



# CRACKING THE CODE

WHY ONLINE REVIEWS MATTER  
TO YOUR BUSINESS

## CONTENTS

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Introduction

Solving the Riddle of Local SEO

Taking a Holistic Approach to Reviews

Improve Your Business Operations

Build Trust and Create Loyal Customers

Gain Insights into the Customer

Experience

Why an Online Review Management

Platform is Essential

Why Podium



## INTRODUCTION

Traditionally consumers have relied on their friends and families for recommendations for everything from which restaurants to eat at, where to buy a car, or which dentist or doctor to visit. But since review sites have reached a critical mass, consumers are leaning more and more on their online community to help make these day-to-day decisions.

The internet has democratized access to information, giving more and more control to the consumer. David Pogue said in *Scientific American*<sup>1</sup>, “No longer are you on top of the mountain, blasting your marketing message down to the masses through your megaphone. All of a sudden, the masses are conversing with one another. If your service or product isn’t any good, they’ll out you.”

Online review sites like Google and Facebook have made it easy for customers to share their thoughts about the quality of service, products, and the overall customer experience. This has created transparency that hadn’t existed previously and has shifted more power to the consumer from the business. Businesses that aren’t actively seeking ways to incorporate online business reviews into their overall digital marketing strategy are missing out on a huge opportunity.

Online reviews play a pivotal role in where businesses rank in search. Additionally, businesses with higher star rankings are seeing increases in revenue as well as improved trust and loyalty with their customer base. **To ensure your business isn’t left behind, you should seek out and implement an online review management platform to guarantee you are getting the maximum value from your online reputation.**

Attempting to solve the how’s and why’s for maintaining a stellar online reputation isn’t for the faint of heart, but is necessary to stand out amongst the thousands of businesses competing for customer mindshare and ultimately customer dollars. The following is a detailed exploration of the value online reviews play in modern businesses and how you can benefit from an online review management platform.

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<sup>1</sup> <http://www.scientificamerican.com/article/critical-mass/>

## 1. SOLVING THE RIDDLE OF LOCAL SEO

Trying to figure out search engine optimization is like trying to hit a moving target. Once you think you have everything figured out and you have your sights set, the search engines change the rules ever-so-slightly. This means businesses must be on their toes and constantly fine-tuning their search strategy, so they don't lose sight of the target. This is especially true for local businesses trying to stand out amongst the competition.

In early 2014, Google released an update to its algorithm that Search Engine Land dubbed, "The Pigeon."<sup>2</sup> This update had far-reaching impact on local search as it gave more weight to local directories like Yelp and connected Google Maps with search engine results. This update provided personalized, location-based results for the consumer, but proved to be difficult for businesses to figure out – at least initially.

Optimizing your website for local search isn't as complicated as you might think. But as the old saying goes, "The devil is in the details." Neil Patel provided the following tips to increasing local visibility.<sup>3</sup>

- 1 | **Ensure that your name, address, and phone number are consistent across all directories**
- 2 | **Build credibility for your business through online reviews**
- 3 | **Create local content for earning links, social media following and press mentions**

<sup>2</sup> <http://searchengineland.com/googles-pigeon-update-solves-yelp-problem-boosts-local-directories-197949>

<sup>3</sup> <http://neilpatel.com/2016/01/28/how-to-attract-more-local-customers-a-complete-guide-to-local-seo/>

## LOCAL SEARCH FACTORS<sup>4</sup>





## RECENCY, FREQUENCY, QUANTITY

According to Moz<sup>4</sup>, there are a number of important factors that make up the local search algorithm - one of which is online reviews. Just having reviews is one thing, but there are a number of factors the algorithm considers, including the quantity of reviews, the review velocity (meaning how often reviews are coming in), and the diversity of reviews. Diversity is important because if all of your reviews are five star, Google might think you are somehow trying to game the system.

