

Want to improve your business's online ratings? Make sure to respond to reviews

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Credit: Institute for Operations Research and the Management Sciences

Can responding to online reviews improve a business' online reputation? According to a forthcoming study in the INFORMS journal *Marketing Science*, a leading academic marketing journal, management responses can not only lead to higher ratings for businesses, but also more informative reviews.

The study found ratings increase - not because consumers are more satisfied with the [business](#) - but because unsatisfied customers are less likely to post baseless negative comments. In addition, even [negative](#)

[reviews](#) are improved because they tend to be longer and are more likely to provide substantive, useful feedback.

The study, "Online Reputation Management: Estimating the Impact of Management Responses on Consumer Reviews," is authored by Davide Proserpio of the Marshall School of Business at the University of Southern California, and Georgios Zervas of the Questrom School of Business at Boston University. The authors examined tens of thousands of hotel reviews and responses from TripAdvisor, which bills itself as "the world's largest travel site." The practice of responding to reviews is common on TripAdvisor. Roughly one in three consumer reviews receives a response from hotel [management](#), and more and more managers are adopting the practice.

The study finds that when hotels begin to respond, they receive 12 percent more reviews, and their ratings increase by an average of 0.12 stars. While this gain appears modest, ratings tend to vary little over time. Therefore, even a small change in ratings can have a significant impact on how hotels are perceived by consumers and how they are ranked by review platforms. "Our results suggest that signaling to consumers that managers care about their feedback is a good strategy that can boost review volume and ratings" said Proserpio.

The study also explores why ratings increase when managers start responding. "We considered various explanations," said Zervas. For example, if the timing of management responses is shortly after hotel renovations it may seem that responding leads to better ratings when the true underlying cause is improvements in [hotel](#) quality. So, is it just a coincidence that ratings increase when managers start responding or is there a direct link between responding and improved ratings?

"In the end, what we discovered is that when managers read and respond to reviews, unsatisfied consumers become more hesitant to leave

unsubstantiated complaints, hence directly leading to higher ratings," Zervas explained. "It is almost like someone is looking behind your shoulder when you are writing a negative [review](#)."

But there is a catch, according to the authors. While management responses may discourage some consumers from leaving negative reviews altogether, other [consumers](#) may decide to make their [negative feedback](#) more substantive when managers are listening. Indeed, the study finds that while negative reviews become less frequent when managers respond, they also become longer.

"This is an interesting trade-off for managers: fewer negative ratings at the cost of more detailed negative feedback," concluded Proserpio.

"While this may hurt in the short run, it is a valuable source of feedback that businesses can act upon to fix problems and avoid future negative reviews."

More information: Davide Proserpio et al. Online Reputation Management: Estimating the Impact of Management Responses on Consumer Reviews, *Marketing Science* (2017). [DOI: 10.1287/mksc.2017.1043](#)

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