

# Assessing the Impact of Ratings and Reviews on eCommerce Performance

*The concepts, frameworks, and tools to identify consumer-generated content gaps, fill them, and quantify impact*

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## Inside You'll Learn

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## Establishing a Ratings & Reviews Strategy

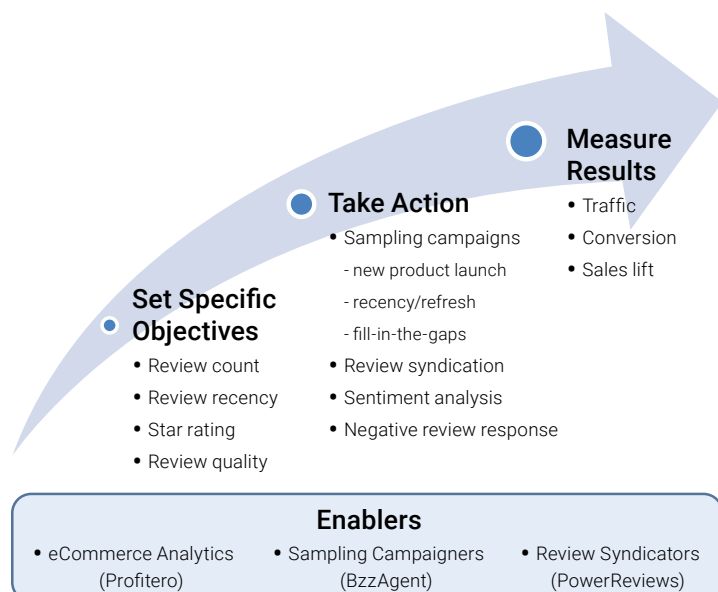
Reviews matter. Having a sustained flow of high-quality, authentic reviews and systematically measuring their impact on traffic, conversion and sales, matters even more. Ratings and reviews can have a profound effect on online as well as offline performance.

Consequently, establishing a well-constructed ratings and reviews strategy could very well separate forerunners from also-rans.

Focus areas when setting up a ratings and reviews content plan should include:

- **Setting specific goals and objectives**, paying particular attention to metrics such as review counts, review 'recency', star rating and review quality.
- **Taking action**, which could take the form of sampling campaigns, review syndication, sentiment analysis and negative review identification and response.
- **Measuring results**, including increases in traffic and conversion, and ultimately sales lift.
- **Teaming with enablers** like eCommerce analytics firms, sampling campaigners and content syndicators to support brand and retailer strategies and help achieve set goals.

## Establishing a Ratings & Reviews Strategy



## Why Ratings & Reviews Matter



Having best-in-class consumer-generated ratings and reviews content is more important than ever. It's become an expected and influential part of the purchase journey. Consequently, it's also become an important part of brand and retailer marketing strategies.

[PowerReviews research](#) finds that 95% of shoppers consult ratings and reviews while they're shopping. And 86% consider reviews an essential resource when making a purchase decision. Ratings and reviews rank high among the top factors impacting purchasing decisions, coming in at #2, just behind price.

The reason: Consumers trust them. Consumer opinions posted online consistently ranks among the top 3 sources of information, according to [Nielsen's Global Trust in Advertising Survey](#). The study shows that two-thirds (66%) of global respondents trust consumer opinions posted online.

### Top 3 Most-Trusted Ad Formats

% of global respondents who completely or somewhat trust ad format

**#1**

**Recommendations from people I know**

**83%**

**#2**

**Branded websites**

**70%**

**#3**

**Consumer opinions posted online**

**66%**

Source: Nielsen Global Trust in Advertising Survey, 2015



"Retailers, brands, syndication partners and content generators, like BzzAgent, put a lot of work into ensuring the authenticity of online content, including reviews, so that it's viewed as a forum for people to express their true opinions about a product. Increased transparency about the method of review generation, leads to increased trustworthiness and credibility of the content."

**Darcy Reifenberger**

*Global Product Manager of Consumer-Generated Solutions with BzzAgent from dunnhumby*

## Benefits to Brands and Retailers



There are several reasons every brand and retailer should not only have a ratings and reviews content plan, but also continually monitor and take action on the associated analytics. Ratings and reviews are a key tool for brands and retailers looking to drive traffic and sales, online as well as offline. They can be a good source of insights too.

### Online benefits

There's much to be said for having lots of reviews, specifically positive reviews. They help drive traffic to your products with typically better conversion on that traffic, ultimately driving sales.

Leading ratings, reviews, and question and answer technology provider PowerReviews' SVP of Marketing Theresa O'Neil shared some company research. "We found that when at least one review is added to a product page, that product receives an average 108% traffic lift. And when a product without reviews adds one or more reviews, the conversion rate for that product increases by 65%."

What's more, brands and retailers that don't feature ratings and reviews on their site risk losing shoppers to a site that does. According to PowerReviews research on the path to purchase, nearly half of shoppers will turn to a search engine if there aren't reviews (or aren't enough reviews) for a product on a brand or retailer site. Twenty-five percent are likely to head to Amazon to find reviews, and 20% will leave for another brand or retailer site.

## Offline Benefits

Because we know that so many people search for and research products online that they ultimately buy offline, there's a related phenomenon that has been dubbed ROBO by one review syndicator – research online, buy offline – which is based heavily on reviews.

Even if people don't ultimately buy on Amazon or another online retailer, they're in-aisle checking reviews on Amazon while in the store. So having product reviews has a potentially even greater impact on brand perception and offline sales, especially as more shoppers walk through the aisles with their smartphones. [According to Deloitte](#), digital interactions now influence 56 cents of every dollar spent in brick-and-mortar stores.