Having a large set of reviews can do more for your business than improve its standing in SEO. Reviews can:

- **Lessen the impact of negative reviews** - The more frequently your customers review your business **the less impact the stray negative review can have as it pushes the bad review further down on the list.** Additionally, consumers will give less weight to older reviews<sup>5</sup>, especially when juxtaposed with more recent positive reviews.
- **Influence purchasing decisions** - The number of reviews a business has is second only to star rating when consumers are judging a business<sup>6</sup>. It truly is a numbers game.

Potential customers are concerned with both the quality and quantity of reviews. They might be more apt to frequent a restaurant that has a lower overall star rating, but has more reviews because that gives a better overall picture of the performance over time.

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<sup>4</sup> <https://moz.com/local-search-ranking-factors>

<sup>5</sup> <http://searchengineland.com/87-percent-customers-wont-consider-low-ratings-228607>

<sup>6</sup> <https://www.brightlocal.com/learn/local-consumer-review-survey/>

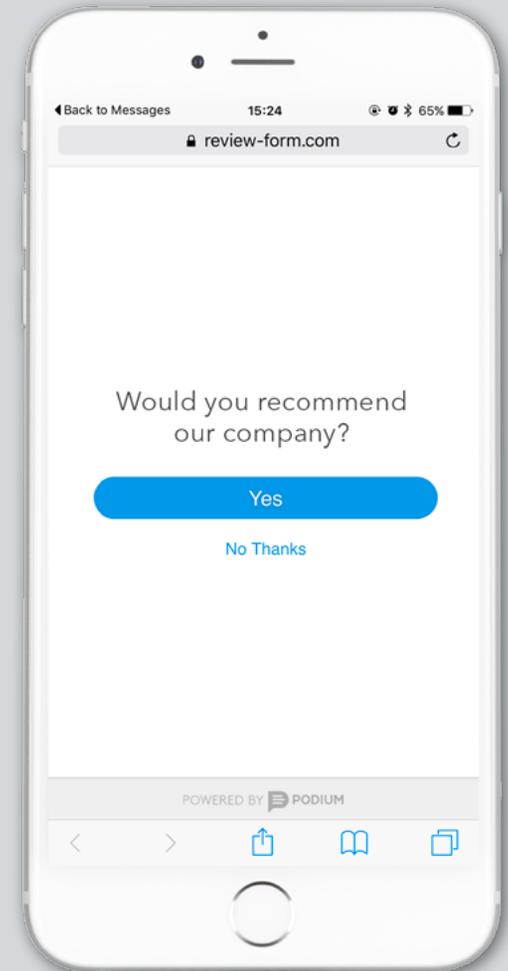
## 2. TAKING A HOLISTIC APPROACH TO REVIEWS

Ranking high on Google and Facebook is important, but it shouldn't be the sole focus of your online review strategy. Your business should also identify industry-specific review sites that are relevant to your business and direct your customers to fill out reviews on those sites as well.

The first, and most important step, in this process, is to **find sites that your customers and potential customers visit often when researching products or services like those offered by your business.** Nothing is more frustrating than putting in time and effort to secure reviews on a site, only to find out later that the site isn't as relevant to your business as you had hoped.

Industry specific review sites are excellent resources for a targeted searcher. This individual usually knows what they want and is extremely focused. They also are most likely to have preexisting knowledge of these sites and are further along in the purchase process as well. Just because these sites are more narrowly focused doesn't mean reviews there won't have value to your overall SEO strategy. Reviews from these niche sites can also show up in Google search engine results.

Deciding what approach to take with online reviews can be a difficult one, but having a diverse presence across multiple review sites will maximize your exposure to all types of consumers and increase the likelihood that your business will be found and visited by potential customers.



Industry-specific Review Sites

### 3. IMPROVE YOUR BUSINESS OPERATIONS

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One of the biggest advantages of online reviews – especially if you are collecting new ones on a near daily basis – is the real-time feedback you receive both on your business operations as well as your employee performance.

No business is immune to negative reviews, but how that business responds to those reviews will go a long way toward showing your customers that you value their opinion and constructive feedback. Using negative reviews – or even middling reviews – as an opportunity to learn and improve your product and service is a good way to build a successful business.

