

Online reputation crucial for small businesses

November 2 2012, by Roger Yu

On Yelp, a popular review site for everything from restaurants to gas stations, fans of Mari Luangrath's cupcake-delivery shop have noted the "hustle" of her operation and the "subtle" flavors of its products.

The same descriptors could apply to her dexterity in honing the online reputation of her 4-year-old bakery in Chicago, Foiled Cupcakes, which has earned a 4.5-star reputation. To stay on top of customer reviews, Luangrath logs on to ReviewTrackers.com, an online [subscription service](#) that aggregates and alerts her instantly of any reviews and online comments written about her business.

Seeing a three-star Yelp review complaining that her cupcakes were dry, she immediately and privately emailed the customer who wrote it to get more feedback. Luangrath baked another batch with a lower temperature to induce more moisture and redelivered the goods, prompting a positive follow-up from the customer on Yelp.

"If we hadn't been monitoring it, it would've been on our Yelp page for some time," she says. "Being in the [food industry](#), it's so difficult. Taste is so subjective. Too sweet. Not sweet enough. Too much frosting. Not enough frosting."

Obsessive monitoring of online reviews has become a norm for tech-savvy small-business owners. The burdensome but necessary task has been made even more complex by the emergence of social-media channels, Twitter in particular, that empower opinionated customers.

But technology has emboldened business owners, too, engendering software tools that ease the process of tracking reviews on a multitude of channels and enable quick responses.

"I'm always on these sites, freaking out," Luangrath said. "It can seem like a huge time-waster, but it's something we've got to take care of every day. Timing is everything."

In recent years, "[reputation management](#)" services - Netvibes, Reputation.com, ReviewTrackers.com and Trackur.com - have opened shop to cater to small-business owners looking to outsource the time-consuming task of aggregating online reviews and comments.

While it may be tempting for small-business owners to shrug off a few lousy reviews, industry research shows benign neglect of a company's online reputation could quickly hurt sales - especially given the new normal behavior of customers consulting their smartphones for even the smallest of purchases.

A Harvard business school research says that a one-star increase on Yelp can lead to a 9 percent increase in sales. Four out of five consumers, or 80 percent, reverse their purchase decisions based on negative online reviews, up from 67 percent in 2010, according to the 2011 Online Influence Trend Tracker survey by Cone. "It has a really major impact on the bottom line," said Brent Franson, vice president of sales for Reputation.com.

Review sites have exploded in recent years in number and types. [Yelp](#) is widely regarded as the most influential general review site, while Google Plus Local and Foursquare are often mentioned as rivals. TripAdvisor is the go-to spot for hotel owners but also lists a ton of reviews for restaurants and tour operators. Angie's List specializes in services.

People are also increasingly airing their complaints on social-media channels such as Twitter, Facebook, Pinterest and YouTube.

There are industry-specific review sites, such as Wellness.com and Doctoroogle.com for doctors and dentists. DealerRater and Edmunds.com are popular for customers scouring for car dealers. There are even sites such as Houzz where consumers gather to talk about remodeling and other hobbies but liberally sprinkle vendor recommendations.

Attensity, a reputation management company for large corporate clients, tracks more than 150 million online sites where consumers are writing about products and services, said Michelle de Haaff of Attensity. "The emergence of review sites and social-media channels has given birth to a treasure trove of data of customer preference, desire and even intent to purchase," she said. "It is data that companies used to pay a lot of money for."

Review trackers trace their history to press-clipping services. And large companies migrated to digital solutions early on, spending a good chunk of their marketing budgets to gauge not only reviews but to learn more about influential writers, bloggers, product issues, complaints and compliments.

Only in recent years have the options for small-business owners become cheap enough to be widely available. There are even free options, such as Google Alerts, that ping account holders when key search terms turn up on various sites.

Netvibes and Trackur offer free tools for basic services - finding reviews and sending immediate alerts. Netvibes' free online "Dashboard" for monitoring articles and [Twitter](#) feeds are used by 4 million users, says spokesman Vincent Chang.

Most review trackers also provide subscription options, typically priced from \$20 to \$500 a month, that include a range of premium services, such as computing a total score of a client's online reputation "sentiment analysis" that indicates proportion of positive-to-negative reviews, and pointing out influential Twitterers, bloggers and journalists. Reputation.com offers a "reputation adviser," who may call clients and offer advice on responding to individual cases.

Using a professional tracking service paid off for a hotel client of Gary Henderson, whose digital marketing agency, Interactivity Marketing, uses Trackur.com to monitor reviews on behalf of its clients.

A hotel customer went to website BedbugRegistry.com and reported the hotel had bedbugs during his stay - and that his calls to managers were ignored.

Henderson's staff alerted the hotel owner of the registry. "If it was on TripAdvisor, they'd have seen it. Hotels are wired to track TripAdvisor. But they're not wired to track every other website," Henderson says. "If you weren't using an application similar to Trackur, you wouldn't have found it."

The hotel retrained its staff to respond to complaints with more urgency and issued the offended guest a free stay, Henderson says.

The monitoring services are also handy for assertive owners who seek to reach out to customers, engaging with them in a proactive effort to head off problems or garner more good reviews. In a 2012 survey by TripAdvisor, 57 percent responded that they are more likely to book a hotel that has managers who respond to online reviews.

Using Trackur, Henderson also helped Peaches Boutique, an online prom dress shop, locate a customer who complained on a social-media channel

that the shop couldn't find the proper size in stock for her after she placed on order. The shop reached out to the customer with a personal shopper and helped her find another dress. "It doesn't take a lot to turn them into happy customers," Henderson said.

On behalf of its clients, Reputation.com even proactively solicits reviews through e-mail. The solicitation worked for a surgeon client recently who has been dealing with a patient who has been complaining about a billing issue on a review site. Reputation.com asked other patients to submit reviews, mitigating the effects of the negative review. It also reached out to the complainant to settle the issue amicably. The tension has been reduced, though there yet hasn't been a conclusion.

To encourage hotel owners to respond more frequently, TripAdvisor has introduced a manager response tool on its site where they can respond to [reviews](#) and post pictures and videos for free. The premium portion of the tool provides information about their page views relative to competitors and the performance of special offers. "Those who actively respond see a notable increase in page views," says spokesman Kevin Carter.

Using the tool, Larry Watts, who owns 1896 O'Malley House, a bed and breakfast in New Orleans, says he responds to each and every customer review, even if it's just a succinct thank-you note to acknowledge a positive review.

The consistent communication, he believes, helps generate a good online vibe about his property and reel in more business. "I look at TripAdvisor on a daily basis," he said. "If they're going to take time to write a review, I should give a few minutes of my day to respond."

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