

Maintain Consumer Trust by Eliminating Review Gating

PODIUM Whitepaper

Trust is one of the most important elements of business transactions. In the past, shopping was a more tangible experience. Consumers would go into stores to learn about new products or services. Then they would get recommendations and advice from a “professional” or people they knew before making a purchase.

Today, shopping is much more detached. Research is often conducted online and recommendations come from other consumers on sites like Google, Yelp, and Facebook. The reason this works so well is because people trust reviews on those sites as much as personal recommendations from family and friends - something that many aim to preserve.

While they often come from complete strangers, we as consumers still trust those reviews. Part of that trust is due to the belief that our peers are posting about their experience publicly as a way to

help other consumers. The other part is due to the Trust Economy that industry leaders like Google and Facebook have helped create, foster, and maintain.

This Trust Economy is what makes this new kind of consumer research work. Without it, reviews might not serve as an inexpensive tool to help businesses and local consumers connect. As with anything, that trust between businesses and consumers is earned and can quickly be lost if businesses don't do their part to maintain it.

The problem is now that businesses understand the impact reviews have on purchase decisions, they feel pressure to influence them in their favor. This type of behavior can be helpful in the moment, but will likely result in unintended consequences that will be detrimental not only to individual businesses, but also to the Trust Economy as a whole.

The Practice of Gating

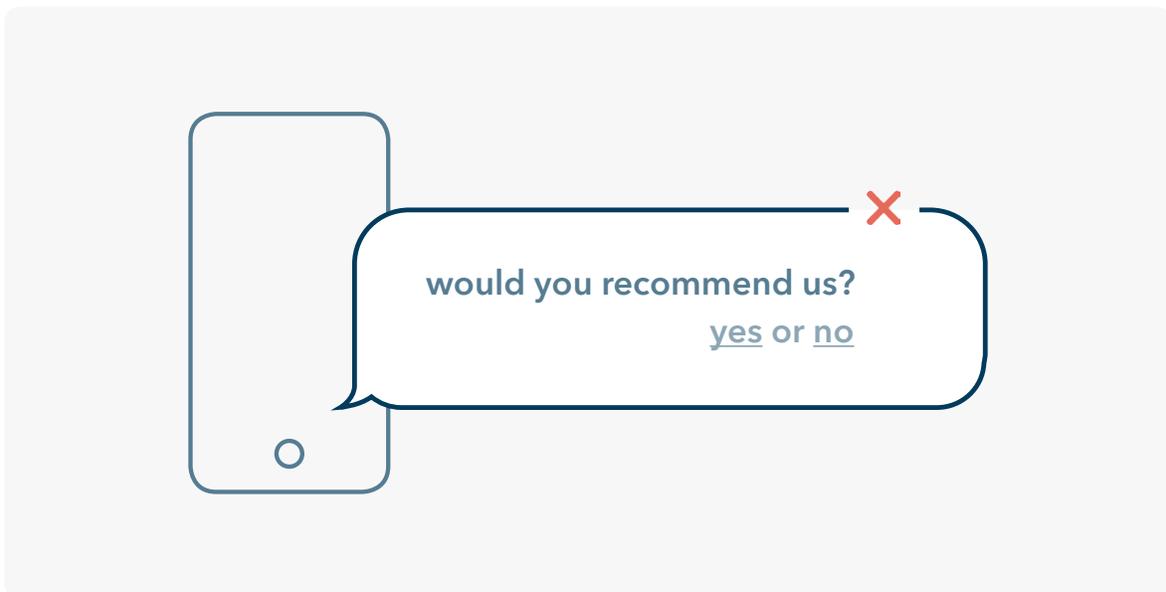
One of the more common ways businesses try and game the system in their favor is gating review content. What that means is they try and funnel only their happiest customers to leave reviews on the sites that matter most to them, while filtering out customers that might have had a negative experience.

Businesses do this because they want to maintain high ratings and ensure potential customers are

only able to read about positive experiences in their reviews.

This is inherently deceptive and serves as a major threat to any business compliantly participating in the Trust Economy.

In addition, businesses that gate fail to realize that if inaccurate experiences are consistently provided, the word about that business will likely get out anyway. This further tarnishes the business' name and creates a never-ending need to acquire net new customers in place of inexpensive repeat business.

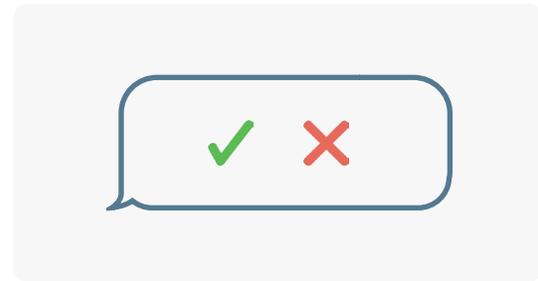
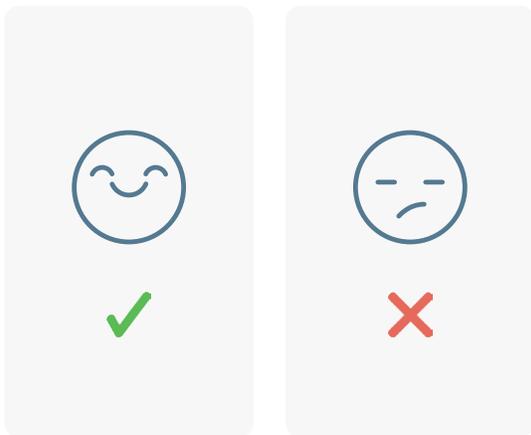


Different Types of Gating

There are two ways which businesses typically gate review content: verbally and digitally.

