010), "The effect of perceived service quality dimensions on customer satisfaction, trust, and loyalty in e-commerce settings: a cross-cultural analysis", *Asia Pacific Journal of Marketing and Logistics,* Vol. 22, No.3, pp. 351-371

Khairat, G., and Maher, A. (2015), "Determining the Critical Factors Affecting Tour Operator Reputation Based on Stakeholders' Perceptions: Reputation Quotient Approach", *Journal of Association of Arab Universities for Tourism and Hospitality,* Vol. 12, No. 1, pp. 140-157.

Knott, E., Rao, A.H., Summers and K., Teeger, C. (2022), "Interviews in the social science". *Nature Reviews Methods Primers,* Vol. 2, No. 73. https://doi.org/10.1038/s43586-022-00150-6

Kotler, P. (2007), *Moderní marketing - 4. evropské vydání.* Praha: Grada

Kotler, P. and Keller, K. L. (2012*), Marketing management.* Praha: Grada

Kvítkova, Z., and Petrů, Z. (2022), "Tour Operators´ Online Reputation Management", in Ineson, L. (Ed.), *International Case Studies for Hospitality, Tourism and Event Management.* Iasi: Technopress, pp. 35-39. ISBN 978-606-687-491-5

Kvítková, Z. and Petrů, Z. (2023), "Specifics of Online Reputation Management of Hotel Services Intermediaries and Their Role in Reputation Creation", in Rialti, R, Kvítková, Z., Makovnik, T. (Ed), *Reputation Management in Destination and Hospitality.* Emerald Publishing Limited, pp. 91-110

L'Etang, J. (2009), *Public relations: Základní teorie, praxe, kritické přístupy,* Praha: Portál.

Lesley, P. (1995), *Public relations: Teorie a praxe,* Praha: Victoria Publishing

Litvin, S.W., Goldsmith, R.E., and Pan, B. (2008), "Electronic word-of-mouth in hospitality and tourism management", *Tourism. Management,* Vol. 29, pp. 458-468.

Matuleviciene, M., and Stravinskiene, J. (2015), "The Importance of Stakeholders for Corporate Reputation", *Engineering Economics,* Vol. 26, No. 1, pp. 75-83

Matuleviciene, M., and Stravinskiene, J. (2016), "Why it is Worth and What is the Key to Support a Desired Corporate Reputation", in *Business Challenges in the Changing Economic Landscape*, Vol. 2, No. 2, pp. 197-220. Springer International Publishing. ISBN 978-3319370804.

Mills, J. and Law, J. (2004), *Handbook of consumer behaviour, tourism, and the Internet,* New York, Harworth Hospitality Press.

Pompurova, K., Sebova, L. and Scholz, P. (2022), "Reimagining the tour operator industry in the post-pandemic period: Is the platform economy a cure or a poison?", *Cogent Business & Management*, Vol. 9. DOI: https://doi.org/10.1080/23311975.2022.2034400

Rodríguez, I.A., San Martín, H., and Collado, J. (2006), "The role of expectations in the consumer satisfaction formation process: Empirical evidence in the travel agency sector". *Tourism Management*, Vol. 27, No.3, pp. 410-419

Setó-Pamies, D. (2012), "Customer loyalty to service providers: examining the role of service quality, customer satisfaction and trust", *Total Quality Management & Business Excellence,* Vol. 23, No. 11-12, pp. 1257-1271.

Sigala, M. (2008), "A Supply chain management approach for investigating the role of tour operators on sustainable tourism: The case of TUI", *Journal of Cleaner Production.* Vol. 16, No. 15, pp. 1589-1599. DOI: https://doi.org/10.1016/1clepro.2008.04.021

Sin, H. L. (2009), "Volunteer tourism - "Involve me and I will learn?"", *Annals of Tourism Research, Vol.* 36, pp. 480-501. Doi: 10.1016/j.annals.2009.03.001.

Singh, P., Arora, L. and Choudhry, A. (2023), "Consumer Behaviour in the Service Industry: An Integrative Literature Review and Research Agenda", *Sustainability,* Vol. 15, No. 1, pp. 250.

Skard, S., Knudsen, S.E., Sjastad, H., and Thorbjornsen, H. (2021), "How virtual reality influences travel intensions: The role of mental imagery and happiness forecasting", *Tourism management*, Vol. 87, pp. 104360

Svoboda, V. (2009). *Public relations – moderně a* účinně—2., aktualizované a doplněné vydání, Praha, Grada Publishing a.s.

Yin, R.K. (2011). *Qualitative Research From Start to Finish.* New York: Guilford Press.

Zavattaro, S., and Daspit, J. (2016), "A grounded theoretical approach to understanding innovation in destination marketing organizations", *Journal of Vacation Marketing.* Vol. 22. Doi: 10.1177/1356766715623826.