

REPUTATION MANAGEMENT

Understanding the Powerful Voice of the Consumer

Tools on how to maximize the benefits of online reviews and customer feedback



Introduction

One of the great advantages of the digital age is the vast amount of information and opinions that consumers are exposed to when making a buying decision. This gives enormous exposure to businesses, whether in a positive or negative way. With this significant increase in information, unbiased and authentic customer reviews become increasingly important to both consumers as well as businesses. There is a wide choice of rating portals and review platforms, that specialize on all types of industries and services. When it comes to local businesses, portals such as Google, Yelp, or meinestadt.de are particularly important as they directly cater to the needs of the clients in their proximity. As a result, a thorough reputation management is of the utmost importance. Retailers and service providers should actively promote, monitor and manage customer feedback and use it for their own advantage. This can be done manually or - more efficiently - with the help of a reputation management tool that scans the Internet for reviews, collects them and feeds them back for you to slice and dice the data.

What is Reputation Management?

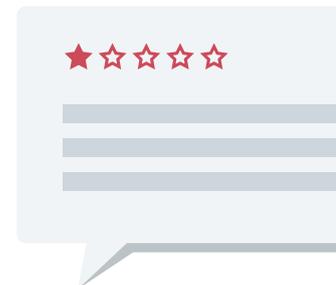
In a nutshell, reputation management is the process of identifying and monitoring other people's opinions or feelings about a product, service or business in general and ensuring that

this general consensus is in line with one's goals and desired reputation to the public.

Reputation Management has become far more challenging to manage, given the rise of social media. While companies used to be able to thoroughly create their message and then promote it using traditional advertising methods (radio, TV, magazines), social media channels have significantly shifted power to the consumers. This has made the management of feedback far more difficult, given the vast amount of channels, voices and no-filter opinions of people from all walks and areas of life.

As a matter of fact, customer reviews have already become the single most important factor in most consumers' buying decision. According to Search Engine Land, 92% of consumers regularly or occasionally read online reviews, out of which 68% declared that positive reviews made them trust a local business more. Almost half of all customers who read online reviews form a strong opinion by reading just 1-3 reviews. Whilst this is a fantastic way for consumers to make a cautious and informed buying decision, it also proposes a new set of challenges for a business.

While positive reviews present a big opportunity to a company, occasional negative ones can be quite devastating, especially as reviews are considered amongst the most used and trusted information about a product or service. It is therefore crucial for any company to closely monitor customer reviews and react to them when needed.





The Benefits of Customer Reviews and Feedback

Unfortunately, some businesses still underestimate the importance of proper reputation management. Online reputation is the new version of a business card and should therefore not be neglected. Being transparent as a business, also in terms of feedback, is a crucial factor in establishing customer loyalty and engagement. Transparency is achieved by allowing open communication about products and services, establishing several communication channels, asking for feedback and by not hiding from criticism and addressing it publicly. Whilst transparency frightens a lot of companies due to the possibility of some negative exposure, it is nevertheless vital to be an authentic and customer-oriented business and that includes promoting open and transparent communication. When this is done in the right way, both positive and negative

customer feedback can have a number of significant benefits.

01 FEEDBACK AS MARKETING TOOL

Many business owners still fail to recognize the value of reputation management as a marketing tool. Ultimately, SEO, Social Media, direct mail, advertisements, and all other marketing efforts should drive the consumer to learn more about the product or service online. Customer reviews allow for detailed product descriptions, explanations, insights and feedback. However these come in a more transparent and authentic form than most other marketing tools as they are created by a third-party audience, and most likely free of any bias or ulterior interest.

02 PRODUCT INNOVATION THROUGH FEEDBACK

Customers ultimately are the product experts. First of all because they know exactly what they

expect from the product or service they purchase, as they are directly in contact with it. By following their feedback, businesses can get a better understanding and new ideas as to what exactly their customers desire. Not only does this help the overall quality and product development, but also shows that this is a company that values its customers' opinions. With a constant increase in innovative competitors, loyal customers who feel valued are a key factor for any business. The more they are included in the developments of a product or service, the stronger they will relate to the brand and hence, remain active users of it.

