The Strategic Use of Consumer Ratings and Reviews

This white paper discusses the benefits that can accrue from adding a social layer to your existing information content through the strategic use of user generated content (UGC) in the form of consumer ratings and reviews, particularly those which can be accessed through a mobile device. Additionally, this paper will describe problems to avoid as well best practices when hosting consumer-supplied ratings and reviews.

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In this White Paper:

▸ Background on the growing role of ratings and reviews as a component of commercial data products

▸ Case studies of three companies with highly varied approaches to ratings and reviews

▸ Recommended best practices for building successful ratings and reviews content

Defining Consumer Ratings and Reviews

Social media is an umbrella term that describes the many ways that consumers can engage in structured interactions online. User-generated content, itself an umbrella term, is a form of social media where consumers voluntarily supply information (often in a structured data format) for the benefit of others. Some very substantial information companies (e.g. Wikipedia, LinkedIn and Jigsaw) have been built entirely from user-generated content.

Consumer ratings and reviews represent a specific type of consumer-generated content that are exactly what their names suggests: consumer numeric ratings and/or textual commentary on businesses, organizations, individuals, products and services. Some very substantial information companies have also been built in large part, if not entirely, on extensive pools of consumers reviews and ratings. These include TripAdvisor, Yelp and Angie's List.

For convenience, this paper will refer to ratings and reviews simply as "reviews," distinguishing between ratings (consumer-supplied scores in the form of numbers, stars, etc.) and reviews (free-form, test-based commentary) only where a distinction is required. We will also refer to consumers of reviews as "consumers" even though we have been careful to address both business-to-business as well as business-to-consumer review sites.

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The Importance of Reviews

As noted above, entire businesses can be built on consumer reviews. More commonly however, publishers seek consumer reviews to augment an existing base of content. Why would publishers want to marry their expensively produced professional content with informal, typically anonymous and difficult-to-police consumer-supplied reviews? There are a number of reasons:

▸ Reviews are a very attractive form of site content from the consumer perspective, and consumers particularly value reviews when provided in a transactional context

▸ Reviews provide deep, high perceived value content at no cost to the publisher

▸ Reviews provide strong search engine optimization (SEO) benefit and yield improved search engine results rankings

▸ A large base of reviews builds credibility in the overall site in the eyes of consumers, and can demonstrate strong consumer engagement with the site to prospective advertisers

More fundamentally, reviews represent a perfect example in the near-total shift in market power from business to consumers. Prior to the Internet, there were comparatively few sources of information (think magazines and television as examples), and these media tended to be advertiser-supported, giving businesses strong influence over what information was communicated.

The Internet democratized the flow of information with a low-cost global distribution platform. Individuals and businesses can now source merchandise globally. Comparative pricing information is now only a few clicks away, forcing businesses to compete on price more so than ever before. And the Internet also enables buyers to organize and amplify their opinions about sellers and their products and services through reviews, creating a powerful tool that can and has forced companies to change policies, discontinue products, change pricing and even close their doors permanently. This is a critical point for information publishers to understand. Reviews are no longer a novelty or convenience. They are increasingly a consumer expectation, and are emblematic of the lopsided shift in market power in favor of buyers over sellers. We should also emphasize that reviews are a blunt instrument often wielded as a weapon by buyers. As online reviews have evolved, they tend to be unfair to sellers, making them very disruptive to many online business models. Publishers are increasingly forced to choose between offering reviews in order to satisfy consumers at the

risk of offending their advertisers. That's why we see as many publishers reluctantly adopting reviews as embracing them. The trend, however, seems clear: in the online world, buyers rule, and buyers strongly value reviews, and gravitate to sites that offer them. Consequently, both publishers and sellers are being forced to adjust to this often uncomfortable new market reality.

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How Reviews Shape the Buying Process

People are more likely to trust a tip from a friend and even a stranger than a product or service provider's marketing message. That's why reviews have considerable power over customer behavior and statistics bear this out. A 2010 Forrester research survey shows that about half of US online men and 42% of female Internet consumers are using some form of reviews at least monthly.[1] Forrester's data also show that more than half of the consumers who check ratings and reviews use them to help them make decisions on big ticket items like cars or home electronics or appliances. Websites like Yelp and Angie's List help consumers evaluate complex decisions about hiring service providers – from landscapers to physicians.