## Source of Insights

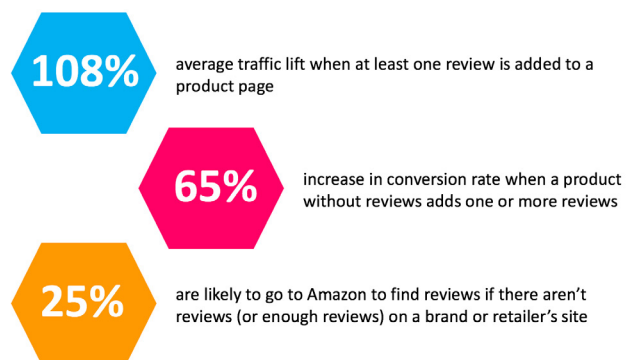
Ratings and reviews can also be an interesting source of shopper and consumer insights, at times providing a wealth of information that can help retailers and brands better serve their customers.

O'Neil shared an example of how Hammacher Schlemmer, a PowerReviews customer, noticed that a watch they sold on their website had an average star rating of 2.7. After digging into the reviews for the watch, the company noticed that several customers mentioned the clasp on the watch wasn't working. Hammacher Schlemmer took this information to their manufacturer to change the clasp, and the average star rating for the watch climbed to 4.7.

So indeed, it's beneficial to brands and retailers alike to mine reviews from verified purchasers to not only learn what people like or don't like about a product, but also what people did or didn't enjoy about buying it, i.e., the shopping and shipping process. And this is an important distinction – parsing comments about the product itself versus the buying process.

For example, there may be reviews about the delivery speed, damaged packaging, late arrival or a wrong product shipped. So it's important for brands to discern that these kinds of negative reviews are not actually about the product, they're about the retailer. Still, a retailer's poor service level can certainly drag down a brand's average star rating.

## Impact of Ratings and Reviews on eCommerce Performance



Source: PowerReviews Research

## Review Authenticity is Fundamental



Authenticity is what drives consumer trust in reviews and is key to the value that reviews represent for retailers and brands.

PowerReviews research has found that 82% of shoppers specifically seek out negative reviews. O'Neil states, "In addition, our research with Northwestern University found that a shopper is more likely to purchase a product with an average star rating between 4.2 and 4.5 than one with a 5-star rating."

So in fact, it's actually not a terrible thing to have some 2- and 3-star ratings. Negative reviews establish trust and authenticity, helping consumers determine whether or not a product is the right fit for them.

**"A shopper is more likely to purchase a product with an average star rating between 4.2 and 4.5 than one with a 5-star rating."**

- Theresa O'Neil, PowerReviews

# Glossary

## Amazon Verified Purchase

Amazon has verified that the person writing the review purchased the product at Amazon and did not receive the product at a deep discount.

## Amazon Vine

Amazon's internal review generation service that allows participating vendors to submit free products for review by Vine Voices.

## Conversion Rate

The proportion of shoppers visiting a product detail page who purchase that product.

## Engaged Review

A review left as a result of engagement with the shopper by the brand or retailer, and typically must be disclosed as such.

## Native Review

A review left directly on a retailer's site.

## Negative Review

Typically a review rated below 3 stars.

## Organic Review

A review left with no incentive or free sampling involved; reviews that generally trickle in from raving fans or disgruntled consumers.

## Post-Purchase or Post-Interaction Email (PIE)

Email sent by retailer or brand to consumer following purchase, requesting a review or other feedback.

## Review Count

The cumulative number of shopper reviews left for a product.

## Review "Recency" or "Velocity"

Measurement of the "vintage" of reviews to encourage review content is sustained over time to ensure currency.

## Review Text

Body or text portion of the review in which consumers write comments, describe experiences with product, or the product's pros and cons.

## Sales Lift

The resulting increase in sales that can be attributed to a specific campaign.

## Sampling Campaign

Process used by brands and retailers to generate or increase their review content; generally free products are supplied to consumers in exchange for writing a review.

## Sentiment Analysis

Goes beyond simple keyword recognition to identify topics or themes within the review text and gauge the positivity, negativity, or neutrality of those comments.

## Star Rating

A product rating left by shoppers, usually expressed as a star rating on a scale of 1-5 stars, with 1 being lowest and 5 being highest.

## Syndicated Review

A review left on a brand's or another retailer site and re-published via Bazaarvoice, PowerReviews, or another syndicator.

## Traffic

The absolute or relative volume of shopper visits to a product detail page.

## Verified Purchase

A trust badge or flag used to identify the authenticity of reviews.

## Vine Review

Independent opinions and reviews provided by Vine Voices on Amazon.

## Vine Voice

Members of Amazon Vine program who are invited by Amazon to join the program based on their reviewer rank, which is a reflection of the quality and helpfulness of their reviews.

Amazon, like all other retailers, ultimately depends on the reviews on its site being perceived as genuine and trustworthy. Examining recent developments and changes to the Amazon Vine community guidelines illustrate how hard retailers must work to preserve – or at times, restore – a sense of trust with consumers.

## New Limits on Product Sampling

Last fall, Amazon began limiting product sampling to vendors participating in their own Vine program where they have total control over how those programs are structured and the disclosure requirements for those reviews in which a consumer received a free sample. O'Neil of PowerReviews said, "Amazon implied that this was to control artificial inflation of star ratings. [Despite changes at Amazon] engaging with consumers through third-party vendors remains an acceptable industry practice, as long as the brands and retailers have measures in place to ensure content is authentic and fraud free."

## Purging Inauthentic Reviews

Amazon has also gotten more sophisticated in detecting and trying to remove or suppress inauthentic reviews. For example, algorithms can be used to detect if a product has received a high volume of reviews in a short period of time from reviewers who had never previously reviewed products. The online giant reportedly purged a large number of these machine-detected inauthentic reviews.

## Enriching Transparency

Amazon has also worked to enrich the transparency and usefulness of their reviews. For example, reviews left by members of the Amazon Vine program are always flagged as Vine Voices. Additionally, when a review is left by someone who bought the product from Amazon, it's denoted as a Verified Purchase. Consumers can now filter on Amazon to view only Verified Purchases.