If your business is making the effort to collect online reviews on a regular basis, you have a valuable tool at your fingertips that can help you gain a better understanding of how your business is operating in real time. Real-time feedback is essential to identifying problem areas and remediating them quickly before the problems become systemic.

Transparency has long been a buzzword in the business world. Businesses that truly aspire to be transparent value honest feedback from customers. This helps them identify which processes are working, which employees are succeeding, and gives businesses actionable insights that enable them to make educated business decisions rather than taking a shot in the dark.

### ARE YOU LISTENING?

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One key aspect of transparent business operations is responding to reviews – whether positive or negative. This will improve your not only the overall perception of your brand, but could change a consumer’s intent to buy. According to a study by *Bazaarvoice*<sup>7</sup>, consumers who saw a brand respond to a negative review were more than twice as likely to purchase than if the brand had not responded.

Responding to a negative review isn’t easy, but is worth it in the long run. It shows your customers that you care, are willing to adapt and change to meet customer needs, and shows that your business doesn’t just give lip service to the idiom, “The customer is always right.” On the following page is a four-step process to responding to negative reviews that we have found to be successful.

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<sup>7</sup> [http://media2.bazaarvoice.com/documents/Bazaarvoice\\_Conversation\\_Index\\_Volume6.pdf](http://media2.bazaarvoice.com/documents/Bazaarvoice_Conversation_Index_Volume6.pdf)



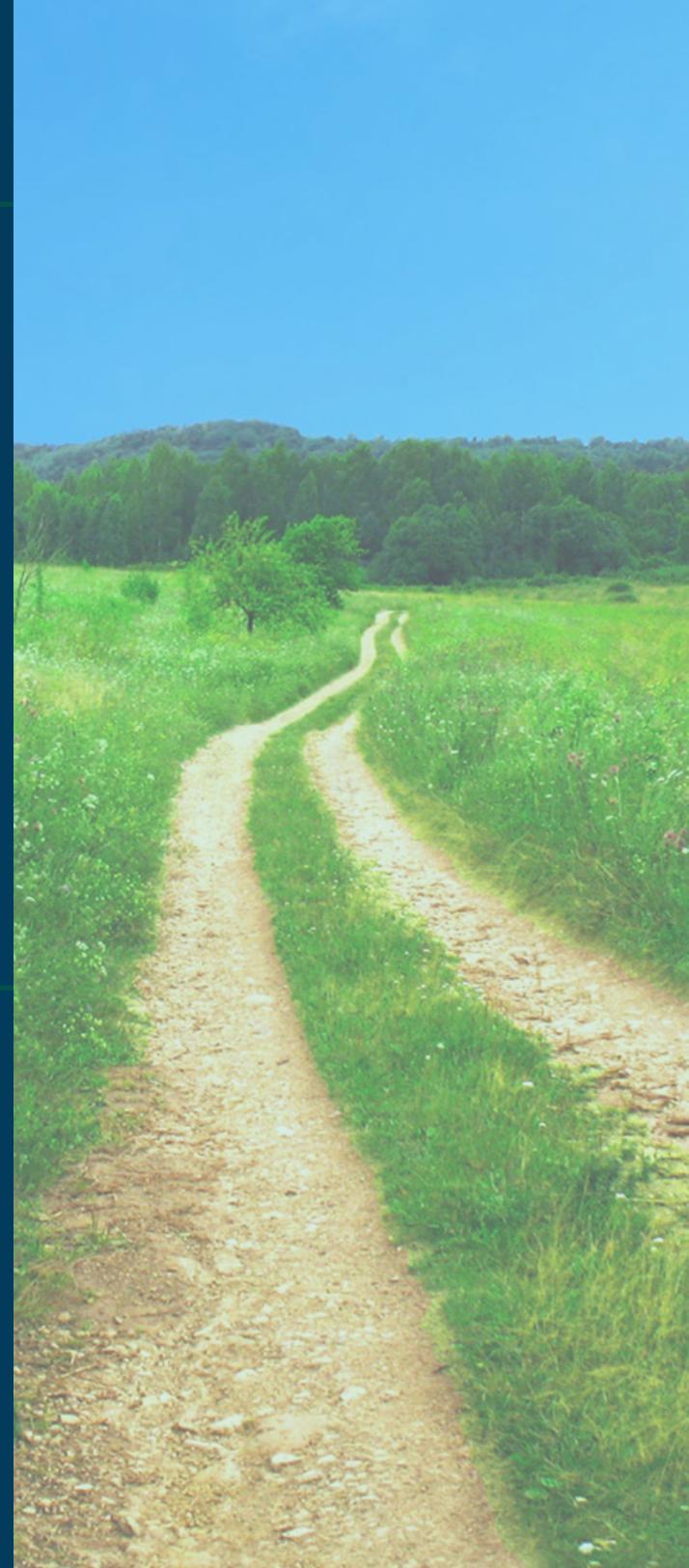
Consumers who saw a brand respond to a negative review were more than **twice as likely to purchase** than if the brand had not responded.<sup>7</sup>