Reviews are becoming more common in the business world as well. A number of factors have inhibited the growth of business-to-business reviews, however, including:

▶ Liability issues, or at least the perception of liability, tends to discourage businesspeople from posting their opinions about other companies and their products and services

▶ Businesspeople are increasingly time-challenged, and with no financial reward or benefit for reviewing something, submitting reviews gets assigned a very low priority

▶ Business media companies are still largely advertising-driven publishers undergoing a period of wrenching business transformation, leaving them with little appetite to explore new content that might potentially offend their advertisers

Business-to-business reviews have a distinct asymmetric quality in that while businesses are eager to read reviews to take advantage of their insights, there is no great incentive, and indeed potential risk, to writing reviews. That adds another layer of complexity to building a business-to-business reviews site. Given their near-ubiquity on the consumer side, however, we expect increased activity in the area of business-to-business reviews. Businesses are made up of individuals and if those individuals become accustomed to relying on reviews in their private lives, they will certainly gravitate towards sites offering reviews to assist them in their professional lives. This creates opportunity for existing publishers and entrepreneurs to find a path to accelerate the growth of business-to-business reviews.

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Reviews Are Word of Mouth Advertising

The value of word-of-mouth advertising is well understood: there is almost nothing as powerful as the recommendation of a relative or friend. Reviews, especially since most are posted anonymously, are hardly the equivalent of a friend's direct recommendation, but they are arguably the next best thing.

In-depth individual reviews provide enough context and specificity for the buyer to build a level of trust in the reviewer. And at the aggregate level, the buyer benefits from the so-called "wisdom of crowds," learning how a large community of reviewers feel about a product or a business. Thus, it is wise to think of online reviews as having most, if not all, of the power of traditional word-of-mouth advertising.

According to *Social Commerce Today*,[2] "Word of mouth advocacy is valuable to businesses because it has a clear commercial effect; it can drive sales;[3] it can contribute up to 40% of the lifetime value of a customer;[4] it can increase advertising effectiveness,[5] it can change brand attitudes and is nine times more powerful at doing so than [stand-alone] advertising,[6] It can sharpen purchase intention[7] and it can stimulate brand loyalty by reducing post-purchase cognitive dissonance."[8]

Reviews in a mobile environment

We believe the future of reviews is both online and in the mobile environment. Reviews are becoming as much a part of customer purchasing behavior as carrying a wallet. Nearly every online retailer displays some form of reviews generated by site consumers. In fact, reviews are as mobile as a wallet. Mobile apps are increasingly used for shopping and displaying reviews. According to Forrester, 6% of cell phone owners have used a shopping application. Dedicated shopping applications that allow consumers to research and purchase products directly from their phones drive uptake and usage.[9] Apps are now available which allow consumers to scan a barcode and return customer reviews right at the point of purchase. Shoppers are also using mobile devices for research and information while shopping in stores. According to the 2011 Social Commerce Study, a joint research project by Shop.org, ComScore and Social Shopping Labs.,

[1] Reineke Reitsma. "The Data Digest: How Consumers Use Ratings and Reviews", Forrester.com, (July 16, 2010)

[2] Reichheld, Frederick, "The One Number You Need To Grow," *Harvard Business Review*, 81, 46-54, (December, 2003)

[3] Reichheld, Frederick (2003), "The One Number You Need To Grow," *Harvard Business Review*, 81 (December), 46-54.

