



Illustration by MIKEL CASAL

READING BETWEEN THE LINES

How to Make Online Reviews Work for You

By RAVI SHANMUGAM, MARIO CAPIZZANI,
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“One of the worst evenings out in a while,” began Sinsand, a Trip Advisor reviewer in his one-star rating of The Blade Bone Inn near Reading, England. His scathing review provoked a 1,000-word response from the restaurant owner, who accused the reviewer of trying to get freebies. The whole episode went viral and unleashed a wave of international media attention.

At stake was more than the beef rib and mashed potatoes in question; it was about the power that online reviewers – a group of average consumers and virtual strangers with until now unknown agendas – have to make or break a business.

Reputation, of course, is everything, espe-

cially in an online world. Here, word of mouth spreads like wildfire; with just one click, a rant or rave reaches an audience of thousands or even millions. While it takes more than one review to launch a business to success or trash it to oblivion, the impact of customer reviews cannot be shrugged off as irrelevant.

This article delves into the reviewsphere, and in particular the review site, Yelp, which has over 47 million reviews and counting of almost every type of local business, from restaurants to plumbers, in a growing number of national markets around the world.

Based on our studies of this and other such platforms, we have begun to build up a picture of who online reviewers are and what motivates them to write – which may not always be

Businesses need to get to grips with the reviewsphere, converting the review landscape into a goldmine of consumer information, rather than a minefield of mismanaged customer complaints.

for the pure joy of belonging to and giving back to the community.

Armed with a better understanding of how the reviewsphere works, businesses will be in a much better position not only to engage with these sites, but to reap the benefits of what is undoubtedly a growing global phenomenon that is here to stay.

Everyone's a Critic

In many ways, the reviewsphere is simply a new platform for an old phenomenon. Customers have always had ways to express their satisfaction or disappointment with a service rendered; and successful businesses have always sought new and better ways to capture information about their customers' experiences, and then improve their product or service offerings accordingly, in order to retain and grow their customer base.

The difference today lies in the scale, immediacy and ubiquity of customer feedback. In the past, a suggestion box was for your eyes only, and a known critic with an established voice was relatively easy to single out from the crowd.

Now, review sites and other online outlets give anyone a voice, but with a much broader

reach than that of a local newspaper. This sets the bar much higher than ever before for businesses, especially considering the permanence and persistence of any information held on a review site's database.

No business can afford to ignore the statistics. In a recent Havas PR survey of 10,219 adults in 31 countries, 38 percent of respondents said that a single negative comment can dissuade them from making a purchase online. Another PhoCusWright survey commissioned by Trip Advisor found more than half (53 percent) of respondents said they would not book a hotel that did not have any reviews on its site, and the vast majority (between 57 percent and 84 percent) agreed that seeing management responses to reviews, whether good or bad, influenced their likelihood of booking.

Our own research involving nearly 1,500 Yelp reviewers reveals that feedback systems – the customer's rating of how useful they found the review to be, among other factors – also influence the subsequent production of more online reviews. Potential future customers trust these online reviewers as a source of information and take heed of what they write.

For a business, getting to grips with the reviewsphere need not be as unwieldy as it seems. It starts by understanding the reviewers, and then tuning in to what they are saying about you, so that you convert the review landscape into a goldmine of consumer information, rather than a minefield of mismanaged customer complaints.

Know Your Reviewers

What makes online reviewers tick? Think about it: why would an ordinary consumer bother to sit down and spend time writing fairly lengthy texts, hundreds of words long, on an ongoing basis for review sites such as Yelp, without receiving financial compensation or any other tangible rewards? Indeed, none of these reviewers enjoys privileged access: a consumer who labors for hours to produce hundreds of reviews has the same level of access as any other consumer who only ever posts one review.

■ EXECUTIVE SUMMARY

This article delves into the reviewsphere, and in particular the review site, Yelp. Based on the authors' studies of this and other such platforms, they build up a picture of who online reviewers are and what motivates them to write.

They observe certain status-seeking behavior on the part of some online reviewers – people who desire an audience, a readership, a public. This represents an emergent property of consumer behavior

in an online world, and one that is bound to become more pervasive.

As such, businesses need to find ways to engage with this new breed of not-so-ordinary consumer. Armed with this understanding of how the reviewsphere works, businesses will be in a much better position not only to engage with these sites, but to reap the benefits of what is undoubtedly a growing global phenomenon that is here to stay.

