Introduction

The ways in which customers find, research, and decide which businesses to engage with have changed drastically in recent years. In the past, consumers had limited access to information and had to rely on personal experience or the experience of their circle of friends and acquaintances.

That all changed once the internet reached a critical mass. Consumers now have access to a seemingly unlimited amount of information about products and services to help them make purchase decisions. The biggest benefit consumers have seen from this information explosion has been the growth of online review sites like Google, Facebook, Yelp and many others.

The information contained in online reviews is very valuable to both consumers and businesses alike. At Podium, we are constantly striving to help redefine, strengthen and grow the modern relationship between these two groups. As such, we’ve surveyed 2,005 consumers who interact with online reviews with the goal in mind to help businesses understand how these reviews are impacting consumers’ behaviors and purchasing decisions.

This report will review the findings of our 2017 State of Online Reviews research study, while providing insights into how online reviews impact every stage of the customer journey and what businesses can do to take advantage.
Key findings and insights

Reading online reviews has become a habit for most consumers. If businesses want to stay ahead of and differentiate themselves from the competition, they need to embrace feedback from their customers. It’s imperative that they identify which online review sites their customers are visiting to consume reviews – either on mobile devices or a desktop. Businesses also need to streamline the process for collecting and managing online reviews. This is important because of how heavily consumers rely on online reviews to make purchase decisions. Businesses that lack a quality presence across multiple online review sites could be overlooked and left in the dust, as consumers are swayed to spend on their more widely-reviewed competitors.

Reviews impact whether or not consumers engage with your business
• 3.3 stars, on average, is the minimum star rating consumers would consider engaging with.
• 93% of consumers say online reviews have an impact on their purchase decision.

Online reviews are an integral part of the shopping experience
• Nearly 60% of consumers look at online reviews at least once a week with 21% of consumers looking at online reviews multiple times per week.

Customer experience is more important than price for many consumers
• More than two-thirds of consumers (68 percent) are willing to pay up to 15% more for the same product or service if they’re assured they’ll have a better experience.

Content of online reviews drives purchase decisions
• Consumers aren’t just looking at the star rating of a business. They’re actually taking the time to consider what actual customers have to say before making a purchase decision. In fact, 82% of those surveyed indicated the content of a review has convinced them to make a purchase.

Your customers are willing to leave a review as long as they’re asked
• Customers don’t just read reviews. Nearly 80% of consumers surveyed also said they would be willing to leave a review if asked.
If your customers can’t find you, you’ll never win their business

Traditional marketing and advertising is an excellent way to attract attention and create awareness for your business. Unfortunately, being top of mind isn’t enough. You need to be highly visible in both organic and local searches. If your business listing isn’t included in Google’s Map Pack or if your reviews aren’t up to par, you may lose out on customers before they even walk through your doors. And the worst part is, you won’t even realize you lost that opportunity.

Most consumers won’t go directly to your URL.
Consumers will either type your business into a search engine (54%) or look up your business using the Maps app on their phone.

Today’s consumer relies on their mobile device (smartphone or tablet) to research local businesses. Having your business optimized for mobile searches is key to standing out in the crowd.

- **59%** would most likely use a mobile device (smartphone or tablet) to look up a local business
- **41%** would most likely use a desktop or laptop

**2017 STATE OF ONLINE REVIEWS**

- **Google/Apple Maps**
- **Typed into search engine**
- **Direct to website**
- **None of the above**

54%
30%
13%
3%
Sometimes your customers are your best salespeople

When it comes down to it, consumers want to hear about your experience from people like them. That’s why online reviews can be your business’ best marketing tool. Consumers don’t just care about what your overall star rating is. They want to know what actual customers are saying about your business. Your online reviews can be just the thing needed to push a potential customer from consideration to purchase.

- 93% of consumers say online reviews impact purchase decisions
- 82% of consumers say the content of a review has convinced them to make a purchase
- 80% of consumers say online reviews for local businesses are as helpful as product reviews on sites like Amazon.com
- 3.3 on average, is the minimum star rating of a business consumers would consider engaging with.

Rank which influences your decision to engage with a business more:

1. Review Content
2. Star Rating
3. Total Reviews
4. Review Recency

While review content is the factor that ultimately pushes a potential consumer to engage with your business, the overall star rating is what catches their attention and sparks curiosity to dig a little deeper. In addition, all of the factors play an important role in where a business ranks for local search.

The quality of experience trumps price for many customers

Consumers don’t just care about price. They also value a good experience, and many of them would be willing to pay more to ensure they are getting one.