## Improving Reviews' Usefulness

Amazon continues to introduce mechanisms, including a host of filters, to support consumer decision-making processes. By introducing features like the helpfulness rating and the ability to view a reviewer's review history (by clicking on their handle), shoppers can get a sense of the review's authenticity in ways that technology alone can't manage.

# Understanding the Review Ecosystem



Brands interested in pursuing or enhancing their ratings and reviews content strategies typically encounter four types of players in this space.

## Review Syndicators

Review syndicators collect and distribute consumer reviews across retailers' sites, helping retailers acquire more review content and brands amplify the reach of individual reviews.

Some leading players in this space include PowerReviews (with whom we're collaborating on this paper), Bazaarvoice, Reevo and Yotpo. Review syndicators align with sampling campaigners to seamlessly push user-generated content, like ratings and reviews, out to third-party sites, in this case a network of retailers. Reviews typically originate on the brand site and then both native content as well as engaged reviews (those developed as part of a sampling campaign) get picked up by the syndicator and pushed out to their retailer network.

## Sampling Campaigners

Sampling is a leading approach to engaging shoppers with a history of leaving authentic reviews.

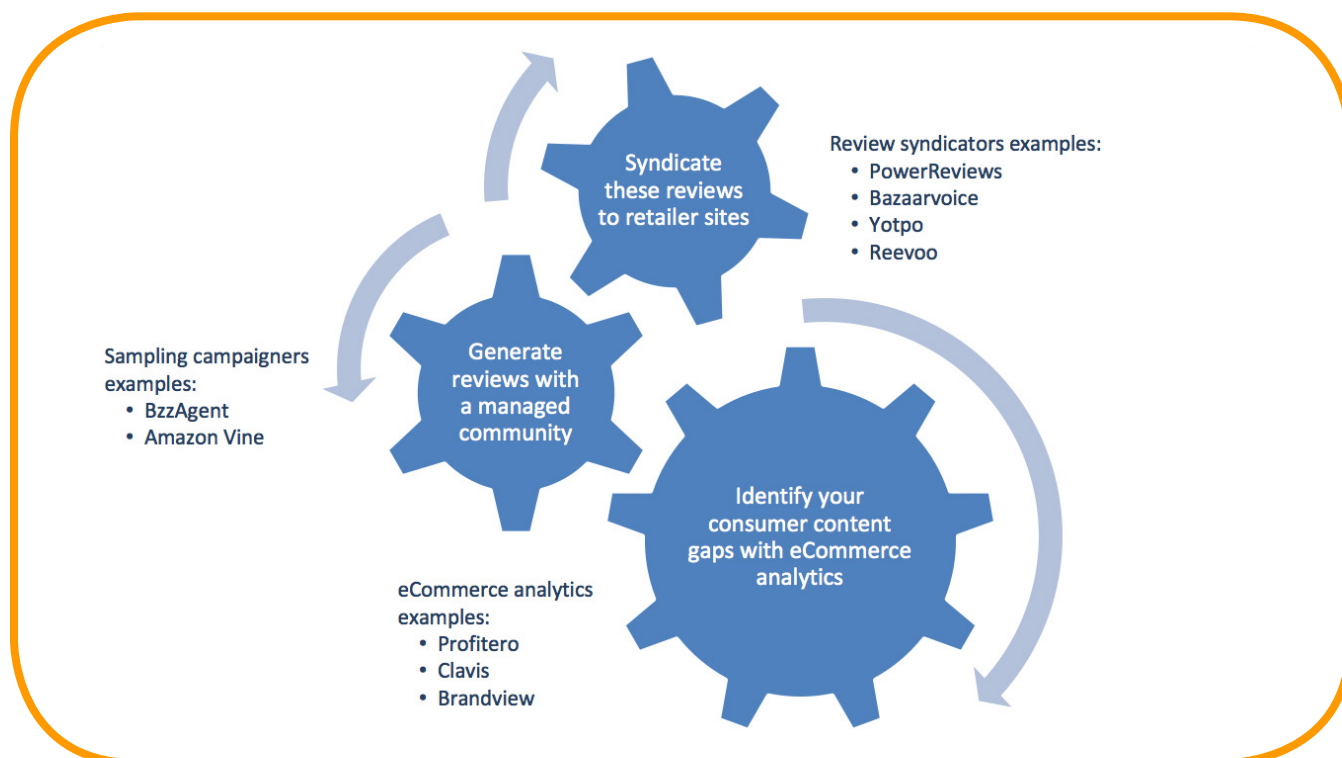
Companies like BzzAgent (also a contributor on this paper) and programs like Amazon Vine fall in this category.

BzzAgent, for example, maintains a network of one million consumers, real people who enjoy sharing opinions about brands and products. Through a solution dubbed BzzReviews, BzzAgent stimulates the creation of user-generated content to help brands build authentic and trustworthy review content in a managed, scalable and measurable way. As part of a sampling campaign, a free product sample is given to a managed community of target consumers, who are encouraged to write a review. BzzAgent then seamlessly transfers the review content to its syndication partners like PowerReviews or Bazaarvoice through an API.

## Analytics and Alert Companies

This includes companies like Profitero, Clavis and Brandview (and some point solutions, e.g., ReviewTracker, which focuses exclusively on ratings and reviews), which as part of their broader eCommerce analytics platforms can help brands and retailers identify and benchmark metrics such as average star rating or average review count to competitors. Analytics companies can identify products that don't yet have any reviews or set up alert notifications when products receive negative reviews.

## Ratings & Reviews Ecosystem



Source: Profitero

Brands often work with analytics companies to understand how they're progressing with review counts and star ratings and to manage negative ratings across retailers.

For example, Profitero monitors ratings and reviews as one of a half dozen or so factors that can impact brand or product performance with online retailers. The key users typically are executives who oversee the entire eCommerce channel and want a holistic suite of analytics to help them monitor how well they're doing and where they can improve.