Some say it derives from the free, open, democratic nature of the Internet, whose sharing economy encourages altruistic behavior, whereby the very act of writing and publishing a review for the greater good of the World Wide Web community is reward in itself.

However, our research of Yelp reviewers revealed another dynamic at play: a need for an audience.

The occasional post to a mass audience of anonymous strangers is one thing, but to make a regular practice of publishing reviews

is taking it a step farther: it is to claim the role of author, someone who desires an audience, a readership, a public. Whether we label this “the megaphone effect” or “the need to publish,” we observe certain status-seeking behavior on the part of some online reviewers (see sidebar).

Unlike blogs, where no audience is guaranteed, and posts on Facebook, whose audience is limited to one’s social circle, online reviews promise a mass audience of consumers. This represents an emergent property of consumer behavior in an online world, and one that is bound to become more pervasive.

As such, businesses need to find ways to engage with this new breed of not-so-ordinary consumer. The following tips will help you to relate to these self-appointed taste leaders who hold sway over attentive masses looking for guidance to make informed purchases.

■ The Megaphone Effect

How the Internet is changing the rules of the game.

The Internet has been a catalyst for many new social phenomena. Among them is “the megaphone effect,” whereby anyone with a computer or mobile device is able to broadcast his or her opinions to the world.

This subverts many traditional models. There no longer need to be editorial filters before publishing; you simply publish, then edit. You do not need to obtain official credentials to become a critic; anyone’s opinion is worthy and becomes legitimized by the size of its following. Word of mouth used to be bounded by one-to-one conversations with a closed circle of personal contacts; now you can reach a mass audience of strangers.

Online platforms of expression such as YouTube and review sites represent a new form of publication or broadcasting. Legitimacy comes via the support received on the site where the content is posted. And better than traditional word-of-mouth conversations, these sites leave a persistent archival trace for others to follow.

A Yelp member can post hundreds of restaurant reviews, receive thousands of compliments and acquire a readership of tens of thousands without ever having owned a restaurant, worked for a food publication or been a chef. Our studies of these reviewers reveal them to be omni-communicators who seek to publish their written self-expression in any forum that will take it. This makes them significantly more likely to report maintaining a blog, writing for newsletters, participating in discussion forums or posting videos on YouTube.

At the same time, ordinary consumers are looking for guidance to make decisions and filter ever-increasing choices. As advertisers are not seen as objective, consumers turn to reviewers, whom they regard as more authentic sources, to assist in their decision-making process. In this way, the Internet serves as the perfect matchmaker, giving reviewers the megaphone they desire to speak more loudly to a willing and receptive audience.

DON'T TURN YOUR BACK. You may never know the true motives of the people writing reviews of your business, but the good news is that, by posting them in a public forum, at least they are not talking about you behind your back – so it is best not to turn your back on them. You now have the perfect opportunity to respond.

Even the irate owner of The Blade Bone Inn acknowledged in his reply, “I am a believer that these sites offer a communal platform to share experiences on, that enable us all to eat, drink and sleep better, and that can’t be a bad thing. Alas, we can never please 100 percent of people 100 percent of the time, no matter how hard we try, but we never stop trying.”

You should always stay on top of who is saying what about you online. Take it as immediate feedback, and consider whether it is appropriate to modify or improve your business, product or service offerings accordingly.

ENCOURAGE CUSTOMER REVIEWS. The most popular restaurants in San Francisco, for example, have 1,000 or more Yelp reviews. Review site activity has, in fact, become a barometer of buzz. And buzz begets more buzz: the most reviewed restaurants attract additional reviews from individuals looking to establish their own online credibility as an expert or critic. Use this phenomenon by making sure that reviewers are talking about your business and spreading the word.

CO-OPT VS. CONFRONT. Ultimately, all businesses strive for online praise. Yet negative reviews will be inevitable, so learn to manage and

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address them appropriately. Some will be legitimate complaints that you must acknowledge and remedy; others will be individuals who need to rant for ranting's sake. It is not always clear which is which, nor how best to handle them.

Sometimes it is best to address unhappy customers online, and others offline. In many situations, responding both online and offline is most effective. A brief online response achieves two purposes: it allows you to address the reviewer's concerns, so that he or she doesn't feel ignored, while inviting him or her to discuss the issue further offline; it also demonstrates to all other readers that you do take customer feedback seriously.