[4] Wangenheim, Florian v. and Tomás Bayón, "The Chain from Customer Satisfaction via Word-of-Mouth Referrals to New Customer Acquisition," *Journal of the Academy of Marketing Science*, 35 (2), 233-49, (2007)

[5] Hogan, John E., Katherine N. Lemon, and Barak Libai, "Quantifying the Ripple: Word- of-Mouth and Advertising Effectiveness," *Journal Of Advertising Research*, 44 (September), 271-80, (2004)

[6] Day, George, "Attitude Change, Media and Word of Mouth," *Journal of Advertising Research*, 11 (6), 31-40, (1971)

[7] Charlett, D. & Garland. R., "How Damaging is Negative Word of Mouth?" *Marketing Bulletin*, Vol. 6, pgs 1-9, (1995)

[8] Festinger, Leon, *A Theory of Cognitive Dissonance*. Stanford, CA: Stanford University Press, (1957)

[9] Reineke Reitsma, "The Data Digest: Are Consumers Using Their Mobiles To Shop?", Forrester.com, (May 27, 2011)

nearly half of consumers have accessed customer reviews in store using mobile devices. [10]

Case Studies

To demonstrate some of these ideas in action, consider the strategies employed by Yelp, Angie's List and Zagat.

Yelp

Yelp was launched in early 2005 with a focus on providing a platform for consumers to provide reviews of local businesses at no cost to the consumer. Yelp reported more than 50 million monthly consumers and 17 million reviews in March 2011 according to its internal traffic statistics. It covers United States, Canada, the UK, Ireland, France, Germany, Austria and the Netherlands and was moving into Spain at the writing of this paper. ComScore shows 87 percent growth in non-U.S. unique visitors over the past year.

Yelp's easy-to-use interface is accessible from a desktop or a mobile device. Additionally, from its beginning, Yelp understood that forging an authentic community would be the key to its ability to dominate the market.

It is useful to examine the process by which Yelp enters a new geographic market. First, it establishes skeleton listings for all businesses in the geography. This gives the site immediate base utility along the lines of local yellow pages, while simultaneously making it easier for consumers to attach reviews. To generate additional content, free listings are provided for local business owners. Business owners simply claim their skeleton listings, and then are able to correct and enhance the information.

Yelp seeds its reviews in new markets by hiring Community Managers. According to the current listings on Yelp's careers page, Community Managers are responsible for "writing inspiring reviews daily, as well as persuasive pitches to venue owners and marketing partners" in the community.

To further grow the base of reviews in a market – essential to getting consumer engagement and market traction – Yelp cultivates an unpaid review force – evangelists for Yelp. Yelp rewards its "most passionate Yelpers" for their "Yelpitude" – in the Yelp vernacular – by appointing them to the Yelp Elite Squad. A Yelp Elite member is selected by Yelp and awarded with a "badge" to include with communication they share through Yelp and are invited to exclusive Yelp-hosted events. Yelp Elites are expected to write – in quantity – engaging, thoughtful reviews and are required to post a profile with their pictures and real names.

Through a partnership with Facebook, Yelp seeks not only to drive usage growth virally, but also taps into the so-called "social graph" by connecting consumers to the reviews of their friends, elevating reviews to true word-of-mouth advertising, and increasing their value and influence as well.

Yelp generates revenue by selling advertising on its site, primarily to the local businesses listed on its site, largely via telemarketing. While Yelp has certainly been successful with this approach, it's an often challenging model because – as with many review-driven sites – many prospective advertisers have no interest in advertising on a site where negative reviews are being posted about them. Some prospects are simply angry at Yelp, unable to separate the site owner from the reviews being posted by site consumers. And as advertising proliferates throughout the site, consumers may begin to question if the site is still completely unbiased, and this can compromise their trust. It is also important to note that Yelp has long maintained an aggressive pro-consumer bias – an unusually strident stance for a company seeking to sell advertising to businesses. [11] When asked by *The New York Times* in March 2010 if he has a public relations problem among business owners, Yelp's Co-founder and CEO Jeremy Stoppelman said, "There's simply anger over the accountability that Yelp brings and also this feeling of powerlessness because so much power is now being put in the hands of the consumer. But

the important thing that gets lost with some of these business owners who are very upset with us is it's the whole picture that counts. Focusing on that one review you feel is unfair misses the value, which is the whole symphony of opinions you get on your page."[12]