### Retailers

Underlying the entire ecosystem are the individual retailers themselves, some of whom collaborate with the review syndicators to place user-generated content like reviews on their sites; and some who don't.

## Benchmarking: The Role of KPIs, Metrics and Analytics



Leveraging consumer reviews to drive performance requires establishing a strategy, setting specific objectives and goals, taking action, and measuring results.

The most common and obvious KPIs are review count and star rating. Increasingly, brands also monitor and manage factors like review quality (e.g., length and context) as well as review "recency" or velocity (thinking about the "freshness" of reviews or if they have a steady stream of reviews coming in).

### Review Count

Generally speaking, products with no reviews don't tend to sell very well and aren't typically trusted. To consumers, having no reviews creates the perception that they're a guinea pig, i.e., the first to buy a product. So there's a desire by brands to have greater than zero reviews.

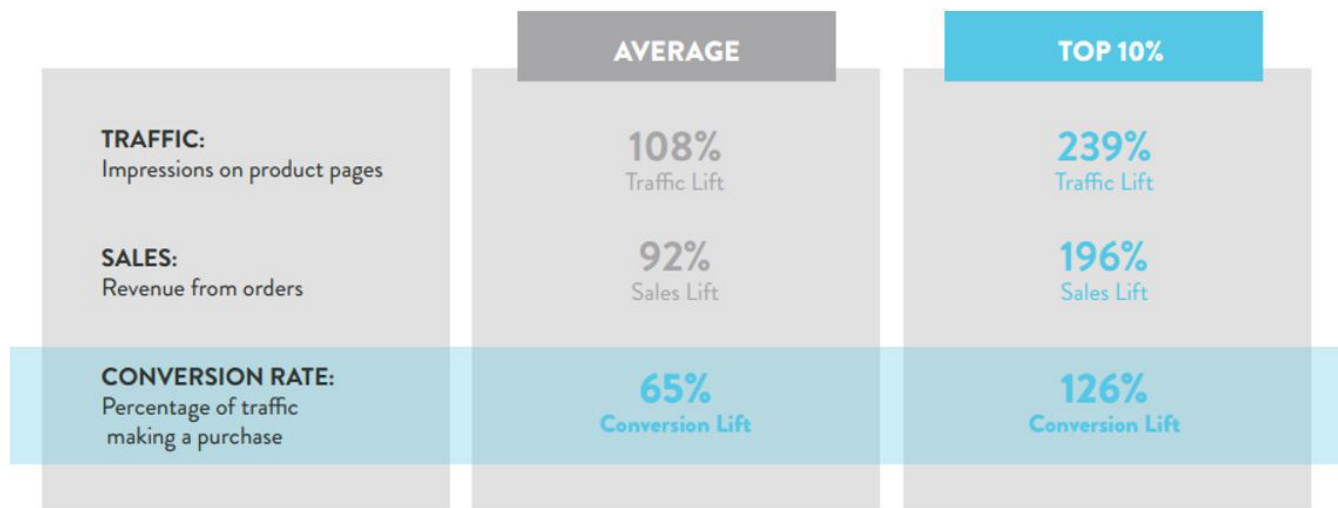
The questions then become: How many reviews do I actually need? How many reviews is the right number?

BzzAgent's Reifenberger points to some industry research that addresses these kinds of issues. "Studies show that there is a change in sales conversion on an eCommerce site when a page goes from having zero reviews to some other number. After an initial burst of reviews, the sweet spot tends to hover around 35-50 reviews.



## ADDING REVIEWS TO A PRODUCT LIFTS TRAFFIC, SALES, CONVERSION

When the number of reviews increases from 0 to > 0 reviews



Based on a representative sample of 14,000+ products across 100+ retailers in the PowerReviews Network that went from 0 reviews (for a minimum of 30 days) to > 0 reviews (for a minimum of 30 days) over a 6-month period. Traffic (impressions), sales (dollar value of orders) and conversion were measured and averaged daily for each product, then averaged by merchant and across the network.

Source: PowerReviews

"Then it becomes a question of whether you really need any more than that? What the studies have shown is that there is a point of diminishing returns once you get much higher than 50. But where the value comes in is not necessarily building that volume all at once in one fell swoop. Instead, it's best to make sure there's a 'recency' or refresh plan built in with larger review volumes. This is where having a well-managed sampling campaign can help."

**"It's better to have many products with fewer reviews because just getting away from zero provides a bump in traffic and conversion."**

*-Keith Anderson, Profitero*

But for companies with a large brand or product portfolio, the expense can really begin to add up. On one hand, you can take a strategy that says "best-sellers in my category all have a thousand reviews, so I need a thousand reviews too." So you tie up your investment building up lots of reviews for a single product or two. On the other hand, should you instead distribute far fewer samples of many more products with the main objective being to just get at least a review (> 0) per product?

This is a basic business question that a lot of brands grapple with today because they know they need to get more than zero, but they don't know how many they need for each product or how concentrated their efforts should be. It remains an open issue: Few products, many reviews? Or many products, fewer reviews. Generally speaking, it's better to have many products with fewer reviews because just getting away from zero provides a bump in traffic and conversion.

Profitero's analysis of the 100 Best Sellers on Amazon in the U.S. in March 2017 compared with a year ago reveals a near universal uptick in the average number of reviews across categories. A notable exception is Grocery & Gourmet Food, which is probably being dragged down by the large number of new product introductions annually, each of which may not yet have a sufficient number of reviews.