Never request that a reviewer take down a complaint. Avoid engaging in heated public debates with *trolls* – people who deliberately use inflammatory or provocative language to pick fights, go off topic or stir up trouble. This goes nowhere – except viral, in the worst way possible. There are enough notorious cases out there of businesses that have taken the bait, so best not to become one more casualty.

Instead of confronting bad reviewers, take the opportunity to improve your service or product offering. Afterwards, you can encourage them to write new reviews based on the follow-up experience. This is something that a reviewer with a need for an audience is likely to want to do anyway.

GIVE THEM SOMETHING TO TALK ABOUT. Giving the reviewer something positive to write about will shift the buzz and keep it going in desired directions. As more positive reviews come in – not only from the troll whom you have hopefully converted into a happy return customer, but also from new or other return customers who are responding to the improvements in service – the negative reviews will eventually get buried.

The goal, of course, is not to convince the reviewer to remove the critical review or to buy them off: both are grounds for reviewer expulsion under Yelp's and other sites' terms

of service, with serious repercussions for businesses. Instead, the idea is to present reviewers with another excuse to publish, which is an overriding motivation for many of them, as our research discovered.

IDENTIFY THE NOTEWORTHY RANTS & RAVES. On Yelp, as in many other spheres, we observe that the Pareto principle, or 80/20 rule, applies. Approximately 20 percent of the reviewers are writing 80 percent of the reviews – hundreds, perhaps thousands, of reviews, offering readers advice and insights for free.

Based on what we have learned about their motivations, Yelp's most prolific contributors are generally not ranting, and if they do, it happens relatively infrequently. In fact, they typically give three to four out of five stars.

Before taking too much umbrage over a one-star review, businesses need to consider the source: was it a one-off comment written by one of the amorphous 80 percent, who just wants to blow off steam and offers no specifics or little by way of sharing?

From a market research standpoint, nuanced feedback is much more useful. Also, if the rant or rave has been written by one of the most frequent contributors to a site, with a wide following and big audience, it merits closer attention for highlighting what you are doing well or what you need to address urgently.

Managing Review Sites

What we found out about reviewers and their motivations yields useful lessons not just for businesses that are the object of reviews, but also for review sites and online retailers that include reviews as part of their own sites.

These online businesses are actually the ones handing consumers the megaphone to broadcast their opinions to a larger audience. For them, understanding how to harness reviewer motivation and keep them engaged with their online audience is essential for the design of review systems and their sustainability.

GIVE FEEDBACK. Feedback for reviewers – in

Understanding and feeding reviewers' appetite for an audience can help sites find new ways to keep frequent reviewers partaking of their offerings. Review sites might want to provide readership statistics.

other words, a review of the reviewer – is vital. Yelp asks users, “Was this review useful, funny or cool?” while Amazon and Trip Advisor ask, “Was this review helpful?”

Although these feedback systems have limitations, in our research we found that they are key to incentivizing novice reviewers to continue producing reviews. Sites or retailers without feedback systems should take note: a novice might turn into a regular on your site, but he or she needs a bit of prodding. Sites that already have this feature in place can strengthen its usefulness by encouraging members to give feedback widely and often.

STRENGTHEN LOYALTY. Just as it is more cost-effective to retain existing customers than acquire new ones, the most obvious way for a hosting site to maximize its volume of reviews is to retain and encourage existing reviewers. So, while a general feedback system is neces-

sary to hook novices and encourage them to return, honors systems that assign special status to top reviewers are important for keeping your most prolific writers producing an ongoing stream of content for readers.

Yelp's Elite Squad – with the slogan, “It's neat to be elite” – makes reviewers feel part of the in-crowd, bringing them together in “epic parties” and designating them with a shiny Elite badge on their account profile. The squad is “our way of recognizing and rewarding yelpers who are active evangelists and role models,” states Yelp. Selection is based on well-written reviews that pass Yelp's algorithm for authenticity, and reviewers must have well-developed personal profiles, offer mobile tips, and actively participate in voting and complimenting.

On Trip Advisor, reviewers can ascend the ranks the more they write, earning badges such as Senior Reviewer, Contributor, Senior Contributor and Top Contributor.