Angie's List

Angie's List provides contact information and reviews for local retail and service providers including anything from electricians to dentists. Started in 1995, it has grown to include a community of over one million members. Angie's List generates revenue through advertising and memberships. Members pay a fee – which varies by city based on market penetration – allowing them to view listings and write reviews. This membership fee-driven model is extremely uncommon for review sites, but this does work to powerfully eliminate issues around potential bias. According to a *Subscription Site Insider* case study, "[t]he brand itself is transparent regarding its relations with vendors by publishing its vendor advertising rules on the site's FAQ section and in each issue of the print magazines. The site is very careful to appear publicly to be nearly entirely member-supported, yet we suspect its revenues from vendors could equal as much as half of its revenues."[13]

Angie's List maintains that its ratings and reviews are more reliable since they are being provided by members and only to other members. Members rate businesses on a numeric scale and also include textual comments about experiences. Overall, Angie's List works hard to build an atmosphere of community among its membership – everyone is contributing for the common good. By the standards of most review sites, Angie's List sets a remarkably high bar for itself.

Angie's List is available as a mobile app which allows members to search for ratings and reviews. In addition, Angie's List provides a variety of services for vendors including forms to solicit reviews as well as web design services and the ability to place

[10] Paul Marsden, "Speed Summary", *Social Commerce Survey*, (2011)

[11] Claire Cain Miller, "The Review Site Yelp Draws Some Outcries of Its Own," *The New York Times*, (March 2, 2009)

[12] Kermit Pattison, "Talking to the Chief of Yelp, the Site Businesses Love to Hate," *The New York Times*, (March 24, 2010)

[13] "Inside Angie's List with Co-Founder and CMO Angie Hicks," *The Subscription Insider* (2011)

online coupons on Angie's List "storefront" product. Vendors and members alike are incented to help Angie's List grow. Vendors are offered special, always-free memberships so they can see reviews posted about them; and they are encouraged to submit customer names for the site's outreach campaigns. The site rewards reviewers who review often. Last year they gave away iPod shuffles to people who submitted more than eight reviews and members who refer new members get a bag of M&Ms.

With respect to anonymity, Angie's List advertises "No anonymous reviews." However, "[Angie's List] does not publish a member reviewer's name next to their comments," a company representative explained. "The only ones who would be able to see who posted what review are the service providers themselves. If they went in to check their reviews, then they would see that you posted the review and that is how we keep [it] honest to make sure no one is lying about work done and that kind of thing. 'No anonymous reviews' means that we are able to verify that you are a real person and that a service provider actually did do work for you." In other words, this means reviewers are only anonymous to other members, it does not mean a reviewer is anonymous to service providers – in stark contrast to Yelp's approach.

The Angie's List business model is straightforward: it sells memberships that provide access to its base of reviews. These reviews, in turn, can only be submitted by members, as a way to insure quality and build a sense of community and mutual responsibility among the membership. As described above, Angie's List does sell coupons and other promotional services to businesses that are rated by its members. To sidestep potential issues of credibility and bias, Angie's List will only sell to businesses that are highly rated by its members.

Zagat

Zagat, which bills itself as the original provider of consumer-generated content, started in the 1970s as print product containing restaurant reviews. Over the past 30 years, Zagat has evolved into an online forum and mobile app for over 375,000 "surveyors" around the world. Reviews are presented as numerical ratings and as textual reviews. It is useful to note that Zagat has long published curated textual commentary; stringing together snippets of textual reviews it receives to form a composite sense of the restaurant. This was originally done due to limited space in its print editions, but has always provided Zagat with a distinctive, concise and thus differentiated approach to reviews.

Also worth noting is that as Zagat evolved its products to meet the needs of its markets, it faced a problem many information publishers face for hiding too much valuable content – particularly its ratings – behind a paywall.[14] Because it kept content behind the firewall, search engines rankings tended to display Zagat content lower on search results pages and Zagat.com missed the opportunity to attract site traffic that could be converted to paid subscriptions. Over a comparable period of time, (Sept 2010) Zagat.com had 570,000 unique domestic Web visitors in September, according to the Nielsen Company, versus 9.4 million for Yelp.