Also of note is that the Top 10 products in most categories, across both the U.S. and U.K., tend to have a larger number of reviews than the Top 100 category average, many of them with double or triple the average review count for the Top 100 Best Sellers. **So clearly, review count matters.**



### Amazon - US: Average Review Volume Top 100 Best Sellers for Select Categories, March 2016 vs. March 2017

Category	March 2016 Avg # of Reviews by Product	March 2017 Avg # of Reviews by Product	March 2017 Top 10 Products: Avg # of Reviews by Product	March 2017 Top 10 Products vs AFM 100 (% Increase)
Baby	1,467	2,203	4,023	83%
Beauty	2,828	2,914	4,935	69%
Breakfast Foods	2,180	2,211	3,986	80%
Candy & Chocolate	438	628	1,286	105%
Cat Food	1,314	677	997	47%
Cookware	1,416	1,867	3,754	101%
Dog Food	1,042	1,382	3,364	143%
Electronics	7,358	17,732	35,454	100%
Grocery & Gourmet Food	3,032	2,731	6,851	151%
Health & Personal Care	4,077	4,801	4,411	-8%
Prime Pantry	519	749	1,564	109%
Skin Care	2,562	2,570	4,599	79%
Small Appliances	2,714	2,810	7,235	157%
Soft Drinks	346	556	462	-17%
Vitamins	984	1,075	2,343	118%

Source: Profitero, Amazon FastMovers, March 2016 and March 2017

### Amazon - UK: Average Review Volume Top 100 Best Sellers for Select Categories, March 2016 vs. March 2017

Category	March 2016 Avg # of Reviews by Product	March 2017 Avg # of Reviews by Product	March 2017 Top 10 Products: Avg # of Reviews by Product	March 2017 Top 10 Products vs AFM 100 (% Increase)
Baby	595	644	1,579	145%
Beauty	513	529	1,206	128%
Chocolate	74	172	596	247%
Clothing	567	607	886	46%
Electronics	2,099	3,808	6,947	82%
Grocery	344	434	943	117%
Health & Personal Care	1,041	1,111	1,462	32%
Pet Food	275	512	687	34%
Skin Care	562	517	1,370	165%

Source: Profitero, Amazon FastMovers, March 2016 and March 2017

## More Reviews Mean More Orders



\*Based on statistical modeling of transactional data from numerous product categories. Source: BzzAgent from dunnhumby, based on data from [Bazaarvoice: Conversion Index Volume 8 Study - How Increasing Review Volume Drives Sales](#)

### Review “Recency”

Somewhat related to review count is a relatively recent development in Amazon’s algorithm that seems to factor in automation and personalization, what Profitero calls review “velocity” or “recency.” This has to do with not just the number of reviews, but the vintage of those reviews. For example, if a product has a lot of reviews, but they were all left during one concentrated Vine campaign and there hasn’t been any sustained or new organic reviews left in months, Amazon’s search algorithm now appears to penalize products with only “stale” reviews.

The old approach was to “get a lot of reviews close to launch, and we’ll be good.” The leading practice is transitioning from targeting an avalanche of reviews at a single point in time (e.g., new product launch, seasonal, etc.) to sustaining review generation during the lifetime of the product.

PowerReviews’ O’Neil concurs that recency definitely matters, both from an SEO and consumer engagement perspective. “Sampling programs can drive authentic content for targeted products – for example, products with high impressions but a low number of reviews, seasonal products, or brand new products.”



**Theresa O’Neil**  
Senior Vice President of Marketing,  
PowerReviews

“Sampling programs can drive authentic content for targeted products – for example, products with high impressions but a low number of reviews, seasonal products, or brand new products.”

## Rating & Reviews vs Amazon Sales



**Products with a star rating between 4.0-4.5 concentrate 56% of Amazon sales and have on average 197 reviews**

Source: Profitero

Categories: Baby Body Care, Baby Car Seats, Bathroom Fixtures, Baby Care, Fixtures Accessories, Food, Hand & Body Lotion. Number of Products: 2,671.

Time Period: October 24, 2016 - January 24, 2017

The industry continues to grapple with how to load-balance sampling campaigns and other ways to encourage sustained organic, authentic reviews over time.

### Star Rating

Star rating is important because if a product has enough reviews but doesn't have a high enough rating, people still won't buy it. Generally speaking, the floor to aim for is 4 stars or better because research suggests conversion rates are much higher above 4 stars. This and the fact that most retailer sites have filters that actually let you filter and sort by star rating. Most consumers look for 4+ stars. Falling below 4 could eliminate a product from the consideration set.

Profitero's research finds that the lowest average star rating of Amazon U.S. 100 Best-Selling products across categories is 4.2. The average star rating of the 100 Best Sellers fall within a 4.2 to 4.6 range. The range is 4.3 to 4.7 for Amazon – U.K.


### Quality

Review quality is difficult to quantitatively measure. Reifenberger notes, "Quality is not synonymous with sentiment. It doesn't mean all reviews should be 5-star reviews. It means reviews should be authentic and well-formed; not just one-line phrases like: 'It's a great product!'" In order to influence purchase decision they should be informative. The challenge brands face is increasing the breadth and depth of quality review coverage across their entire product line on key destination sites."

**"Most consumers look for 4+ stars. Falling below 4 could eliminate a product from the consideration set."**

- Keith Anderson, Profitero

## Example of Review Best Practices



The screenshot shows a product review for 'Philosophy Hope In a Jar' by Lorelei from Ypsilanti, MI. The review includes a 5.0 star rating, a 'Verified Buyer' badge, and sections for 'PROS', 'CONS', and 'BEST USES'. Callouts highlight specific best practices:

- Easy-to-scan 'pros and cons' and 'best uses' tags based on Sentiment Analysis bubble to top:** Points to the 'PROS', 'CONS', and 'BEST USES' sections.
- Verified buyer badge, a plus:** Points to the 'VERIFIED BUYER' badge.
- Good length, high quality, in-context text:** Points to the main review text.

