



5 Reasons Online Reviews Matter to Your Business

If you don't own a restaurant, do you need to worry about online reviews? Of course you do. You might believe that online reviews don't really matter to your customers. You may think they're not worth the time and trouble it takes to manage them. Or you may worry that one bad review will destroy your business.

Think again: Here are 5 good reasons why every small business owner should welcome—and actively encourage—online reviews.

1. The majority of consumers read online reviews. In a survey by Ask Your Target Market, 50 percent of respondents say that before making a purchase, they check online reviews “always” or “most of the time.” Another 25 percent do so about half the time. Just 16 percent rarely check online reviews, and only 10 percent never do.

2. Online reviews affect purchasing behavior. About three-fourths of consumers in the survey say online reviews are important to them. The importance of reviews, and how frequently consumers rely on them, varies depending on what you sell. For example, if you sell technology products, you should know that 70 percent of consumers regularly check reviews before making a tech or gadget purchase. Forty-six percent regularly read reviews for home items; 40 percent read reviews for restaurants, hotels or travel-related businesses; 35 percent read reviews before purchasing clothing or accessories; and 23 percent read reviews for local retail stores.

3. Consumers use a variety of online review sites. The most popular site for consumers looking for online reviews is Amazon. Even if you don't sell products on Amazon, you should be aware that products you sell may be reviewed there. Also popular: Google, Yelp and even Facebook. In addition, customers may be reading reviews on local sites specific to your region or on sites related to your industry. In other words, getting reviewed on as many sites as you can will help your business.

4. Even though the majority of consumers read reviews, most don't write them. Here's the thing about online reviews: A small percentage of consumers are making an outsized impact on the rest. Just 6 percent of respondents in the survey say they always write online reviews after making a purchase. Fifteen percent leave reviews most of the time, and 24 percent do so about half the time. However, 35 percent rarely leave reviews, and 20 percent never do at all.

If you're not encouraging your customers to write reviews of your business online, you're missing out on a great way to gain perspective customers' trust and get them to try your business. What's worse, the few customers who *do* write reviews are having a disproportionate effect on what everyone else thinks of your business. Think about it: If hardly anyone writes reviews, one bad review has a much bigger effect than it otherwise would.

Here are some ways to encourage customers to write online reviews:

- Add links prominently on your website where customers can review you on sites such as Yelp.
- Use signage in your location, such as Yelp decals, to let customers know which review sites you're featured on and where they can find you.
- Include language on receipts, restaurant checks or invoices saying something like, “Find us on Yelp.”

Of course, be sure to regularly read your online reviews and respond promptly to any that are critical.

5. Negative reviews are few and far between. Still worried about what customers might say about you? Don't be: Nearly half (46 percent) of customers in the survey say their reviews are usually either positive or very positive. Just 3 percent say they frequently leave negative or very negative reviews.