- 68% of consumers are willing to pay up to 15% more for the same product or service if they’re assured they’ll have a better experience.
Consumers trust familiar review sites

A customer’s familiarity with a site goes a long way toward whether or not they will trust the content that is presented in the online review. Try and focus on sites or apps your customers use on a regular basis. If a consumer is not as familiar, the review and content may be less effective - which means less efficient ROI.

Would you trust reviews from a site you’re unfamiliar with?

66% of consumers would not trust online review sites they are unfamiliar with

Online reviews are an integral part of the shopping experience

- Nearly 60% of consumers look at online reviews at least once a week with 21% of consumers looking at online reviews multiple times per week.

Which online review sites have you visited in the past year to conduct research on a local business?

- 81% Google
- 59% Yelp
- 49% Facebook
- 36% Industry Specific
- 21% Consumer Affairs
- 12% Yellow Pages.com
- 5% None of These
Is your smartphone logged into or equipped with any of the following apps?

Of the “Big Three” (Google, Yelp, and Facebook) review sites, 87% of consumers have or are logged into one of the platforms. This provides businesses insight into a foundational review strategy.

The only major difference when broken down by gender was Facebook. Only 60% of males said they had access to Facebook on their phone compared to 72% of women surveyed.

Customers leave online reviews for altruistic reasons

Consumers are doing more than just reading your reviews. If you ask them, most would be willing to leave a review. And they aren’t leaving reviews for selfish reasons. They are doing so because they want to help consumers have a better experience or to give businesses constructive feedback to help them improve.

77% would be willing to leave a review if asked

- 35% To inform others about the customer experience
- 26% To help other people make decisions
- 24% To let the business know about my experience
- 15% Don’t leave reviews
How can businesses improve their online reputation program?

- Take a holistic approach to collecting and managing online reviews
- Optimize your presence for local search
- Ask for feedback on a specific aspect of your business

Take a holistic approach to collecting and managing online reviews

Make sure your business is represented on the online review sites that matter most for your industry. This might take some time to determine which sites your customers frequent or which sites have the most influence with your customers, but will pay dividends in the long run.

The easiest way to accomplish this is by implementing an online review management platform like the one offered by Podium to help you prioritize which sites need your focus. Doing so will help you have a balanced presence across all of your targeted sites.

Today’s consumer is very savvy and will notice inconsistencies across your online reputation. Your total number of reviews and overall star rating should be fairly similar. If they are not, you will need to take a step back and figure out why there are discrepancies and adjust your strategy.

Also, while there are measures to take to ensure your online reputation is optimized, ensuring potential customers land on an optimized review profile is much more difficult. By ensuring you’re accurately represented across all review sites, you guarantee that wherever a potential customer finds you, you can rest easy knowing they’re getting the best depiction of your business.
Optimize your site for local search

According to Google, near-me searches doubled in 2015 and that number is only going to continue to rise. As a result, businesses need to take the time to optimize their online presence to take advantage of the growing number of local searches, many of which are conducted via mobile devices.

There are a few simple things that any business can do to improve its standing in local search. They include:

1. Claiming all relevant business listings
2. Ensuring their name address and phone number is consistent on all listings
3. Include name, address, and phone number in the footer of all web pages
4. Blog about local events and community issues
5. Collect and engage with online reviews regularly

Ask for feedback on a specific aspect of your business

The content of your reviews is powerful. It can be just what the customer needs to see to convince them to make a purchase. The problem many businesses run into when asking customers to leave a review is the customer doesn’t know what to say. As a result, they will just leave a star rating and a generic one or two sentence review.

If you want to improve the content of your reviews, try and prompt customers to leave feedback on a specific aspect of your business. Doing so should lead to higher quality, more detailed reviews that are more valuable to both consumers and businesses.

For example, if you were a car dealership you might ask about the friendliness of the staff, the cleanliness of the showroom, or the quality of the inventory. If you were a doctor or a dentist, you might ask about how long the wait times were or how easy it was to make an appointment.
In conclusion

Online reviews are just getting started. Businesses that embrace customer feedback and use it to provide a better experience will thrive.

Customers want to be assured that they will be receiving a top-notch customer experience before they engage with a business. And the best way for them to do that is by reading online reviews. Businesses that fail to grasp the importance of online reviews will be left behind by the competition. If your customers aren’t talking about your business online, the silence will be deafening.

The key to having a successful online review program is implementing an online review management platform that makes it as easy as possible for customers to leave reviews. A good platform will help businesses stay engaged with their customers while also helping to build trust with potential customers.

Podium helps businesses drive user-generated content in the form of online reviews to increase visibility, improve business operations, and drive purchase decisions. Podium serves 50,000+ users across nearly 10,000 local businesses and is redefining the modern relationship of trust between businesses and customers.

for more information visit podium.com