**PROS**  
Absorbs Quickly  
Goes On Smoothly  
Moisturizes Well  
Not Greasy

**CONS**  
Maybe A Tad Pricey

**BEST USES**  
After Shower/Bath  
Dry/Chapped Skin  
Mornings B4 Foundation

**Comments about *Philosophy Hope In a Jar*:**  
I love this moisturizer, for daily daytime use. It's light but not so light that it doesn't moisturize, and it isn't greasy or heavy. I wouldn't recommend it if you have winter dryness issues (it isn't robust enough for that) but it's great as a daily, go-to primer before applying foundation.

**BOTTOM LINE** Yes, I would recommend this to a friend

Source: [PowerReviews: The Power of Reviews](#) report and Profitero

## Filling Content Gaps Through Sampling and Syndication



Traditional tactics surrounding user-generated review content are generally threefold:

- **Organic reviews** that trickle into a brand or retailer's site, usually left directly on the site by either raving fans or disgruntled customers.
- **Post-purchase or post-interaction emails (PIE)** are sent by a retailer or brand to the consumer following a purchase, inviting the customer to leave feedback (e.g., a review) on their site. The post-purchase email is important from the standpoint of maintaining a dialogue with consumers and informing future product development. The challenge, however, is that they have a relatively low engagement rate, so there is less control around the volume, quality and timing of content generation.
- **CRM database or Facebook fan stimulus** of some sort like a sweepstakes or contest in which consumers participate for the incentive but are not usually experienced content creators so the content quality and review count are not guaranteed.

In more recent years, however, companies are taking a more measured and planned approach to their ratings and reviews content strategy – in large part, filling their content gaps with sampling campaigns and syndication.

**“The post-purchase email is important from the standpoint of maintaining a dialogue with consumers and informing future product development.”**

- Keith Anderson, Profitero

BzzAgent proposes three ways brands should think about using sampling campaigns as part of their overall eCommerce strategy to drive authentic and high-quality review count, recency and average star rating improvement.

## New Product Launch

The first use case for a review sampling campaign would be to seed ratings and reviews before a product launches. Brands can actually send products to a sampling campaigner that will get it in front of a targeted audience within their managed community to help generate ratings and reviews content before the big launch. Then when all the other media goes live and people are looking for more information about the new product, they can go right to the brand or retailer's site and that initial volume of review content is already there.

Sampling campaigns serve as a powerful tool to strengthen product launches. Reifenberger added, "For new product launches, companies should think ahead to all the innovation they're going to launch throughout the year and get ahead of it by having a ratings and review generation campaign in place, for example, the month before the big media push."

## Recency or Refresh Campaign

After a product launches, the concept of review recency or refresh comes into play. Refresh campaigns involve running subsequent campaigns following the launch for purposes of having fresh, new and unique reviews based on some frequency the brand requires. For some products and categories, twice a year is probably sufficient. For others, new monthly content is best. Another strategy is to run a refresh campaign in the run-up to the holiday shopping season.

Reifenberger suggests having a plan in place to refresh content purposefully, e.g., maybe six months after a product launch or ahead of a key seasonal time frame.

## Fill-In-The-Gaps Strategy

This use case involves clients regularly monitoring their ratings and reviews content performance to understand where a product or brand may have gaps vis-à-vis the competition or some other set benchmarks. Some questions to consider: What products have too few reviews? Or what products fall below a set benchmark?

Profitero provides eCommerce scorecards to help companies understand where their ratings and reviews content gaps exist, and think about tactics to fill those gaps. As Reifenberger puts it, "It's all about adopting the mindset that ratings and reviews can be planned and managed. There's certainly value in organic content, it's just going to happen naturally. But user-generated content can also be planned and purposeful."

## Finally, Content Syndication

Once user-generated ratings and reviews content appears on a brand's website, the syndication process takes over. In the case of PowerReviews, its mission is then to make more authentic content available to consumers on more eCommerce sites, regardless of technology platform or where the reviews originated.

**"There's certainly value in organic content, it's just going to happen naturally. But user-generated content can also be planned and purposeful."**

*- Darcy Reifenberger, BzzAgent*

Syndicators pick up both native as well as engaged review content (i.e., those generated through consumers who've engaged in sampling campaigns) from the brand site and send it through their retailer network so it then displays on many retailer sites.

## Building the Case for Sentiment Analysis



Sentiment analysis (also known as opinion mining) of review content is of increasing interest for brands and retailers. Sentiment analysis goes beyond simplistic keyword recognition to systematically identify and extract topics or themes within review text.

## Identify Positive Versus Negative Sentiment

A prime objective of sentiment analysis is to help brands determine whether comments left in reviews are positive, negative or neutral. Take for example a cosmetics company that Profitero recently worked with that wanted to mine review text to discover insights across various product attributes, such as price, effectiveness, skin feel, scent or any kind of allergic reaction. Profitero applied natural language processing to identify if what a shopper was saying in their own vocabulary to describe a product was related to one of the factors in the study. For a brand, sentiment analysis becomes a very efficient way of determining, in aggregate, if people who bought the product or brand are responding favorably to its effectiveness, its price, or perhaps find out that a surprisingly high percentage had an allergic or other undesired reaction.

## Discover Shopper Vocabulary to Inform Messaging

Beyond discovering positive or negative sentiments, companies find sentiment analysis useful in identifying terms in shopper vocabulary that could prove useful and inspirational for brand managers or other marketing executives in developing product descriptions, packaging or the overall product messaging. The accompanying graphic provides an excellent application in which Emerald Nut's latest brand tagline – Yes Good – was inspired by a user-generated review left on Amazon.

## Improve Search Results Using Shopper Terminology

Sentiment analysis also ties closely to search and can help brands understand how they should be describing their products for traffic and conversion boost. The more attentive brands are to what shoppers say in reviews – terminology, vocabulary, etc. – and then turn around and use those terms in their product descriptions or titles, the more likely that product is to rank favorably when people search on that term.

