

# How online reviews are shaping buyer decision-making

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*An effective strategy for responding to online reviews is good for business and can help companies enhance their reputation and improve operations.*

Consumers are increasingly using online reviews as their primary source of recommendations for goods and services. Engaging effectively with online reviews is an important way for companies to improve relationships and customer loyalty with existing customers and to attract new business. The data and insights gained from reviews can also be used to improve operations internally.

“Most businesses will have a good experience by opening themselves up to reviews on social media – around 80% of reviews are positive,” says Ashleigh Wainstein, director of martech firm, Social Places.

Realistically, there’s nowhere for businesses to hide online and managing and responding to reviews on social media, even if they are negative, has a positive outcome. “Reviews are important for brands because they create credibility in the mind of consumers – 84% of people trust online reviews as much as a personal recommendation,” she says. People looking for recommendations online typically won’t approach a business with fewer than four out of five stars – they’ll simply look elsewhere.

“Generally, consumers will search online for a business near them and these proximity stats have shot up 500% in the last two years. When those listings are displayed on search results, the one with the highest review score will get the click to call or navigate to the location.”

“Businesses accept the need for reviews and understand that they should embrace them. Not having a review strategy is the equivalent of consumers calling a customer care line and having no-one answer the phone. Companies that don’t monitor reviews lose the chance to win back negative customers as well as get feedback from those who are happy,” says Wainstein.

“They also lose out on valuable business insights,” she says. Step one is to acknowledge the customers’ complaints or compliments by taking note of feedback from reviews. Instead of using mystery shoppers, for example; decision-makers can use review data from thousands of people to identify what is working in their business - and what isn’t. It helps them gauge how the company is performing.

However, the numbers that large companies and brands have to deal with are substantial. In one month alone, some fast food brands in South Africa can receive up to 30,000 reviews. “Our technology to deal with communication at this scale is advanced,” says Wainstein.

There are review consolidation tools that measure consumer sentiment and help to inform operational and marketing functions. “From the data we collect we can categorise review sentiment into primary and secondary, positive and negative,” says Wainstein.

“We can tell a restaurant, for example, that its customers are making positive mentions about its food and that they are specifically speaking about menu variety and burgers are its most popular menu item. We can also identify whether customers are most unhappy about service and waiting times.

“For retail chains, we can provide similar information at both a brand level and store level. We can tell which stores got the worst reviews, what the issues were, and how many pieces of customer feedback they received. The company can then

arrange for better training based on these categories, and track improvements over time.”

Wainstein says brands like Spur answer 100% of their reviews, as do RocoMamas, Panarottis and John Dory’s. Ocean Basket are also very proactive in answering all customer feedback – from customer reviews on social media to feedback from their website.

“When dealing with reviews it is key that a response sounds like it’s personal and that the customer feels that they have been heard. We have dynamic response templates based on the sentiment categories of the review which we use as the basis but we then add a personal touch on top of it. Even though we’re starting to use higher levels of artificial intelligence to process and respond to consumers, there’s always a human, personal touch on top – responses go through a check process before they are published. Responses to good reviews should include strategic keywords that boost search rankings. With bad reviews it’s important to provide balanced responses that have strong calls to action, taking the conversation offline,” she says.

“All industries – from restaurants and retail to financial services and telecommunications are showing growth in online consumer interaction, so the effective monitoring and management of online reviews is crucial,” concludes Wainstein.

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