



Reputation Management with Online Reviews

A comprehensive guide by the experts at ReviewInc



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Introduction

Online Reviews may seem like a straight-forward subject. Many business owners ignore them or dismiss their value. Still, others just think they are nice to have. However, most business owners vastly underestimate the importance of online reviews.

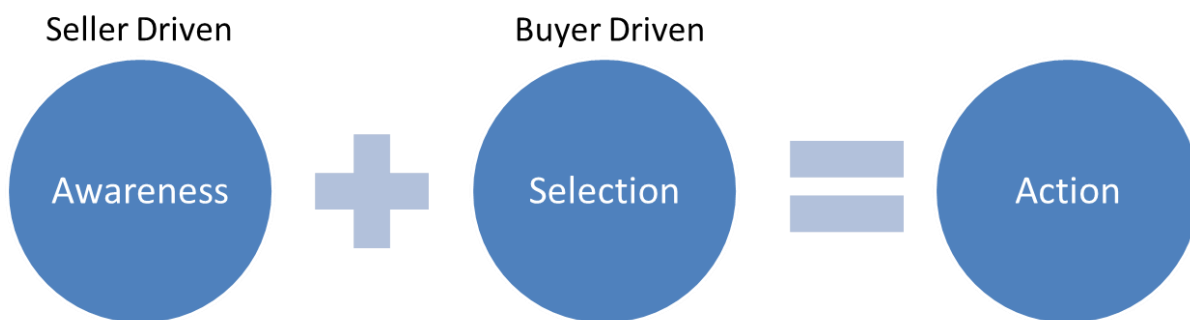


Online reviews go hand-in-hand with the brand and the reputation of a business. But, few realize all the intricacies of online reviews. With several years of research and experience, this definitive work provides all the details you need to know about online reviews, their relationship with brand and reputation management, including how to increase, manage and improve your online reputation.

Online Reputation

Marketing concepts have evolved dramatically over the past decade. Internet accessibility has changed everything. New terms such as *transparent marketing*, *earned advertising* or *search selection criteria* now lead the way businesses promote their business.

In business schools and MBA programs, traditional marketing courses teach about the “Four P’s of Marketing” or the “Five M’s of Advertising” (you can search those terms at your own leisure). But you don’t need a master’s degree to understand the new promotion methodologies. It all boils down to two terms: “awareness” and “selection.”



Traditional advertising programs create **awareness** that a business or a product is available at a certain location, with a particular price and type of service (or a set of features). But ultimately, and thanks to the internet, it is **selection or preference** that ultimately determines how many of those who are aware of a business (or product) actually choose it. **Selection** is driven by the perceived reputation of the business (or product). And in the age of internet, reputation is driven by online **word of mouth** everywhere.

Earned Advertising vs. Paid Advertising

In simpler terms, even if a business spent a billion dollars on advertising, with poor or too little selection criteria (i.e. “reputation”), then the advertising costs might as well have been flushed down the toilet.

The effectiveness of paid advertising depends directly on **earned advertising**. And what is **earned advertising**? You guessed it – it’s the reputation the business has earned from reviews written by the consumers.



Transparent Marketing

Anyone can now search and assess the online reputation of a business (or product). This means that traditional marketing has been transformed into something new called **transparent marketing**. It leverages the online word of mouth to promote a business, bring in new customers and drive increased sales.

Some businesses try to fabricate reputation by creating their own content in the form of articles or press releases. But consumers are smart and the internet is now very transparent. That's why online reviews are the most authentic way to build a good online reputation.

The Importance of Online Reviews

Globally, thousands of web sites provide a forum for independent consumer opinions. These "Review Sites" provide for a more trustworthy source of information about a business, a service or a product. Increasingly, consumers place more faith in online reviews.

One study of consumers asked them to what extent they trusted online reviews as much as personal recommendations. In 2012, 72% of consumers trusted online reviews as much as personal recommendations, but in 2016, that number increased to 88%!