## Mine Sentiments for Reverse Engineering

Mining reviews for sentiments and opinions can also be useful to analyze what shoppers are saying about product attributes and features. There's actually an entire cottage industry springing up composed of entrepreneurs who do just this. They troll Amazon reviews to find best-selling products with negative reviews. They study what shoppers are saying in the reviews about what they don't like about products, and then use the shopper comments and vocabulary to develop, package and market competitive items. Thus far, few big brands have gone down this path, but it's something to think about rather than lose sales and share to nimble, entrepreneurial competitors.

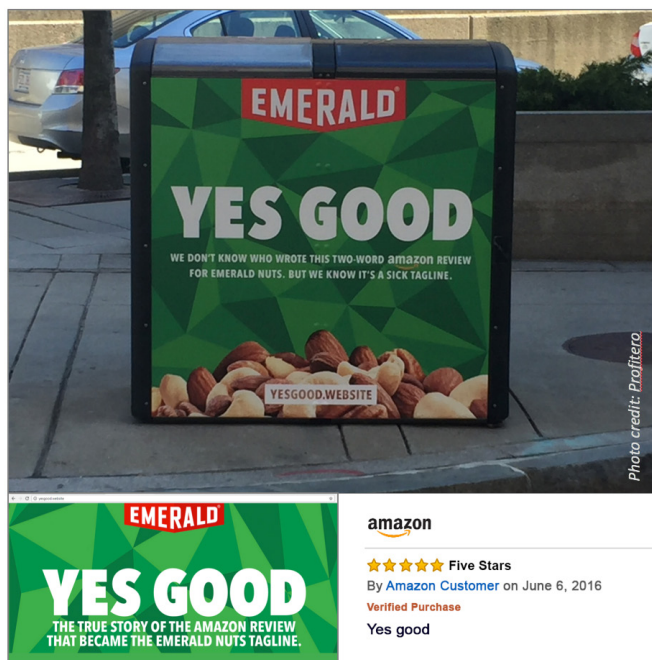
## Identifying and Handling Negative Reviews



It's important for brands and retailers to remember that negative reviews should not be feared. But it's equally as important that companies have a process in place to monitor, identify and respond to negative reviews. The key is minimizing any damage of a bad review. Not responding can make things worse.

There's likely not a lot brands can do in terms of ratings and reviews if indeed you just have a bad product. But there is something to be said about parsing negative reviews to understand what it is shoppers don't like – i.e., is it something about the product itself, or is it a shopping and shipping

## Example of Brand Adopting Shopper Vocabulary via Reviews



Source: [yesgood.website](http://yesgood.website)

issue, in which the onus is then on the retailers? At the end of the day though, it's still your product that's taking the hit on average star rating.

In the most general sense, negative reviews aren't necessarily bad. In fact, as previously discussed, some below-average ratings actually lend credibility to reviews, making them seem more genuine and authentic. And there are ways through sampling campaigns and syndication to drown out a few outlying negative reviews with more positive ones, which can help raise average star rating.

Still, one of the most important steps for brands in handling negative feedback is to detect and respond to them. For example, brands can work with analytics firms to set up alerts to notify them when a negative review is posted. Customer service teams can then promptly reply on the product page using a specially credentialed account that indicates to the general public that "this is the manufacturer's response."

Genuine, transparent and professional responses are key to responding to negative feedback. Think of it as an opportunity for the company to frame its story by turning constructive feedback into a positive, helpful and engaging experience for shoppers.



Replies typically should acknowledge the customer's concerns, but then go on to explain their side of the typical customer experience, insert a bit of marketing / public relations, and then ultimately offer a consumer solution (typically in the form of a refund, replaced product, coupon for future purchase, etc.). It's also good practice to move the conversation offline by providing an email or phone number to "chat live." Also note: Avoid using the company name and search keywords so the bad review isn't picked up by search engines.

A good rule of thumb is three short statements:  
*"I'm sorry to hear about [specify the bad experience]. We're normally known for our exceptional attention to detail, and we regret that we missed the mark. My name is [name] and I'm the [title]. If you'd like to discuss this further, please contact me at [phone number / email]."*

Remember, negative reviews are a time to shine and demonstrate to consumers – in a public forum –that your company is genuine and caring.

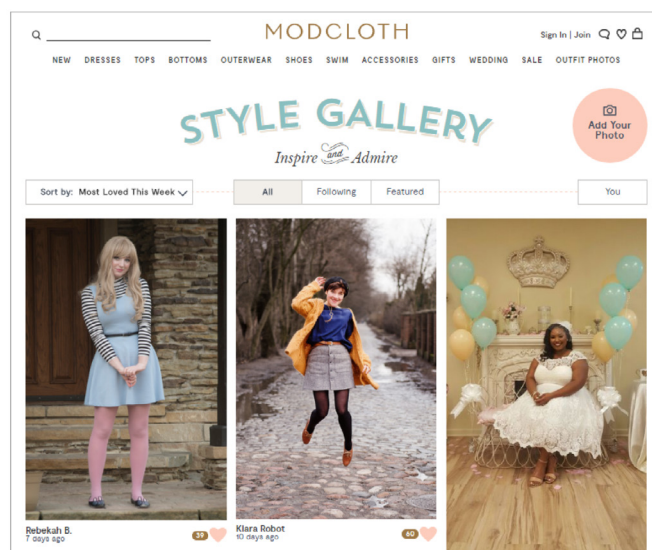
## What Next?

 BzzAgent's Reifenberger believes review counts and average star ratings are destined to become ubiquitous over time. Consumers will begin to gloss over them because eventually all products will end up having a similar volume of reviews and average star rating.

Consequently, the future of ratings and reviews will have more to do with the quality of content and the extent to which retailers and brands are surfacing key themes people are talking about that will help inform purchase decisions in as easy a way as possible.

"Authenticity will continue to play an important role, maybe more so as people become increasingly skeptical of traditional advertising, celebrity influencers and other endorsements where the product experience may not necessarily be perceived as authentic, genuine and relevant," said Reifenberger.