03 STRONG CUSTOMER RELATIONS

Showing customers that their opinions are valued and taken seriously is a crucial step in forming lasting relationships with them. A study conducted by [bazaarvoice](#) has shown that 41% of customers have declared to interpret responses to their feedback as a sign of a business that values and cares about their opinions. When feedback is positive, companies should emphasise the great experience the customers have had by thanking the customer for the feedback and possibly even rewarding them with special offers, loyalty programs or previews of product developments. This not only shows your appreciation but more so, creates a strong community of satisfied and loyal customers. Should the feedback be negative, businesses can turn the situation around by apologizing for the clients' disappointment and instead, offer them a variety of options to compensate them for it. Often times, this will be very much appreciated by the customer and leave them with a satisfied and valued feeling about the company.

Question: How does a company's response to a customer's online review influence your perception of its brand?



Source: bazaarvoice, The Conversation Index Volume 6

04 FEEDBACK AS TESTIMONIALS

With all these opinions and reviews floating around the Internet, one might also use them for the purpose of bolstering a company's reputation. Testimonials can be used as a reliable reference when considering to purchase a product or service. It allows users to obtain a third-party opinion that is not driven by ulterior motives or a personal interest. Companies are able to publicly display this positive feedback in order to give their business more credibility and demonstrate that they appreciate their clients' feedback and opinions.

The Do's and Don'ts of Reputation Management

The Do's:

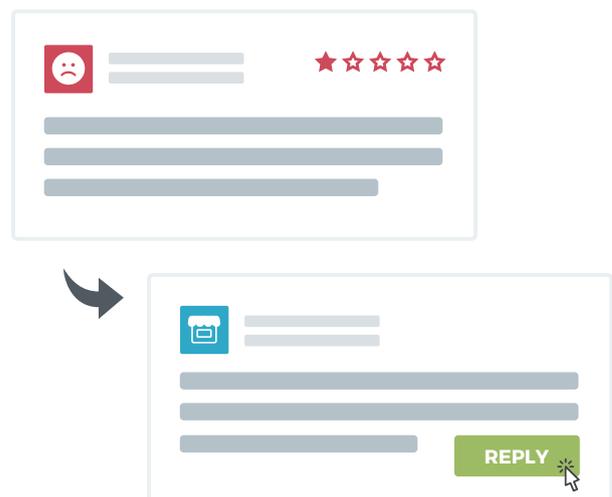
01 HAVE AN ACTION PLAN IN PLACE

The pace at which you react to public criticism is an important step in containing any possible reputation damage as much as possible. The most effective way to ensure a rapid reaction is to have a communication plan prepared. The first step is to actually be aware of the feedback floating around the Internet. Manual searches are time consuming and ineffective as it is virtually impossible to find every feedback and review that an individual will put online. Replacing manual search with automated, intelligent tools that scout the Internet for reviews automatically and inform you in real-time about new ones, are the ideal solution for finding all online feedback without having to invest any manual labor or time. With the help of these tools, a business can fully focus on responding rapidly and effectively to their customers' opinions. Negative reviews or comments – particularly when left unanswered – can spread extremely fast on social media.

02 RESPOND IN A PROFESSIONAL MANNER

Passionate managers tend to take criticism extremely personal and respond accordingly. It is vital to not defend yourself against attacks but instead

to take the conversation offline and deal with the issue at hand in a personal one-on-one. A back-and-forth on social media is extremely critical and often times, will make you appear unprofessional. Instead, companies can and should treat review sites as another opportunity to interact with customers. According to [Lee Resource Inc.](#), 95% of unhappy customers will return if an issue is resolved quickly and efficiently. Responding to customer reviews has term benefits: 71% of consumers change their perception of a company after seeing it respond to a review, according to [Bazaarvoice](#).