In response to these trends and in an effort to increase its presence and utility, the Zagat website added more free content and a more social aspect to its review system. While the content based on its proprietary 30-point scale remains behind its firewall, visitors to Zagat.com can now see what percentage of reviewers rate an establishment favorably. Zagat has also launched a mobile product and added features to help consumers find nearby restaurants, advanced search capabilities, top rated lists and the ability to make reservations. Additionally, and similar to Yelp, Zagat reviewers can now create enhanced profiles and earn "badges" for frequent or particularly insightful reviews, and unless the consumer has opted to remain private, quotes from reviews are linked to member profiles.

"Full membership" to the website is $24.95 which auto-renews yearly. The mobile product is a bargain at around $10 and contains the same access to all the information as the web product (all the cities available, and all content available) but is still not the bargain Yelp is at a charge of $0 for a download. Like Yelp, Zagat incents consumers with deals. While Yelp posts coupons from advertisers, Zagat offers free books, 90 day subscriptions and a chance to win money for reviews to build its database of reviews.[15]

Overall, Zagat's model is something of a middle road, staking out the space between Yelp and Angie's List by being neither completely free nor completely behind a pay wall.

Traction and Community

For the vast majority of sites with reviews, getting market traction is very difficult. Adding a reviews module to your website is a starting point, not an ending point. The companies highlighted in the case studies in this paper work relentlessly to attract a volume of high quality reviews, as do most other successful reviews publishers. Yes, there are some examples of reviews sites that seemed to grow massively and of their own accord. But we would argue these are isolated "right time, right place" examples, and for you to depend strictly on organic growth in the number of reviews on your site is a mistake.

For the vast majority of sites with reviews, getting market traction is very difficult. Adding a reviews module to your website is a starting point, not an ending point.

Reviews beget reviews, so a strategy for seeding your reviews is essential. You can, for example, ask listed businesses to encourage their own customers to submit reviews. As the number of reviews on your site grows, consumer interest will grow, as will their influence, which in turn makes listed businesses more conscious of their reviews. That's when the magic happens. But you need mechanisms in place to get the ball rolling and build awareness, reviews volume and market traction.

The key is whether or not you have a true community, an expression of which is engagement with

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14 Ron Lieber, "Zagat Survey Aims to Regain Its Online Balance," *The New York Times*, (November 13, 2010)

15 "Be a Zagat Reviewer, Get a Free Book", *Chicago Tribune*, (January, 2010)

your site. Few sites have a true community and the weaker the consumer engagement with your site, the harder you will have to work to grow the base of reviews.

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And while the volume of reviews is important, an exclusive focus on volume is dangerous, because growth always comes at the expense of quality. Vague and incoherent reviews, personal attacks and even spam are possible if you don't set standards for your reviews and actively police what is going online.

Gaming the System

The issue of business owners and others submitting fake positive reviews or competitors submitting fake negative reviews has been and remains a problem for review publishers. In addition, there are online services of questionable legality that charge literally pennies for micro-tasks like writing positive reviews that are designed to shape the way a company is perceived online.[16] Further, a new class of business called reputation management companies engage in painstaking work to track down all press about a client, and then employ a variety of methods to maximize the positive and minimize the negative. While reputation management companies can't legally compel a site owner to remove negative reviews, it is possible to obscure negative reviews by either creating positive stories which garner top placement on search engine or weigh an overall ranking or profile of a business favorably.

As increasingly aggressive techniques are employed to influence online reviews, consumers of review sites can become suspicious of reviews generally, which certainly impacts their power and utility. In addition to the specific approach Angie's List takes described above, what we are seeing among some reviews publishers is a move to validate the consumer by requiring proof they actually are customers

of the business they are reviewing.[17] Most reviews publishers are holding back on this seemingly smart move, however, for fear it will significantly reduce the number of overall reviews posted.

