

THE REVIEW ECONOMY

THE HOW AND WHY PEOPLE GIVE ONLINE REVIEWS
CHAPTER ONE

A RESOURCE
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**REVIEW
SOCIETY**

Author or Company

CONTENTS

LETTER FROM THE AUTHOR	3
INTRO	4
HOW DO PEOPLE READ REVIEWS	5
THE TOP REASONS PEOPLE GIVE REVIEWS	7

FROM THE AUTHOR

Welcome to *The Review Economy*! I'm Ben Martin, CAE, founder and executive director of The Review Society, a membership organization dedicated to advancing the science, ethics, and business of online reviews.

Call me crazy, but I'm a hopeless optimist who believes that the science, ethics, and business of online reviews can coexist in perfect harmony. I believe in a world where people can make more informed buying decisions, while executives who -- by understanding and leveraging the science behind giving and reading reviews -- make more money for their businesses, while all players in The Review Economy (reviewers, businesses, reputation management firms, and online review platforms) behave ethically. Sound like a dream? That's the vision of The Review Society, and the reason I founded this organization.

In this resource, we'll address the many aspects the review economy. We'll dive in deep on the motivations for giving reviews, how people read reviews, the ethics of reviews, the fake review epidemic, reviews and the law, the emerging B2B review market, how businesses can ethically hack the review economy, the future of reviews, and more!



You can even participate in the

development of this e-book! Join The Review Society (it's free!) to stay informed of the latest research, news, resources, debates, and even a sprinkling of humor, revolving around online reviews. When you participate in The Review Society community, you become a more informed consumer, reviewer, and businessperson. As the primary content curator at ReviewSociety.org, I read and absorb every comment and post, shaping my thoughts about The Review Economy.

Thanks for being part of my dream to hit the bulls-eye between the science, ethics, and business of online reviews.

INTRO

Online reviews affect buying decisions more than any other factor, except recommendations from family and friends. But out of convenience and timeliness, we're actually far more likely to consult online reviews than our family and friends when seeking out recommendations and reviews.

Businesses live and die by the review. A widely circulated statistic notes that a one star increase on Yelp leads to a 9% boost in revenue. Given the dramatic impact that online reviews have on consumers' pocketbooks and businesses' profitability, we all need to be knowledgeable about the dynamics of The Review Economy.

This chapter addresses the top reasons people give reviews and the "how" on people giving reviews. Keep an eye on the 100Reviews blog and your inbox for the release of more chapters.

A SPECIAL THANK YOU...



...to the advisors of ReviewSociety.org, a free membership organization enhancing the science, business and ethics of online reviews in both the B2C and B2B markets.



...and 100Reviews, a B2B review software platform created to help organizations collect end-user insights for fellow industry buyers.





HOW DO PEOPLE READ REVIEWS

WHEN READING REVIEWS, CONSUMERS CONSIDER THE FOUR V'S

VALENCE

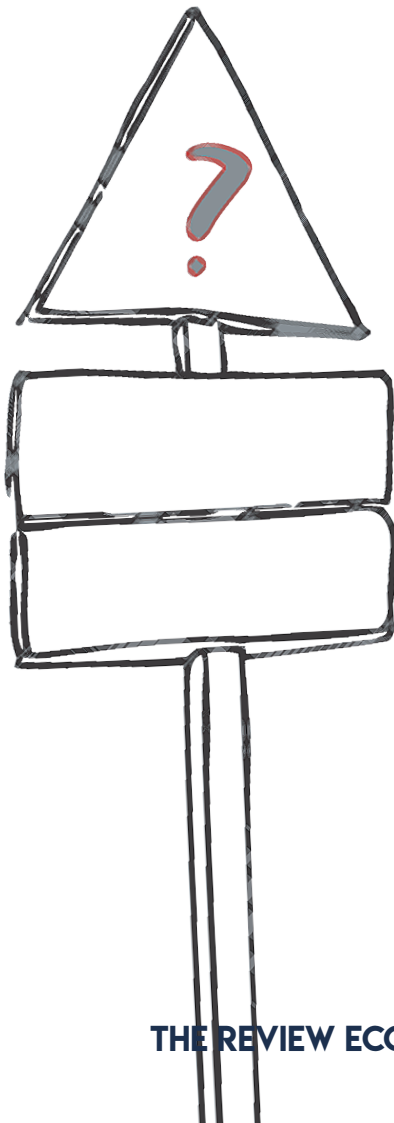
The average star rating and substance of the narrative.

