

# Small businesses grapple with handling online image

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Restaurants, mom-and-pop shops and other small businesses often face an abundance of frustrating complications during start-up - construction delays and supply shortages being among the top obstacles.

Now, managing online presence is joining the headache-inducing list.

With more consumers relying on the Internet to decide where to eat and shop, setting up a website and social media accounts, responding to [reviews](#) on websites such as Yelp and weighing the purchase of online ads have become key factors in the success of a business - or its demise.

Perfecting a business' online reputation has become crucial to attracting customers, but there are a dizzying number of theories and tools on how to look good online.

That would explain why restaurant co-owner Prinya Siripaibul was besieged with calls soon after soft-launching his new Hollywood ramen restaurant last month. They were coming from companies that promised to drive more patrons through the door by making his restaurant stand out on Yelp, Google and other key websites.

A widely cited study in 2011 by Harvard Business School professor Michael Luca found that restaurants, primarily independent ones, saw a 5 percent to 9 percent rise in revenue because of a one-star increase in Yelp's rating.

UC Berkeley professor Michael Anderson found that a half-star increase was enough to decrease reservation availability 19 percent during peak periods - a sign of a robust business.

On the flip side, even one negative review in a search result can cause revenue to decline by a quarter or more, Brand.com President Michael Zammuto said.

Siripaibul realized all of this. The tech-savvy former [network administrator](#) regularly turns to Yelp. The consulting firms told him that they could improve Chibiscus Asian Cafe & Restaurant's ranking on Google search results pages and on online review websites.

"It might benefit us, so we are talking and learning from them, but we don't have any resources and any proof that it will benefit us," said Siripaibul, a first-time restaurant owner.

He's also the chef. One friend is the waitress and the other is a do-it-all helper. They have no other employees, and after pouring \$100,000 into getting the Sunset Boulevard restaurant started, they have little time or money to spend on marketing or reputation management.

Siripaibul wanted to advertise a discount on Yelp, but he couldn't afford the upfront payment.

Instead, he created a deal on Yelp. Patrons pay Yelp \$15 for \$20 worth of food at Chibiscus. Yelp takes \$4.50, or 30 percent. A customer or two a day have been buying it.

"We decided to do it because I want Yelp to like us," Siripaibul said. "If they make money, we can make money. Maybe they will prioritize us in some way."

Yelp says advertising has no effect on ratings. But many business owners disagree. Some of them sued Yelp over the capricious way that Yelp decides that a review might be fake. The businesses lost the first round in court and are awaiting a decision on an appeal heard last month.

Some businesses with marketing budgets have allegedly tried to circumvent online review rules, highlighting the desire to maximize those precious stars and positive search results.

Yelp recently sued a Florida man who the company alleges posted fake reviews on behalf of businesses.

The automotive reviews website Edmunds.com filed a similar suit against a company that it said was posting fake reviews of dealers. The company, Glowingreviews.co, said it was merely posting reviews that had been handwritten or sent via text by real customers.

In addition to Yelp, online services including Google+, TripAdvisor, OpenTable and Foursquare also bring in millions of consumer reviews. Makers of software and online tools to help business owners keep track of all that say they have seen tremendous growth in the last year.

One app, Chattback, enables companies to solicit anonymous feedback via text message. The service costs \$25 a month per location for up to 1,000 texts.

"One of our pitches to businesses is give this to customers to vent directly to you before they go public on review websites," co-founder John Goodall said.

Surprisingly, 70 percent of feedback is positive. A cupcake shop using Chattback receives about 15 text messages a day, mostly by prompting responses to specific questions.

Goodall said the app targets people who avoid confrontation and do not want to comment even if the remarks could help the business improve.

Soaring usage of mobile phones hasn't been studied in the context of online reviews. But experts fear that it could lead to a greater number of negative reviews because frustrated customers are more motivated to comment quickly.

To counteract that concern, the automotive reviews website DealerRater urges car dealers to send emails reminding customers to post reviews. The conversion rate is as high as 60 percent, DealerRater Vice President Heather MacKinnon said.

Bazaarify, a service founded by a former Yahoo Inc. product director, outfits businesses with tablets that customers can sign in on with an app that emails customers, reminding them to write reviews. Bazaarify Chief Executive Naveen Gupta said most restaurants respond to reviews the same day.

The so-called online reputation management firms that have contacted Siripaibul have said they could respond to reviews on his behalf. But he's uncomfortable about letting other people use his name.

His restaurant, Chibiscus, has six five-star ratings, one four-star and none filtered on Yelp. Siripaibul has responded to five. According to the brand management firm TrustYou, a steady business' rating is unlikely to change significantly after the first 12 reviews.

Siripaibul is hoping that he reaches a plateau before that first bad review arrives.

One night, seven groups arrived within 20 minutes. Chibiscus had never experienced a rush before and had little prepared. Yet, the management

smiles and courtesy were enough to overcome any simmering frustration.

"Some of the customers, they even teach us and say to set up an Instagram page," Siripaibul said.

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