## RESPONDING TO NEGATIVE REVIEWS: **FOUR-STEP PROCESS**

- 1 Apologize** – Admitting that you are wrong isn't easy for anyone, but it is important to swallow your pride and acknowledge any wrongdoing.
- 2 Respond calmly** – Have someone who isn't directly involved in the situation respond to the complaint. Let cooler heads prevail rather than exacerbate the situation.
- 3 Offer a proactive solution** – Taking responsibility is only the first step to resolving customer concerns. You must also show that you've put some thought into the problem and offer a way that you can fix it.
- 4 Take the conversation offline** – Once you have apologized and offered a solution, provide the customer with a way to contact someone in the business like a customer service manager that can follow-up on the situation until it is resolved.

The bad news is that according to Consumer Reports surveys<sup>8</sup>, **91 percent of customers won't give you a second chance** if the first experience they have with your business is bad. That's why it is paramount to use the feedback given via customer reviews to build a top-flight customer experience. This will help your business create advocates as opposed to detractors.

<sup>8</sup> <http://www.helpscout.net/customer-loyalty/>



## 4. BUILD TRUST AND CREATE LOYAL CUSTOMERS

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It might seem strange that online reviews and recommendations left by complete strangers on the Internet carry as much weight as recommendations from their own flesh and blood, but it's true. In fact, 80% of consumers will trust reviews as much as personal recommendations as long as they meet their requirements<sup>9</sup>. However there is some trepidation about the authenticity of reviews, so it is imperative that your business focus on compiling reviews from actual customers that provide consumers with an accurate picture of your product or service.

Anyone who has run a business or even been to business school recognizes the fact that it costs significantly more money to attract new customers than to keep existing ones. One simple way to help build trust in your business while driving loyalty is to encourage your best and happy customers to leave reviews online.

Advocates for your business write reviews because they want to share their good experience with others and because they have a desire to provide information that could be helpful to the community.

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<sup>9</sup> <https://www.brightlocal.com/learn/local-consumer-review-survey/#recommendations>

In fact, according to research by Zuberance 90% write reviews to help others make good decisions<sup>10</sup>.

Spending a little time and money upfront encouraging your happiest and best customers to share their thoughts on online review sites not only fosters loyalty among existing customers, but it can also drive significant increases in revenue. For example, a 12% increase in brand advocacy results in a 2x increase in revenue growth rate plus an increase in marketshare<sup>11</sup>.



**80% of consumers** will trust reviews as much as personal recommendations



**90% of consumers** write reviews to help others make good decisions



**a 12% increase** in brand advocacy results in a 2x increase in revenue growth rate

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<sup>10</sup> <http://zuberance.com/zuberrants/blog/online-reviews-mostly-positive-and-driven-by-unselfish-motives>

<sup>11</sup> <http://pamorama.net/2013/09/01/brand-recommendations-are-key-to-marketing-strategy-infographic/>

## 5. GAIN INSIGHTS INTO THE CUSTOMER EXPERIENCE

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Getting a handle on what makes your customers tick, what they like about your business, and what they would change is valuable information that shouldn't be taken lightly. In the past, it was more difficult to get a pulse on what your customers thought about your business. You might have had anecdotal data about your customers' sentiments but nothing concrete.