She adds, "Different ways of serving up or displaying product experiences will become increasingly important too. With social channels like Instagram and Snapchat gaining momentum, we find people consuming media in much more of a visual than written way. This is especially true of millennials. So we think the visual nature of content will increasingly take hold with more people perhaps doing video reviews, for example."



**Visual example of displaying a product experience**

Source: [www.modcloth.com](http://www.modcloth.com)



## Building an Action Plan

Beginner	Intermediate	Advanced	What's Next?
Review Generation			
<ul style="list-style-type: none"> <li>Accept native / organic reviews on site</li> </ul>	<ul style="list-style-type: none"> <li>Send post-interaction emails to consumers inviting feedback (review) on recent purchase</li> <li>Stimulate review generation via CRM database or Facebook fan stimulus, e.g. sweepstakes or content</li> <li>Generate a lot of reviews close to product launch</li> <li>Occasional sampling campaign to increase review count</li> </ul>	<ul style="list-style-type: none"> <li>Build consumer-generated review content in managed, scalable and measurable way</li> <li>Partner with sampling campaigner in anticipation of all new product launches or innovation</li> <li>Sustain review generation during lifetime of product with recency / refresh campaigns</li> <li>Use analytics to identify gaps and conduct subsequent sampling campaigns to fill gap</li> <li>Participate in syndication program to distribute reviews across wide retailer network</li> </ul>	<ul style="list-style-type: none"> <li>Full-on systematic and purposeful ratings and reviews content plan as part of holistic eCommerce strategy</li> <li>Allow user-generated visual content, including photos and video reviews</li> </ul>
Review Count			
<ul style="list-style-type: none"> <li>Review count &gt; 0</li> </ul>	<ul style="list-style-type: none"> <li>Review count 35-50</li> </ul>	<ul style="list-style-type: none"> <li>Many reviews across entire product portfolio, load-balanced with regularly scheduled refresh / recency sampling campaigns for SEO optimization</li> <li>Benchmarking versus category or directly competitive items</li> </ul>	<ul style="list-style-type: none"> <li>Increasing focus on indicators of review quality like helpfulness, detail, and authenticity</li> </ul>
Negative Review Process			
<ul style="list-style-type: none"> <li>Do nothing / ignore</li> </ul>	<ul style="list-style-type: none"> <li>Occasionally monitor negative reviews</li> <li>Respond with identical, scripted reply to all negative feedback</li> <li>Work with sampling campaigners to 'drown out' negative reviews by ratcheting up positive ones</li> </ul>	<ul style="list-style-type: none"> <li>Partner with analytics company to monitor, detect and receive alerts when any negative review is left</li> <li>Use manufacturer credentialed account to craft customized responses on product review page</li> <li>Align with customer service team / PR agency to respond, accordingly</li> <li>View negative reviews as PR opportunity</li> </ul>	<ul style="list-style-type: none"> <li>Pass negative feedback through to R&amp;D and new product development teams</li> </ul>
Sentiment Analysis			
<ul style="list-style-type: none"> <li>None</li> </ul>	<ul style="list-style-type: none"> <li>Gauge sentiments as positive, negative, neutral</li> <li>Use simple keyword recognition to enhance SEO and keyword search results</li> </ul>	<ul style="list-style-type: none"> <li>Goes beyond simplistic keyword recognition to systematically identify and extract topics or themes within the review text</li> <li>Use keywords to develop pros / cons, helpfulness ratings, use cases that bubble up to top for sorting and filtering purposes</li> <li>Apply sentiment analysis to inspire overall messaging and marketing programs</li> </ul>	<ul style="list-style-type: none"> <li>Reverse engineer product attributes and features based on analysis of consumer feedback / sentiments</li> </ul>
Analytics			
<ul style="list-style-type: none"> <li>Review count</li> <li>Average star rating</li> </ul>	<ul style="list-style-type: none"> <li>Benchmark metrics against internal goals               <ul style="list-style-type: none"> <li>Review Count</li> <li>Average Star Rating</li> <li>Recency/Velocity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Benchmark all metrics not only against internal goals, but competition and best practices</li> <li>Negative review alerts</li> <li>Sentiment analysis</li> <li>Review quality</li> </ul>	<ul style="list-style-type: none"> <li>Emphasis on "quality" measurements as review count and star rating become ubiquitous</li> </ul>

## Conclusion

eCommerce and mobile have made ratings and reviews content incredibly accessible to consumers. Savvy shoppers increasingly look to ratings and reviews to get a true sense of what “real” people have experienced with a particular product, brand or retailer. **Having authentic reviews is fundamental.**

Ratings and reviews help bring the consumer voice to the purchase decision regardless where it’s made. Reviews have been found to drive traffic and conversion, lifting sales both online and offline.

It’s critical for brands and retailers to have a ratings and review content plan in place to cover new product launch, refresh reviews for “recency” and velocity purposes, and fill in gaps when review content, including review counts, fall below company goals.

Regularly monitoring the ratings and reviews KPIs and analytics, using sampling campaigns to bolster and refresh user-generated content, and adequately syndicating ratings and reviews across retailer networks are paramount to the eCommerce strategy of every brand and retailer.



## About the Author

**Keith Anderson is SVP, Strategy & Insights at Profitero**, where he helps global companies gain a deeper understanding of their online presence

to optimize online and in-store sales. Anderson has advised leading retailers and CPG companies including Walmart, Target, Best Buy, P&G, Unilever and Coca Cola.

## About Profitero

Profitero monitors what shoppers see and buy online, actively tracking more than 450 million products across 45 countries for retailers and consumer brands. Real-time eCommerce analytics, insights and strategic recommendations pinpoint how to improve daily performance across your sales channels. Our proprietary digital monitoring technology is uniquely combined with sales data, ensuring that you maintain or increase market share.



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