

## CASE STUDY: IMPACT OF ONLINE REVIEW MANAGEMENT

### Why Reviews Matter

**Consumer Research:** 85% of consumers conduct online research before making a purchase and 89% trust online reviews. (Cone Inc.)

**Brand Trust:** 72% of consumers trust online review as much as word of mouth. (Local Consumer Review Survey)

**The Bottom Line:** A difference of one “star” in the average rating in a typical online business profile can lead to a 5–9% difference in revenues. (Harvard Business Review)

### Reputation.com Two-Part Solution

**Technology Platform:** The Reputation.com for Enterprise technology platform is a comprehensive solution for monitoring, analyzing, and improving online reviews.

**Managed Service:** A full-service add-on to the technology platform, leveraging our expertise in online reviews and social media to help our customers request reviews, respond to criticism, and manage their social media presence.



### Study Overview: Review Management vs. Control

A consumer-facing company with locations across the United States contracted Reputation.com to monitor and improve the online reviews of its stores. We conducted a trial to demonstrate the effectiveness of our Managed Service offerings. The trial contrasted two groups of stores:

- **Control Group:** Access to our technology platform only.
- **Managed Group:** Access to the Reputation.com technology platform, and comprehensive reputation management campaign run by us.

### Breakdown: Control vs. Managed

	<i>Control</i>	<i>Managed Service</i>
Access to technology platform	●	●
Access to training materials		●
Review request email campaign		●
Responding to online reviews, both positive and negative		●
Posting store information to Facebook and Twitter		●
Responding to customer concerns on Facebook and Twitter		●
Custom weekly reporting		●
Email alerts of new reviews		●
Creation of online profiles		●
Publication of store info on business listings		●
On-demand consultations		●
Calling store managers whenever problematic issues arose		●

For more information about these results or Reputation.com for Enterprise, call:  
1-800-REPUTATION

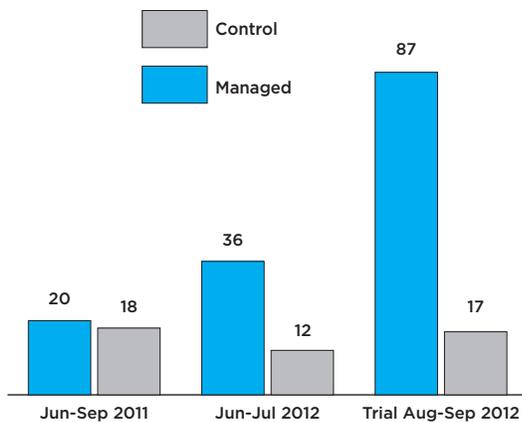
## FINDING 1: ASKING FOR REVIEWS SIGNIFICANTLY BOOSTS VOLUME OF POSITIVE REVIEWS

Our client is in a seasonal industry, so we contrasted monthly review volumes for Summer 2011 with Summer 2012. Review management significantly increased the number of positive reviews.

### Key takeaways

- Average volume for the control group stayed largely the same between 2011 and 2012 and throughout the trial.
- Average volume for the Managed group was more than 4 times higher during the trial than it was in Summer 2011.
- Average volume for the Managed group was more than 5 times higher than the control group during the trial.

Positive Reviews Generated, Monthly Average



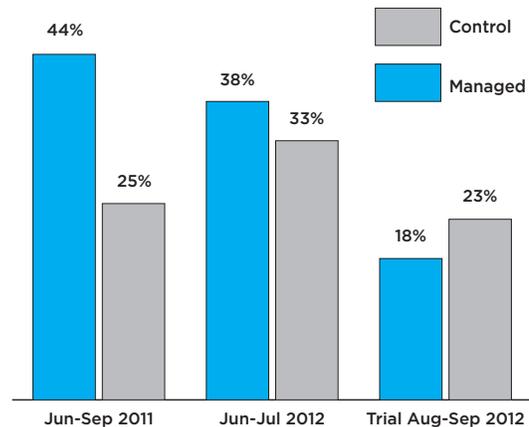
## FINDING 2: ASKING FOR REVIEWS SIGNIFICANTLY REDUCES THE PROPORTION OF NEGATIVE REVIEWS

We also saw that Managed Service reduced the proportion of negative reviews being published. Not only were the Managed stores receiving more positive reviews, they were attracting fewer negative reviews. The control group saw no change.

### Key takeaways

- During the trial, the proportion of negative reviews for the Managed group fell by nearly 60%.
- The control group's proportion of negative reviews stayed the same.

Proportion of Negative Reviews



Managed Service leads to 500% more positive reviews and 60% fewer negative reviews.

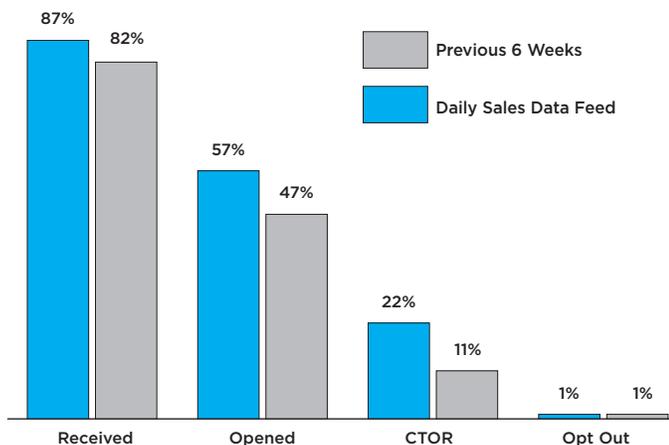
### FINDING 3: CUSTOMERS MORE LIKELY TO POST A REVIEW WHEN EMAILS ARE SENT SHORTLY AFTER SALE

At the start of the trial, we sent out review request emails to customers who had made a purchase in the previous 6 weeks. Thereafter, we sent out requests to customers daily, following each sale. We saw a significantly higher response rate when customers were contacted directly after the sale.