Distribution of Ratings

The majority of ratings published on websites are positive. About a year ago Yelp analyzed its data and found[18] that a majority of its reviewers – 66% – rated a product or service 4 or 5 stars. *The Journal of General Internal Medicine*,[19] published research that showed a similar trend. Researchers evaluated ratings or reviews of 300 Boston practitioners across 33 rating sites, including Angie's List. One-hundred ninety reviews for 81 physicians were analyzed for the study. Most reviews were positive (88%). Six percent were negative, and 6% were neutral. One in six physicians received a textual review. Among those textual reviews, 89 percent were positive and only 11 percent negative. The research authors also noted they were skeptical of some reviews and noted several narrative reviews that appeared to be written by the physicians themselves. Across all its US clients, a company called Bazaarvoice reports 80% of product ratings are 4 or 5 stars out of 5. Similarly, Bazaarvoice reports that among its UK clients, 88% of product ratings are 4 or 5 stars out of 5.

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The Law and Online Reviews

Section 230 of the Communications Decency Act[20] grants interactive online services of all types, including blogs, forums, and listservs, broad immunity from tort liability so long as the information at issue is provided by a third party. Section 230 has most frequently been applied to bar defamation-based claims. Section 230 does not, however, immunize the actual *creator* of content. The author of a defamatory statement, whether he is a blogger, commenter, or anything else, remains just as responsible for his online statements as he would be for his offline statements.

Generally, the less the reviews publisher manipulates the content of a post, the better. If the content is changed to the extent that it no longer means what it once did, a website owner risks losing protection under this law. Changing meaning is distinct from correcting grammar and spelling, or even deciding what reviews to publish, all of which a publisher can do freely.

Best Practices for Creating and Maintaining Online Reviews

Are you considering the launch of a review-centric website? Do you have some kind of existing information product that may benefit from the addition of consumer reviews? In either case, there is compelling evidence that reviews are valued by consumers as information to help make a purchase decision and/or to discern among potential suppliers. Success, however, belong to those reviews publishers who fully appreciate the underlying dynamics of reviews and the pitfalls the industry has uncovered to date, both of which we explore below.

If you build it, will they come?

Adding reviews will strengthen an already robust website. However, reviews are not likely to be the simple salvation of a weak website. Yes, reviews will provide SEO benefit and improve consumer engagement and site return rates, but don't overlook a central conundrum: if your site has relatively few consumers and they are not currently very engaged, they are not going to write reviews in the first place. In short, adding reviews to a struggling website will at best help on the margins.

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We should also note that that reviews have value as decision support tools. They help consumers differentiate between products, services and vendors. If your site isn't oriented towards this type of activity, think carefully about how reviews will add value. They are not for every site.

16 "Amazon's Mechanical Turk Used to Generate Massive Amounts of Spam", *e-Week.com*, (December 21, 2010)

17 David Segal, "Customer Bites Retailer? That's the Argument," *The New York Times*, (Feb 12, 2011)

18 Yelp FAQ, (August, 2010)

19 Tara Lagu, Nicholas S. Hannon, Michael B. Rothberg and Peter K. Lindenauer, "Patients' Evaluations of Health Care Providers in the Era of Social Networking: An Analysis of Physician-Rating Websites," *Journal of General Internal Medicine*, Volume 25, Number 9, 942-946, (May, 2010)

20 47 U.S.C. §230

Smaller sites often worry about whether or not they can attract enough reviews. Our experience is that a site with an engaged audience can typically attract a viable number of reviews. What is the viability threshold? Obviously that will vary by market, but breadth of reviews appears to trump depth of reviews. Being able to offer reviews for most of the products, services or businesses you list is preferable than dozens or hundreds of reviews for a handful of those entities. Remember, the fundamental value of reviews is to inform a decision, so any additional information that helps to *differentiate* among *choices* is the first goal.

Pick a Side

Almost without exception, successful reviews site are run for the sole benefit of consumers.

