

Publications

How A Hotel's Anti-Negative Review Policy Backfired

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Whitney Gibson and Jordan Cohen, attorneys in the firm's internet defamation group, authored a column entitled "How A Hotel's Anti-Negative Review Policy Backfired," which appeared in the August 6, 2014 edition of *Hospitality Law360*. The full text of the column is included below.

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How A Hotel's Anti-Negative Review Policy Backfired

Being open to honest feedback and encouraging consumers to voice their opinions is not a terrible thing for businesses — even if that includes some negative or constructive criticism. What a business should not do is enact a policy or take some other action to discourage people from posting negative reviews. And a hotel in New York just learned that first hand.

Just after midnight on Monday, Aug. 4, an article was posted to page 6 of the New York Post titled "Hotel fines \$500 for every bad review posted online." The article was about the Union Street Guest House (USGH) hotel in Hudson, New York, which has a policy attempting to dissuade friends and families of wedding guests from posting negative reviews on the Internet.

Specifically, USGH's policy on its website — which has since been updated — read, in relevant parts:

"If you have booked the Inn for a wedding or other type of event anywhere in the region and given us a deposit of any kind for guests to stay at USGH there will be a \$500 fine that will be deducted from your deposit for every negative review of USGH placed on any Internet site by anyone in your party and/or attending your wedding or event. If you stay here to attend a wedding anywhere in the area and leave us a negative review on any Internet site you agree to a \$500 fine for each negative review."

While it is unclear when that policy was first enacted and published, USGH clearly did not anticipate the reaction that it would receive from it, particularly on Yelp.

Internet Community Enraged, Backlash Ensues on Yelp

Anyone that Googled the USGH early on Aug. 4 would see favorable user ratings of the hotel: a four-star average on TripAdvisor from more than 100 reviews and a 4.2 rating on Google from a smaller sample size. Around 10 a.m., the USGH averaged three stars on Yelp out of a modest 13 reviews.

But a refresh of Google at 11 a.m., however, showed a drop in USGH's Yelp rating to 1.5 stars from 107 reviews. By noon, Google listed a one-star rating from 353 reviews.

The reason: throughout the morning (and into the afternoon), hundreds of people posted one-star reviews on Yelp about USGH, almost exclusively bashing the hotel directly for its policy.

In fact, by noon, there were actually more than 460 reviews on Yelp (and counting), a large majority of which were, indeed, one-star reviews in a single morning alone. There were also some new five-star reviews, surely posted to counteract some of the backlash on Yelp, but to no avail (note, also, that USGH's Google reviews increased by more than 100 the morning of Aug. 4, but the rating stayed at 4.2).

As time passes, perhaps many of these reviews will be filtered out or deleted, but the damage has been done. The instant backlash on Yelp was a result of bad press, but it resulted in even greater press as publications such as Time, Yahoo Tech, Mashable and many others quickly posted content about this story.

A Lesson From the USGH Anti-Negative Review Policy

This USGH policy is another example of how businesses need to not only keep in mind whether there is a legal basis for their policies, but also the potential reputational impact of them.

We often find that businesses believe they have a legal basis to fine someone or prohibit someone from posting negative reviews or comments. While that policy may be legally supportable in some jurisdictions, often the reputational impact of that action can be extremely negative — especially if consumers think they are being bullied or being asked to agree to something they do not feel they have to do.

While this flood of one-star reviews on USGH's Yelp page is an anomaly, the reality is that this can happen to anyone. To a lesser extent, back in spring, a New York business received significant criticism when its attorney sent out a cease-and-desist letter to an author of a less-than-favorable Yelp review and the letter went viral.

Customer service clearly is not the same with today's Internet landscape. And this USGH policy and the subsequent Internet reaction should serve as a lesson to others to avoid trying to limit consumers' negative reviews and overall feedback.

Any other business owners sifting through USGH's Yelp page might consider the remarks to consumers from "John M." who was one of the first to react to USGH Yelp: "You should avoid anywhere that does not want to improve upon the customer experience and actively avoids any negative, or possibly constructive, feedback as a matter of policy."