According to the White House Office of Consumer Affairs, only 1 in 26 customers will take the time to complain publicly<sup>12</sup>. Because it happens so infrequently you need to take all customer feedback seriously - whether it is positive or negative. Businesses that don't utilize all feedback to improve processes that aren't working or to validate processes that are, will remain stagnant. And with the marketplace constantly changing, businesses that don't respond and stand still will be left behind.

Small businesses can be at a disadvantage when it comes to gathering insights into the customer experience. It is most likely that they don't have the time or resources to survey their customer base on a regular basis to get feedback. That is why it is paramount for them to take advantage of the opportunities afforded them by cloud-based review sites like Google, Yelp, and Facebook.

In some ways, online reviews provide more in-depth feedback than formal customer satisfaction surveys, which can be long and cumbersome and might not necessarily get to the root of the customer experience. When leaving a review on Google, Yelp, or Facebook the bar is low for the amount of feedback a customer is required to leave behind to complete the review. It can be as simple as giving a star rating and as complex as leaving a lengthy review of the product or service, but the key is that the customer is in control. Juxtaposed to customer feedback surveys which 'force' customers to leave answers and can sometimes take as long as 10-15 minutes to complete - time many customers aren't willing to give even if they were satisfied with the service.

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<sup>12</sup> <http://www.helpscout.net/75-customer-service-facts-quotes-statistics/>



## 6. WHY AN ONLINE REVIEW MANAGEMENT PLATFORM IS ESSENTIAL

Hopefully, by now you have gained an understanding of the importance online reviews can play in increasing revenues, improving business operations, and gaining a better understanding your customer. Online reviews are a valuable resource to any business and, as a result, collecting them on a regular basis should be a priority. Luckily for you, there is technology that can automate and streamline the collection of reviews. When researching online review management platforms here are a few things to consider:

**Mobility:** With the explosion of mobile devices and smartphones in recent years, the biggest factor to consider is whether or not the platform caters to this trend toward mobile devices. This will make it easier for your staff to send review invitations and makes it easier for the customer to leave a review.

**Urgency:** Sending a review invite to your customer via text message while they are still on site results in a much higher click through rate than batching invitations and blasting customers at all at once. Customers are more apt to respond if their experience with your business is still top of mind and what better way to ensure that than to invite them before they leave.

**Compatibility:** Providing a seamless experience to review your business on the top-three review platforms – Google, Yelp, and Facebook – is a must. Requiring your customer to create an account to leave a review is a surefire way to antagonize your customer and significantly reduce the odds of securing a review.

**Single Pane of Glass:** Consolidating all of your reviews into a single dashboard simplifies the management of the online review process and allows you to quickly and easily track new reviews as they come in – regardless of review platform.