Okay, this sub-title is a little extreme, but the reality is that the reviews business is not inherently one of happiness and sunshine. Almost without exception, successful reviews site are run for the sole benefit of consumers. Reviews, when they work, are meant to be an honest exchange of information among consumers. But honesty isn't always pleasant, and reviews publishers need to carefully think about their business models when introducing reviews. For example, can you sell advertising to businesses whose listings have negative (and sometimes scathing) reviews right next to them? It's not impossible, but it is challenging, and you have to honestly assess whether or not you can sell in such an environment. Let's face it: the growth of online reviews hasn't been fun for businesses. Businesses can be severely and sometimes permanently impacted by anonymous reviews that may or may not be accurate and truthful and over which they have absolutely no control. However, if you, as a reviews publisher, try to significantly alter this dynamic, you risk compromising all your reviews, and potentially your own business. Reviews have to be honest and unfiltered to succeed.

At the same time, pity the poor business owner. Provide some sort of "pressure relief valve" into your reviews policy that provides some means of redress for fraudulent or inaccurate reviews. This is a tricky path to walk: you can't just refuse to talk to businesses about reviews they don't like. Nor can you just remove any review a business doesn't like.

You don't want to compromise the anonymity of your reviewers. And importantly, you don't want to set yourself as mediator, forced to arbitrate endless "he said, she said" disagreements. At the very least, make sure businesses (even if not paid advertisers) can comment on posted reviews in order to provide some balance.

Be Transparent

The number one best practice in the reviews area is full transparency in every aspect of your reviews activity. You need a written policy, it needs to be readily available on your website, and you must adhere to it rigidly. Examples abound of companies that have damaged their own credibility due to opaque reviews practices. Both Yelp and travel site TripAdvisor have been criticized because their proprietary algorithms determine what reviews get published, in what order they appear, and how long they are visible on the website. While their intentions were good, these companies gave everyone who doesn't like them a basis to craft conspiracy theories and claim favoritism, all of which cumulatively erode consumer trust.

The number one best practice in the reviews area is full transparency in every aspect of your reviews activity.

You should be completely clear about what types of reviews you will publish, the order in which they appear, how long they appear for, and a clear statement of on what basis (if any) you will remove a review once published. And doing special favors for advertisers (e.g. removing reviews they don't like) is the fastest way to do damage the credibility of your reviews which could negatively impact your entire business.

Getting Traction

As noted earlier, generating content for reviews is a chicken or egg kind of proposition. It is difficult to generate content without some initial content. If products or services are listed on a website, what is needed to get started already exists. If not, a site owner should be prepared to gather data or license it to supply a starting framework.

The idea that a piece of your website is in many ways no longer yours is an easy enough concept

to understand, but one that may feel foreign in practice. Consumers will decide when to write, what to write and how it is written. But that's the extent of control you cede. As a site owner, letting prospective reviewers know what you will and will not tolerate appearing on your site is critical. The site owner needs to adhere to public decency standards and the text of reviews needs to be kept clear of advertising messages and links.

Organically generated reviews help a site eliminate the appearance of "pay-for-play." If there is even a whiff of pay-for-play stench around a site, its integrity could be compromised. Trust is an important part of the process. However, is it really pay-for-play if a registered consumer is enticed with a coupon or discount to go to a site and write a review? Generally, generic incentives like this are acceptable because nothing is guaranteed to the reviewer. Angie's List offers incentives to complete a number of reviews, but its unusual paid model, community feel and modest prizes place it a different category. You can get too aggressive in trying to kick start reviews, so be careful not to cross the line, which is not a legal one, but rather a perceptual one.

Can you pay third parties to gather reviews for you? Yes, but again you need to be careful because perception is integral to trust. Can you ask the businesses listed on your website to gather reviews for themselves? Yes, but again, don't cross the line. Asking businesses to encourage reviews is perfectly fine; however it should not be permitted for businesses to compensate their customers in any form for submitting reviews. Finally, though some sites such as Kudzu aggregate reviews from other sites, this approach doesn't add a lot of differentiation or long-term value to your site, although as a short-term way to backfill organic reviews, it may be worth considering.

Fighting Fraud

This is a big issue for reviews publishers. You need to make the review process fast and easy to build volume. Reviews are almost always anonymous when published. Even if you manually inspect every review, it would be difficult to separate real from fake reviews. So what's a reviews publisher to do?