03 EMPHASISE THE POSITIVE VOICES

Whilst negative reviews can be difficult to handle, paying just as much attention to the great ones, is important in boosting your general reputation. In order to acquire positive feedback, encourage satisfied customers to leave a review on a website or a positive comment on one of your social media pages. If customers seem extremely satisfied with your service, ask them to use their feedback for a customer testimonial. These are authentic and valuable additions to company websites, as they

allow an outsider to read an unbiased review of the product or service they consider to purchase.

04 USE IT FOR YOUR GOOGLE RANKING

A fantastic way to improve your search results is by receiving a lot of customer feedback. Appearing at the top of Google, Bing, or other search engines is likely to be an enormous traffic booster as it multiplies your company's visibility significantly. According to a recent [study](#), the first listing in an organic Google search received 33% of all traffic, whilst the second position receives about half, with 18% of traffic. Numbers rapidly decrease from there onwards. The more traffic you receive through search engines, the more likely it is to receive even more customer feedback - laying the groundwork to continuously securing a top ranking position.

05 MOTIVATE FEEDBACK ACTIVELY

Though this may seem obvious, customers need to actually be asked to produce feedback. Wherever possible, ask your customers to review or rate you. Whilst there should not be too many calls-to-action on your website, do not fail to place visible places for clients to leave feedback. Another useful tool for the promotion of customer engagement is via email. A great time to capture a review is as soon as the client has received a booking or purchase confirmation. This way, the client has a fresh memory of the user experience and is very likely to have a positive association with it. Managers and employees that are regularly in direct or indirect contact with customers should be trained to ask

for feedback and motivate customers to rate the product or service. Consumers tend to be more motivated to leave a review, if they are kindly asked to do so by a representative of the business.

The Don'ts:

01 DON'T PANIC

Negative feedback is nothing terrible or extraordinary. It is however crucial to remain calm and not retaliate or fire back in an act of desperate self-defense. Instead, respond rapidly and professionally.

02 DON'T DELETE NEGATIVE COMMENTS

Deleting customer feedback is probably the most harmful measure that can be taken. Unless comments are highly vulgar, offensive or inappropriate, they should remain online. Deleting negative comments can easily be perceived as covering up an issue or admitting guilt. According to research by CRM software company [RightNow](#), 1 out of every 3 consumers who receive a retailer response to their online complaint end up reposting a positive review. In addition, 34% end up deleting their negative review altogether.



03 DON'T FOCUS TOO MUCH ON THE NEGATIVE

It is crucial to have a strategy and not dwell on the negative voices. Complaints are a useful way to learn more about the customers' needs and desires and when used effectively, ultimately lead to a better product and overall success. Focusing too much on the negative feedback is not cost nor time effective. Instead, take the feedback and turn it into a productive means of improving your business. That being said, the fraction of negative comments, compared to the positive ones is extremely small. A [statistical analysis](#) of 1.2 million Amazon reviews has revealed that 75% of online reviews are positive.

Final Thoughts

The Internet has forever changed the way customers go about making a purchase. Not only in terms of the actual buying process, but equally the way they collect information and opinions before acquiring a product or service. This presents huge opportunity to businesses, allowing them to position themselves in a way that emphasises their strengths and complements their brand. One of the most valuable tools to do so in an authentic and credible manner, is by having a large amount of reviews from existing customers. There is a wide variety of review platforms, social media channels and other rating platforms that allow for high-quality reviews. These portals help to put order into

the vast amount of information and opinions floating through the Internet. Nowadays, online customer reviews have almost replaced the quality-seal or test report in terms of credibility and trustworthiness. Nevertheless, keeping up with the vast amount of review portals and social media channels, can be challenging. Therefore, making use of tools that are able to extract and collect customer feedback in real-time and make you aware of it, is an efficient way to minimize human effort and maximize the benefit of these reviews.

Following these tips will improve the position of your business in both the offline and online world. Proactive online reputation management does not have to be costly or time-consuming, especially when supported by a proper technological tool that can collect the reviews from all channels and platforms and report them back to you immediately. This is particularly crucial to local businesses who are even more affected and influenced by reviews and opinions from customers. Making the most of this is a simple, yet effective way to strengthen your brand, increase your online presence, and create the foundation for a strong and loyal base of customers.

Sources:

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