Verbal

Verbal gating happens when a business only asks consumers to leave a review who they think will leave positive feedback. One of the biggest problems with verbal gating is the loss of valuable insights you could use to make your business better.



Digital

Digital gating occurs when businesses use software to gauge whether or not the customer had a good experience before directing them to a review site. Digital gating is better than verbal gating since it allows the business to collect feedback from every customer, but it still skews public reviews to be more positive than they likely should be.

Regardless of the type of gating, the consequences are real. It not only prevents your business from collecting valuable feedback but it also damages the integrity of the entire Trust Economy.

Threats Gating Poses to the Trust Economy

When businesses manipulate their online reputation through gating, trust is lost - plain and simple. Consumers don't like being lied to. When they go into a business expecting one thing based on positive reviews and their experience doesn't match those expectations, they get frustrated.

If that happens to consumers repeatedly, they'll be much more apprehensive about what to believe when it comes to online reviews. As it stands now, online reviews are one of the most cost-effective tools at a business' disposal. They help businesses get found by impacting local search ranking. They help businesses get chosen by influencing purchase decisions. And finally, they provide valuable insights

to help improve business operations.

That's a lot of bang for the buck, but if consumers start believing that reviews aren't accurate or authentic, then many of those benefits would end. According to Moz, online review signals are the fifth most important factor that makes up where a business ranks in local search - a number that has been growing in recent years.

Google continues to place importance on reviews because of the value they provide to searchers. But as we know, Google's algorithm is always subject to change. And if Google notices trends in the marketplace that show trust in reviews is faltering, reviews could ultimately have less impact on local search ranking.

Impacts of Gating on the Business

Beyond the impact gating has on business/consumer relationships, there are a number of real threats businesses can face if they gate their reviews, including:

Consumer Alerts

Yelp is focused on preserving customer trust in online reviews. One of the things they have done to accomplish this is creating Consumer Alerts, which essentially act as a scarlet letter for businesses who have been caught trying to manipulate ratings and reviews. These Consumer Alerts aren't

just a slap on the wrist, either. They are prominently displayed for 3 months when a consumer navigates to your Yelp page.

Removal of reviews

According to Google's terms and services, online reviews that aren't an honest representation of the customer experience may be removed. Google takes reviews very seriously, and if it looks like you are trying to mislead customers with the reviews you collect, Google will take action against your listing.

a consumer alert from Yelp

Consumer Alert

A number of positive reviews for this business originated from the same IP address. Our automated recommendation software has taken this into account in choosing which reviews to display, but we wanted to call this to your attention because someone may be trying to artificially inflate the rating for this business

[Show me the reviews](#)



Impacts of Gating on the Business (cont.)

Face legal action

Businesses that manipulate reviews can also face legal action. In 2015 alone, Amazon brought lawsuits against 1,000 defendants for reviews abuse. The authenticity of reviews is of utmost importance to businesses like Amazon, Yelp, and Google, so they will take the necessary measures to ensure trust in reviews is maintained.

Hides real problems

One of the biggest downsides that results from review gating is it hides real problems that exist in your business. Consumers typically leave reviews as a way to help both their peers make informed purchase decisions and to help

businesses improve. If you are just focused on your star rating, you are missing out on opportunities to improve and allowing problems to grow.

Decreases the chance of repeat business

Review gating focuses on individual customer transactions and not the lifetime value of a customer. Customers will become frustrated if your reputation isn't reflective of actual experiences and will likely not be repeat customers. This means that as a business you'll constantly have to work to attract net new customers just to tread water, instead of creating a loyal base of customers and growing your business. This route is extremely expensive in the long run as a repeat customer costs a fraction of what it costs to acquire a net new customer.

How Podium Customers Benefit from Removing Gating

In addition to maintaining trust with consumers, there are concrete results that all point to eliminating the practice of gating from your review strategy. Below are some results achieved by Podium customers that have eliminated gating:

1. Reduces friction

Podium customers who eliminate the recommend gate see a 20 percent increase in review volume.

2. No impact on star rating

There was no statistically significant impact to the average star rating of new reviews the business received compared to when the gate was in place. Additionally, data from our customers shows that gating doesn't filter out a significant number of negative reviews.

3. Access to Google Review Widget

By removing the gate Podium customers gain access to the Google Review Widget, which makes leaving a review faster and easier. Podium is the only review tool that currently has access to this widget.

Conclusion

It's the business' responsibility to build an online presence that fosters trust with consumers. When businesses manipulate their online reputation in any way, whether that be through gating, paying for positive reviews, or even posting fake reviews, that trust will slowly erode. If consumers start to lose trust in online reviews, then they will lose value.

At Podium, we tell our customers to focus on delivering a top-notch customer experience, and then the reviews will take care of themselves. It's human nature to leave positive feedback. In fact, two-thirds of reviews on Yelp are 4 or 5 stars.

As data from our customers shows, gating reviews isn't filtering out a significant number of negative reviews. To help maintain the integrity of the Trust Economy, we recommend eliminating gating in all it's forms and ask all of your customers to review your business. Doing so will ensure that your online reviews are representative of actual experience and that consumers will continue to use and trust online reviews to make decisions.