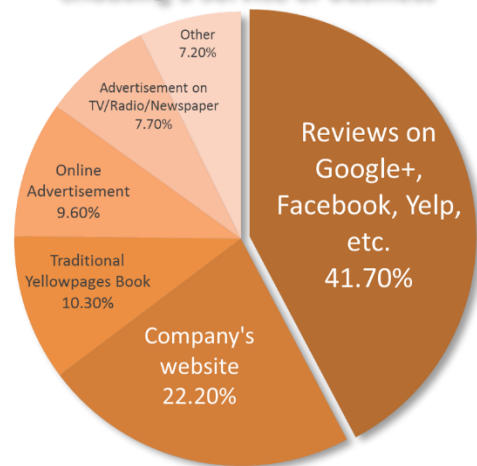
Another 2017 study (repeated again in 2018 with similar trends), asked consumers what was most important in selecting a business. The study required consumers to select only one option from a list of marketing factors. Consistent with many other studies, "online reviews" were the number one factor in choosing a business (see chart).

And if you want to know how the future will be shaped, the study looked at the 18 to 34 year old segment that identified online reviews as the most important factor 51.4% of the time!

Reviews have an added attraction due to the simple rating scale associated with each review. This provides “attention challenged” consumers with a quick assessment of a business’s performance.

For the business, it’s basically a **reputation score**. When the reputation score from several review sites are combined, a business can assess its overall reputation from an aggregate reputation score (typically provided by a reputation monitoring service).

The Factor Most Important for Choosing a Service or Business



Impact on Search Results

Reviews have an added benefit in that search engines (such as Google) give extra attention to review sites. When a business listing, on Yelp, Google Maps and other review sites has reviews, the search engines will list them higher in the search results. Hence, the reputation of a business is highlighted by the search engine. Several elements combine to increase the search results of review sites. These include the overall rating, the number of reviews for the business, the number of recent reviews, consistent NAP (name, address, phone number), and the key words within the reviews.

Why Review Management?

A good online reputation doesn’t just happen on its own. While good service or a good product go a long way in promoting and maintaining a reputation, it’s not enough.

Due to the independent nature of review sites, the consumers that are most motivated to write a review are usually angry, dissatisfied customers looking for a place to vent. Even though a business may have a predominantly happy customer base, it isn’t always reflected in its online reputation.



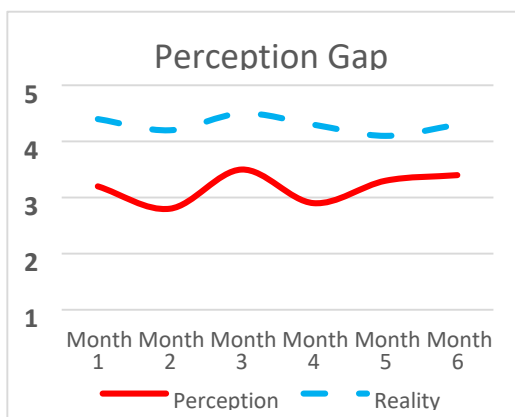
The Perception Gap

Most businesses recognize that review sites often don't reflect their true reputation. This explains why many businesses devalue their importance. Directly measuring customers via outreach with direct and private review surveys often shows a very different perception of the business. With consumers rating businesses on a 1 to 5 star scale (where a 1 is worst and a 5 is best), the difference between public review site ratings and direct private ratings is measurable.

Quite often, the truth is a full star higher than the online perception. This difference is known as the **Perception Gap**. By the way, a good review management system will help automate the process of closing this perception gap by intercepting negatively motivated customers before they go **public**. At the same time, a good reviews management system will automatically promote positive reviews.

Truth in Numbers

A few good reviews aren't enough. Consumers place greater faith in a **crowd** of reviews. The more reviews exist about a business, the greater the credibility.



Furthermore, consumers are attracted to businesses whose reviews are more current. For instance, compare a dentist that has 10 reviews that are over a year old to a dentist with 5 reviews in the last month.