Honors systems like these provide reviewers with affirmation, praise and appreciation, which help to keep them coming back to your site for more.

PROVIDE READERSHIP STATS. As useful as feedback mechanisms are for encouraging the top 20 percent, as our research indicates, more is needed – namely, feeding reviewers' appetite for an audience. Understanding this basic truth can help sites find new ways to keep frequent reviewers partaking of their offerings.

Many sites provide a profile page on each reviewer. However, this is a far more practical feature for the businesses that are the object of reviews – to find out more about the customers who are commenting on their products or services – than it is for the reviewers themselves. What reviewers really want to know is how many clicks their reviews are getting, which is an indication to them of how big their audience is.

Given this, just enabling readers to vote on the usefulness or helpfulness of a review is a weak proxy for the size of the audience. For this reason, review sites might also want to

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Who Is Saying What About You Online?

EXHIBIT 1

CONVERT THE REVIEWSPIHERE INTO A GOLDMINE OF CONSUMER INFORMATION & ACTION.



John Doe
New York, NY
Elite '14



2990 FRIENDS
812 REVIEWS

More Than Meats the Eye*

\$\$\$\$ Steaks, Seafood

■ Use honors or badging system to assign special status to top reviewers

■ How do you want to respond? Admit fault? Challenge unfair comments? In any case, be sure to:

- Address the reviewer's concerns.
- Invite him to discuss the issue further offline.
- Demonstrate that you take customer feedback seriously, and present him with another excuse to publish.

■ Feedback mechanisms incentivize reviewers to keep producing. But besides the basic ones, consider providing readership stats, so that contributors have some notion of the size of the audience they are reaching – for that is what interests them.

■ A converted digital evangelist like this can go a long way toward boosting the bottom line.



I was not impressed. Despite calling ahead and requesting a quiet table in the corner, we were seated by the door, which was drafty. The service was slow, and our food was cold when it finally did arrive. They were out of my first choice of appetizer – the scallops – despite the fact that they advertise them in the window as “the best in town.” I ordered my steak medium-rare and it came well-done, like shoe leather. The waiter offered us free dessert, but as we were already so disappointed with the food, we said no. To top matters off, when we went to pay, even the credit card machine didn't work, so I had to find an ATM to pay with cash. Despite the good reviews I've read, More Than Meats the Eye certainly lived up to its name – but for all the wrong reasons.



Was this review useful?



Share Review



Send Message



Follow John Doe

Updated Review



My wife and I returned to More Than Meats the Eye, and this time we can honestly say it lived up to its hype. Whatever teething problems they had before seem to have been ironed out, as our steaks were cooked to perfection, and we can vouch that the scallops are indeed “the best in town.” The service was impeccable, and the free homemade chocolate truffles were a nice touch at the end of a perfect evening!

* Fictional case

■ Consider the source: is this a one-off comment written by someone who just wants to blow off steam, or does he have a wider following and a bigger audience?

■ Indicates huge potential for buzz

■ Got a bad review? Consider whether any of the criticisms merit deeper reflection, and whether it is appropriate to modify or improve your business, product or service offerings accordingly.

NEVER...

- Demand that a reviewer or site take down a critical review.
- Pay people to write loads of glowing reviews of your business.
- Lose your temper. The fallout usually goes viral and not in your favor.
- Solicit good reviews. This is a fine line. Yelp's guidelines put it this way: blatantly asking a customer to write a review about you is “bad” while saying “Check us out on Yelp!” is “good.” Guaranteeing the reviewer better service next time gives him a perfect excuse to write a new review based on the follow-up experience – and if you've done your job, the new review should be better anyway, without having to beg special favors.

Rewarding the consumers behind the reviews may yield a wealth of new information. By harnessing their power and influence, you could boost business revenue more than you ever thought possible.

include mechanisms providing readership statistics, so that contributors have some notion of how many people they are reaching. Social media sites such as Facebook already generate weekly reports of this nature for companies. By implementing something similar, review sites might find they can stimulate reviewers' need for an audience, and thereby encourage further output from them.

Providing more detailed readership information also helps reviewers make closer connections with their audience. The important thing is not to wait but to offer something that makes your site attractive to reviewers. If not, all the traffic will simply go to Amazon or Yelp where reviewers can be assured of a large audience.