A four star review is the most trusted. It turns out that having at least a few lower reviews makes your overall rating more believable. So yes, having some negative reviews is good.

VOLUME

The total number of reviews relative to other options being considered.

The quantity of reviews is second only to the average star rating in importance to readers of reviews. Time strapped buyers are beginning to use the overall star rating and the number of reviews as a shorthand way to inform their purchasing decisions.





VERACITY

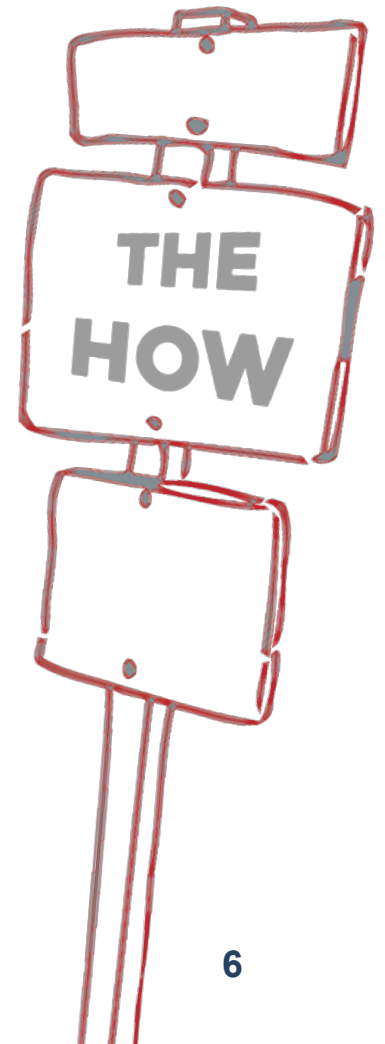
The perceived trustworthiness of the reviewer and the extent to which the reader feels that the reviewer is "like them."

Readers trust reviews more when they can see a name or identity attached to the review.

VELOCITY

The rate at which reviews have been posted recently, and the overall timestamp of the reviews

Research shows that in the B2C market, more than half of consumers say a review must be less than a month old to affect their decision.



TOP REASONS PEOPLE GIVE REVIEWS

WHAT WE KNOW

- ✧ One of the most widely held misconceptions about online reviews is that only disgruntled customers write them. According to research published in *The Journal of Social Media in Society*, a desire to help others, and monetary incentives outrank vengeance in their potential to inspire people to give an online review.
- ✧ Research has revealed that 70% of customers will give a review if you just ask them.
- ✧ Reviews from review requests produce higher ratings (average of 4.34 stars) than unprompted reviews (3.89 stars), according to research from ReviewTrackers.
- ✧ When people are offered a gift or reward for writing a review, they're more motivated to follow through on the request. However, incentivizing reviewers is a path fraught with many hazards, so be careful.

In the US, Federal Trade Commission regulations place obligations on both reviewers accepting incentives and the companies offering them. Companies may not require positive reviews in return for incentives, and reviewers must disclose that they received -- or expect to receive -- a reward for their review.

- ✧ It may come as a surprise that there's evidence that incentivizing reviews results in more moderate reviews; in other words, fewer 1 and 5 star ratings.
- ✧ 63% of consumers have written a review after a positive experience.
- ✧ 35% have given a review after a negative experience.
- ✧ People are inclined to give more honest reviews when they can opine anonymously, according to research published in the *Journal of the Academy of Marketing Science*.
- ✧ Review-giving behavior is affected by both demographics and personality traits.

STAY TUNED

THERE'S MORE!

This is just the first chapter of The Review Economy. If you've subscribed to the e-book, you'll receive new chapters as soon as they're released.

For questions about The Review Society or 100Reviews.com, you can contact Ben Martin, CAE at bmartin@reviewsociety.org

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