The latter is perceived to have a thriving business. Reviews Management requires vigilant attention to make sure that a business continually engages with its patrons for feedback and fresh reviews.

Reviews Management “Must Haves”

Every business has different needs depending on their industry, number of locations, organizational structure and number of customers. When evaluating a Reviews Management Platform, make sure it meets as many of your organizational requirements as possible.

A key aspect of a reviews management platform is its efficacy. A comprehensive service will have many capabilities that will help maximize results. Also important are administrative capabilities that allow for multiple locations, multiple users with different access levels, review response management tools, and integration capabilities that can automate processes.

- ✓ Efficacy
- ✓ Comprehensive monitoring
- ✓ Multiple Users
- ✓ Access Levels
- ✓ Response Management
- ✓ Multiple Locations
- ✓ Configurable Dashboards
- ✓ Integration Capabilities

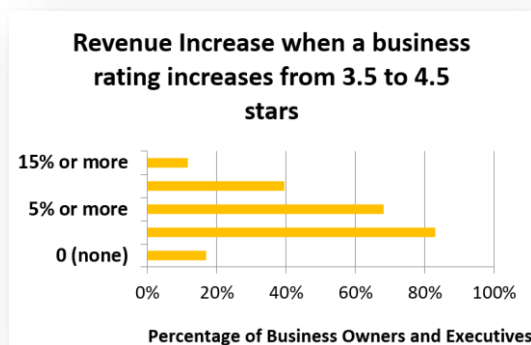
Look for configurable dashboards that can provide data views in multiple forms so that you know the reputation “score” at any time. Finally, make sure the service includes report and alert capabilities so that negative reviews don’t go unnoticed.

Return on Investment

Every marketing activity should yield some sort of a result. While increasing leads, foot-traffic or number of phone calls are important results, the most important result to achieve is more revenue.

Marketing activities that can demonstrate a strong return on investment should receive the highest priority in any budget.

A detailed Harvard School of Business study showed that for each star rating improvement in a 5 star rating system, a business should expect an increase of 5% to 9% in revenue.



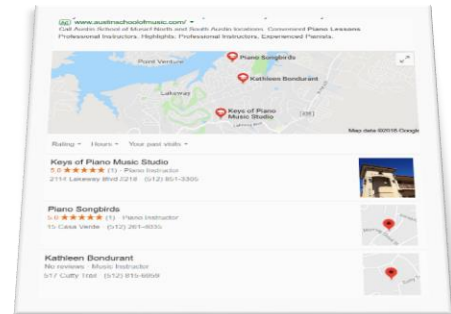
Another study conducted by Woodbury University School of Business, showed that 39.5% of business owners and executives would see a 10% or more increase in revenue for a single star rating improvement. The same study showed that 68% would see a revenue increase of at least 5% from a single star rating improvement.

Similarly, a decline of just one star rating would result in a 10% or more decrease in sales for 32% of business owners/executives and a decline of 5% for 59.8% of business owners/executives. Online reputation has been directly correlated with revenue and sales performance. While these findings are not surprising, they do reinforce the significance that online reviews have on the performance of any business.

Reviews Increase your SEO Ranking

According to Google, the number of reviews and your overall review score affect a businesses *local* ranking, which includes both positive and negative reviews. In fact, recent studies show that reviews round out the top seven factors in determining your ranking and can have as much as a 10% impact.

That may not seem like much, but Google only groups and highlights the top three (used to be five) businesses into a visual window—you want to be in this group to maximize traffic.



Handling Bad Reviews

Every so often, a business will encounter a bad review on a publicly accessible review site. Many businesses owners take these reviews personally. In some cases these reviews can even create a compliance issue especially when they are associated with the healthcare profession.

In most cases, review sites will not remove negative reviews even with the threat of litigation. However, if any review violates the terms of service of the review site, there is good chance the review site will remove it upon request with an explanation of the violation. The best way to negate the effect of bad reviews is to “drown them out” with more positive reviews.