OFFER REWARDS. Another way of leveraging the need for an audience would be to find out who your vocal 20 percent are, and then cater specifically to them, offering them different kinds of rewards for review production. Some sites have begun experimenting with this. Amazon Vine, for example, rewards its top, most-trusted reviewers by giving them free merchandise for review.

Amazon spokesperson Julie Law explained the rationale behind the Vine program to National Public Radio: it is designed to address certain challenges in customer reviews. For example, a poor experience with shipping may taint a customer experience, such that their review may be more a reflection of that than the quality or merits of the product itself. Giving a select group of reviewers the merchandise and asking them to review it keeps the focus on the product, she said.

Looking beyond the reviewsphere, the *Financial Times*, for instance, features a list of the "Best comments from our readers" on its home page. This simple feature could be transferred to review sites.

Rewarding the consumers behind the reviews may yield a wealth of new information about your product or service offerings that you hadn't even considered before. Just by

harnessing the power of your reviewers and their influence over others' decision-making, you could boost business revenue more than you ever thought possible.

ENCOURAGE NICHEs. Frequent reviewers may carve out a specific niche for themselves based on their particular experiences and interests – whether adventure tourism, vegan restaurants or pet-friendly hotels. Including a specialist component may add value to your site. So, in addition to voting on the usefulness or helpfulness of a review, consider providing a facility whereby readers can rank reviewers based on their expertise.

Trip Advisor, for example, designates Destination Experts. It also allows users to search for Travel Inspiration based on Adventure, Beaches, Family Fun, History & Culture, Romance, Shopping, Skiing and the like. Aligning expert reviewers with such categories may help consumers to filter their choices – and in this age of big data, filtering is an indispensable tool for businesses to match consumers with similar tastes and interests, and then make more accurate recommendations according to their expressed preferences.

Separating the Wheat From the Chaff

Many businesses – especially those new to the reviewsphere – might be apprehensive about how online reviews will affect their prospects. Understandably, many companies resist entering the fray, especially as there are lively, unresolved debates about the accuracy, objectivity, authenticity and legitimacy of these reviews. Throughout it all, businesses must measure the impact of their involvement against the bottom line.

Several recent high-profile cases have cast a shadow over the reviewsphere. In September 2013, the New York State Attorney General announced that it had busted 19 companies after a year-long sting operation that uncovered they were writing or commissioning fake online reviews.

Online reviews give businesses one more reason to hold their breath. But there is much more to gain than lose when businesses manage their online review presence with understanding.

In January 2014, a Virginia Court of Appeals ruled that the identities of seven anonymous authors who posted negative reviews of a local carpet-cleaning company had to be revealed, as it appeared that the allegations made in the reviews were false, and that none of the reviewers was ever actually a customer but was perhaps a rival business trying to trash the competition.

Sites have introduced ways of filtering out the bad apples. Expedia, for example, checks reviewers' statements against credit card receipts to verify that these experiences conceivably happened.

But if you are wary, you might consider doing what several hotel and resort chains are doing: many are streaming Trip Advisor reviews directly into their own websites, which gives them a greater degree of control over which reviews to include, not necessarily to cream off only the positive comments, but to weed out the fake ones.

Starwood has taken it a step farther: it opted to develop its own reviews and ratings system, requiring that reviewers enter their reservation name or loyalty program number before posting a review on its site, in order to make sure that only verified guests are leaving comments.

Certainly, online reviews give businesses one more reason to hold their breath, as their activities are placed under broad, public scrutiny in ways unimaginable just a few short years ago.

Even so, online reviews enable businesses to aggregate experiences and expertise, simplifying prospective customer decision-making. Viewed this way, there is much more to gain than to lose, especially when businesses manage their online review presence with understanding.

Michael Schrage, of MIT Sloan School's Center for Digital Business, recently wrote about the case of a travel services giant that, in less than two years, generated "several million dollars of additional top-line revenue" just by "analyzing the overlaps and intersections between its best customers and social media and

web comments about the company's service."

By incentivizing just a few hundred digital evangelists who had sufficient virtual presence to be influencers, the company was able to achieve more than it ever could by focusing on the thousands of people traditionally regarded as loyal customers, Schrage wrote.

Perhaps the need for an audience has always been there. Now that the Internet has unleashed it, companies need to learn how to embrace it and harness it to their benefit. □

■ TO KNOW MORE

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