## 7. WHY PODIUM

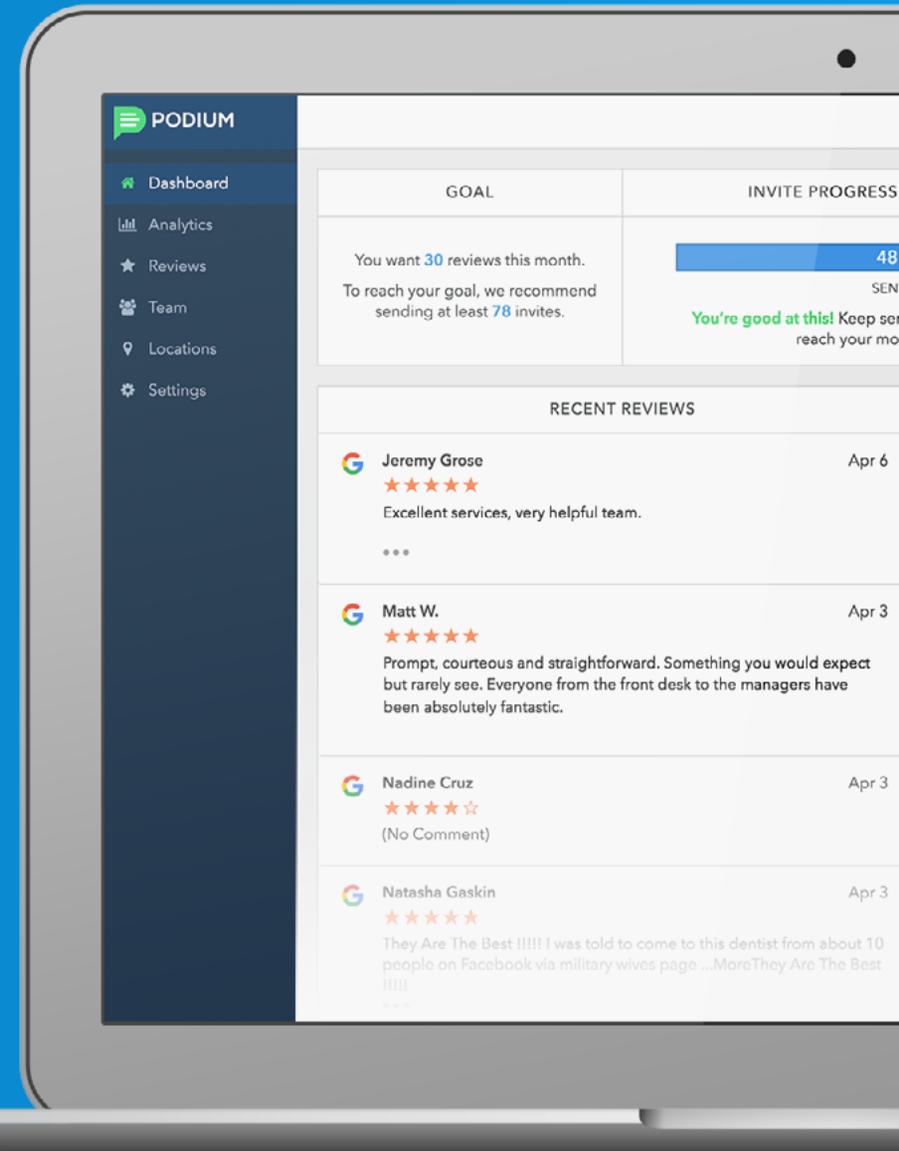
Podium's online review management platform gives your business the ability to fully harness the power of your online reviews. Through its seamless mobile experience, you can easily convert your happiest customers into online advocates for your business. This is accomplished by:

- Leveraging your customers' existing apps to match the reputation needs, thereby producing a balanced online review presence across multiple review platforms.
- Allowing you to monitor and manage your online reputation in real time and respond quickly to any problems in your business or employee performance as they arise.
- Integrating with industry-leading software platforms, allowing you to collect and report on new reviews as they come in.

Cultivating a library of reviews can humanize your brand on a medium that can at times be impersonal. Kristin Smaby, a leader in the customer service space, noted in a recent article that businesses should no longer shy away from online interactions with their customers. She said, "It's time to consider an entirely different approach: building human-centric customer service through great people and clever technology. So, get to know your customers. Humanize them. Humanize yourself. It's worth it."<sup>13</sup>

**Watch our demo** and learn how Podium's software can help you do just that while also enabling you to increase revenue, build trust with potential customers, and improve your business operations.

<sup>13</sup> <http://alistapart.com/article/being-human-is-good-business>





# PODIUM

Podium is a leading provider of online review management and customer engagement software. Podium's platform enables businesses to connect their customers with popular online review sites like Google and Facebook, enabling businesses to collect valuable feedback to improve business operations. Unlike traditional solutions that utilize email to send online review invitations, Podium takes advantage of the widespread adoption of smartphones and sends invites via text message. This approach results in a 15x higher response rate than with email. Podium is headquartered in Lehi, Utah. To learn more visit <http://www.podium.co>.