Nevertheless, negative reviews should never be ignored. Learn from the comment whether it’s real or perceived. Consider a polite, positive response. Do not get defensive with the reviewer, and by all means, *do not attack* them.

Drawing undo attention to a negative review can hurt a business’s reputation. Of course, the best way to handle bad reviews is to avert them in the first place (as discussed earlier).



Hijacking Of Your Business Listing

Business listings on review sites usually have higher traffic volumes than a business's own website. Aside from the business ratings themselves, the accuracy of the address and phone number is crucial to actually directing customers to a business. For instance, a sneaky competitor can easily and stealthily change the phone number or the address on a listing with great reviews (many review sites allow visitors to "update" but most sites don't verify if it is accurate).



Much like identify theft, they can steal or leverage some else's great reputation. Even if a business moves, inaccurate business information can lead to a significant loss of customers. Imagine a customer looking up a listing and driving to a business only to find that it is no longer there. Many would then just look around for an alternative. A good review management service will monitor the consistency of listing information across many review sites to avert these situations.

Online Reviews and the Law

Online Reviews, along with all 3rd party internet content, are subject to many legal discussions. It is always prudent to consult an attorney for questions that relate to a specific business and industry. However, there are several topics that should be considered when working with online reviews.



Fake Reviews and Paid Endorsements

Given the value of reviews, it's not surprising that some businesses have resorted to fake reviews. Some have dubbed this practice as "astroturfing". Sites like Yelp and Google+ actively combat fake reviews through various mechanisms designed to discourage this practice. Inevitably, because these measures aren't foolproof,

some real customer reviews can get flagged as suspicious. However, this is more the exception than the rule and can be easily negated with a larger volume of real reviews.

The FTC also has rules prohibiting paid endorsements. As some businesses have learned the hard way, paying writers to create blog articles or endorsements can get you in trouble with the law, when a disclosure is missing (usually placed at the bottom of the article).

These are called **Paid Endorsements** which can also extend to reviews. Again, if you're not sure, it's always a good idea to check with a legal expert.

Retaliatory Reviews

Recognizing the impact of negative reviews, some businesses have resorted to maligning competitors thus sending customers elsewhere. Disgruntled employees have also resorted to retaliatory reviews against former employers.

The common law understanding about any communication to a third party with any statements, factual, false or even implied about an identifiable living individual, company or an institution where those statements damage the reputation of that person or party is known as **libel**.



Even so, online reviews are gaining more protection such as a law passed in 2014 in California that protects consumers against legal action. Furthermore, the review sites disclaim any ownership or responsibility for the content posted by third parties. At the same time, they conceal the identity of reviewers, complicating the process of identifying the person or entity responsible for the review.

COPPA

Another obscure but important law is Children’s Online Privacy Protection Act known as “COPPA”. In this case, any review site or business that knowingly collects information from children under 13 without their parent’s consent can subject them to fines. Recently, Yelp and TinyCo were fined for this practice. To avoid this problem, simply refrain from asking for the age of the reviewer.



HIPAA

The Health Insurance Portability and Accountability Act (HIPAA) passed in 1996. It relates to healthcare information and continues to evolve. Patients that



knowingly leave public reviews waive their protection to the extent of the information disclosed. However, any information a healthcare organization collects from its patients must be secured and protected. It is important to utilize a service that provides these protections.

Legal Experts

Every technology, including smartphones, tables, laptops, websites, storage devices, storage services, email services and more, is subject to a myriad of regulations. While several issues have been highlighted here, they continue to evolve as does the law. It’s always a good idea to use common sense as well as consult an attorney or legal expert if you are unsure of anything.

Keeping Up with Changes

Reputation Management is always evolving. There are new sites, new laws, new apps, social media enhancements, new smartphones and more. A good review service will stay abreast of these changes and the opportunities they represent to enhance reputation. The expertise provided from a Reputation Management and Online Reviews Management service will help ensure that you achieve results. A business must build its credibility or stand idly by and watch it get damaged.

Ultimately, reputation management is not just a marketing activity - it's an investment.