#### Key takeaways

- Customers were 9% more likely to open the request email when it was sent shortly after the sale and more than twice as likely to click through to a review site.
- Review management provides the highest return when activities are conducted continuously.

Email Campaign Response



### FINDING 4: ROBUST INFRASTRUCTURE IS KEY TO SUCCESS

An audit of the reputation management activities conducted for the client demonstrates the importance of a robust technology and support infrastructure. For 31 locations, we sent out more than 13,000 customized emails over the trial period, generating hundreds of new reviews. We also initiated an automatic alerting system for our engagement team, allowing us to promptly respond to exceptionally positive and negative reviews and maximize customer goodwill for the client.

#### Key takeaways

- Effective reputation management requires both a scalable technology backend and a coordinated team of trained individuals.
- Detailed data collection and regular audits or reporting can accurately measure the impact of reputation management efforts.

Email Campaign Snapshot

No. of stores being managed	31
Reviews analyzed	20,729
Emails sent	13,128
Reviews generated	303
Responses to positive reviews	91
Responses to negative reviews	16



Reputation management needs to be done systematically on a daily basis.



## FINDING 5: THEMATIC ANALYSIS OF REVIEWS HIGHLIGHTS OPERATIONAL DEFICIENCIES

During the trial, we analyzed thousands of reviews of the client's stores, including both Control and Managed groups, looking for words that were strongly correlated to positive or negative reviews.

By looking at the most positive and negative words found in the analysis, we can extrapolate global trends about the business's customers. These are words that customers use repeatedly in reviews in either a very glowing or a very critical way.

### Top 15 most positive terms

- 14 of 15 are first names of salespeople who assisted the customer

### Top 15 most negative terms

- 6 of 15 are about perceived dishonesty on the part of the salesperson
- 6 of 15 are about product defects

### Key takeaways

- Personal relationships with the customer are by far the most important factor to goodwill in this industry.
- The quality of products is also very important.

## FINDING 6: POSTING TO SOCIAL MEDIA GENERATES GOODWILL

We also saw a significant positive impact from social media activities conducted on behalf of the client's stores. For each store, we created Twitter and Facebook accounts as required, posted new content, and interacted with social media users.

### Social Media Campaign Snapshot for 18 Stores

<b>Facebook</b>	
New Facebook page "likes"	97
New Facebook content "likes"	65
Facebook content views	2,944
Facebook posts	52
Reviews posted to Facebook	26
Facebook shares	88
<b>Twitter</b>	
Change in Twitter followers	+105%
Posts to Twitter	181
Re-tweets	429
Reviews Tweeted	30
Follows	461
Call-outs	189

### Key takeaways

- Social media management drives friendly interactions with customers and provides another way to promote positive reviews.
- Thoughtful social media posts help to grow a business's online audience.



Customer feedback in reviews and social media provides a valuable source of business intelligence.



## RETURN ON INVESTMENT

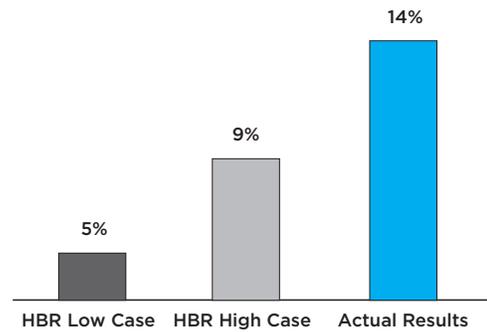
Over the course of the trial, we raised the average star rating of the Managed group by 0.9 stars (3.6 to 4.5 out of 5). According to the Harvard Business Review model, this should lead to a 5–9% increase in sales.

The client sent us sales figures for Summer 2012, contrasting the Control and Managed groups. The Control group saw a slight decrease in sales over the trial period, whereas the Managed group saw a large increase.

	<b>Control</b>	<b>Managed</b>
Change in Average Sales Volume During Trial	-6%	+14%

These results are significantly better than what would be expected given the HBR study. The Reputation.com solution provides results that exceed best-case scenarios seen in the real world. This confirms the connection between online reviews and sales, and it underlines the importance of effective review management.

### Projected vs. Real Increase in Sales



*HBR = Increase in sales predicted by November 2011 Harvard Business Review study on the impact of online reviews.*

## Conclusions

- Reputation management has a tangible and significant impact on top-line sales.
- ROI from the Reputation.com solution is nearly double what studies on the impact of online reviews would predict.
- Actively asking for reviews significantly improves a business's online reputation.
- Successful review management requires expertise, a robust technological infrastructure, and personnel trained in best practices.
- Reputation management must be undertaken systematically on a daily basis for maximum effectiveness.
- Analysis of online reviews provides valuable operational insights that can be leveraged to win over customer loyalty and drive new sales.
- Social media management complements and amplifies the positive effects of review management.