The first step is strong policies that make it clear to the businesses you list on your website that you won't tolerate any attempts to game the system. Listed companies are a big source of fake reviews, and you'll head some off at the pass simply by making your expectations clear.

Some reviews publishers are now tying reviews to transactions.

Beyond that, implement programs that check for multiple reviews submitted from the same IP address, groups of reviews for the same business or product submitted within a few minutes of each other, businesses or products that have far more positive reviews than average. You get the idea: determine normal activity for your website, and closely monitor anything that looks abnormal.

You should also ask reviewers to identify themselves, at least to you. Make clear their names won't be published, but you need to be able to contact them is the review turns out to be problematic, and any reviewer who won't identify himself even privately to you probably can't be trusted. Yes, the process to submit a review should be as frictionless as possible. At the same time, the integrity of your reviews is as important as the volume of your reviews.

Some reviews publishers are now tying reviews to transactions. The travel site Tablet Hotels limits reviews to those who have booked the hotel reservation through them. Some sites such as Capterra require that consumer names appear along with their reviews. We believe over time more reviews publishers will make similar kinds of moves to maintain consumer credibility by insuring the integrity of their reviews.

Stars or Words?

Site owners need to decide whether to show numeric ratings, textual reviews or a combination of ratings and textual reviews. Ratings need clear, specific criteria and require and easy to understand scale (e.g. 1-5, with 5 being the best, 1 being the worst). Textual reviews contain the good stuff – the anecdotal information and color. The value textual reviews provide is they give a more nuanced look into a product or service because it contains more specific information and the criterion important from a consumer's perspective. We recommend an approach which blends ratings and textual reviews. Combined, they provide a 360 degree view of a product. Additionally, ratings can be used as a sort and classification category for textual reviews. For instance, a consumer may be only interested in reading the text of product reviews awarded a 5 star rating on a 1-5 star scale.

A portion of the traffic to your site will be generated from search engines. A high correlation exists between strong search engine results ranking and product and service reviews. Search any product or service term and nearly, if not every time, the search engine results page will list reviews early and often. Fresh content in and of itself will drive traffic. Reviews inherently possess attributes likely to attract inbound links: they are focused and frequently updated. The text of the reviews can increase traffic because they often contain long-tail keywords which increase the overall breadth of a website and increase its chances of being found by a consumer.

No Work, No Reward

If you are serious about building a base of useful reviews, you need to commit the resources to attract reviews, screen and edit those reviews, and deal with the inevitable complaints from those being reviewed.

Let's address a major canard about reviews: just add a reviewing capability to your website and the reviews takes care of themselves. Yes, every so often, a site with a large and engaged audience in the right market at the right time can build a significant base of reviews quickly and easily. But for most sites, particularly business-to-business sites, it's a lot of work. The effort expended by Angie's List to drag in new reviews, even from members who are paying for access to reviews, is substantial. Yelp hires people in each community it enters to kick-start reviews there. Zagat runs sweepstakes and gives away copies of its print guide to encourage reviews. If you are serious about building a base of useful reviews, you need to commit the resources to attract reviews, screen and edit those reviews, and deal with the inevitable complaints from those being reviewed.

Summary

If you have a site that helps consumers discover or discern businesses, products or services, it's important for you to consider adding reviews to your site.

Reviews are everywhere. All the major retailers offer them. All the major online yellow pages publishers have them. As we noted, some very successful online business are built entirely around reviews. There is no doubt they are a compelling site feature and that consumers value them. They also add significantly to SEO. If you have a site that helps consumers discover or discern businesses, products or services, it's important for you to consider adding reviews to your site.

Is there a downside to having reviews on your site? Only to the extent that they may bump uncomfortably into your business model. If you sell advertising to the businesses being reviewed, things can get tricky. That's because the first rule of success with reviews is honesty. You can't take down reviews that your advertisers don't like or you will destroy your credibility and the trust of your audience.

Also as we noted above, a successful reviews program is neither investment nor resource-free. Don't get involved with reviews because you see them as a cheap way to drag in lots of new content. Approach reviews that way, and you won't like the result.

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