LONDON RESEARCH

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THE STATE OF ONLINE REPUTATION MANAGEMENT 2020

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ABOUT LONDON RESEARCH

London Research, set up by former Econsultancy research director Linus Gregoriadis, is focused on producing research-based content for B2B audiences. We are based in London, but our approach and outlook are very much international. We work predominantly, but not exclusively, with marketing technology (martech) vendors and agencies seeking to tell a compelling story based on robust research and insightful data points.

As part of Communitize Ltd, we work closely with our sister companies Digital Doughnut (a global community of more than 1.5 million marketers) and Demand Exchange (a lead generation platform), both to syndicate our research and generate high-quality leads.

For more information, visit https://londonresearch.com

ABOUT REPUTATION.COM

Reputation.com helps companies delight consumers at every touchpoint by helping them to Get Found, Get Chosen, and Get Better. If you're not proactively soliciting, consolidating, promoting, and acting on feedback at every stage of the journey, consumers will take their business elsewhere. That's why we're dedicated to building the only integrated SaaS platform that helps companies foster lasting loyalty.

Your reputation is the pulse of your organisation, in today's Feedback Economy, you need to have a 360-degree view of your online brand to ensure you stay on top of the narrative and connect effectively with your customers.

For more information, visit https://www.reputation.com/

**ABOUT
THE AUTHORS**

Linus Gregoriadis
Director, London Research

Linus is an experienced digital marketing analyst who spent more than a decade setting up and building the research function at Econsultancy, a digital research and training company now owned by Centaur Media. After leaving Econsultancy, where he oversaw the production of hundreds of survey-based trends reports, buyers' guides and best practice guides, he launched ClickZ Intelligence for B2B media company Contentive. London Research, founded in 2017, is a sister company to Digital Doughnut, the world's largest community of marketers and digital professionals, and also to Demand Exchange, an advanced B2B lead generation platform.

Monica Savut
Research and Content Specialist

Monica is a research and content specialist with over 11 years of extensive B2B research and content experience, and a passion for data. Most recently, she oversaw the production of commercial research at Econsultancy, conceiving and executing global research projects for some of the world's largest martech businesses. Over the years, she's produced, contributed to and authored hundreds of research-based reports and thought leadership studies. Her work has been quoted in high-profile publications and reports, such as those published by the Federal Trade Commission, and she has been interviewed by several media outlets and organisations, including the American Marketing Association.

Executive Summary

The State of Online Reputation Management 2020 report, produced by London Research in partnership with Reputation.com, explores the extent to which companies are actively managing their online reputation, with a focus on what 'leaders' are doing differently from their peers.

As well as a global business survey of more than 500 companies, this research also draws extensively on consumer surveys carried out in the UK, US, Australia and Germany. The report casts a spotlight on what consumers expect from brands, and the degree to which organisations are delivering against their expectations.

The research focuses on online reputation management (ORM), including the importance of online reviews and the ability of companies to respond quickly to feedback and complaints. But it is clear that ORM cannot happen in isolation. The report also looks at related themes such as customer experience (CX) and voice of customer (VoC) which are crucial areas of focus in the context of building and maintaining the trust required for positive sentiment.

Below are some of the key highlights from this research.

Most companies need to improve their approach to ORM

There is a huge opportunity for companies to reap the benefits of a more strategic approach to managing their online reputations. Organisations can gain a competitive advantage and gain tangible commercial value by taking steps to prioritise ORM.

- Just under half (46%) of client-side respondents describe the way they manage their reputation online as 'basic', while a further 5% say their approach is 'non-existent'. On average, companies only score themselves 6.5 out of 10 for their online reputation.

- Leaders are three and a half times more likely than their mainstream peers to say they have a strong online reputation that delivers tangible commercial value (46% vs. 13%).

- Companies are most likely to measure the impact of a positive online reputation in terms of increased sales (59%) and better conversion rates (57%). Just under half (46%) of companies say they quantify its impact through better marketing ROI.

Companies prioritise social media when it comes to building their reputation online

Many businesses are predominantly focused on social properties such as Twitter and Facebook when it comes to anticipating and addressing reputational issues. However, a more strategic and holistic approach to reputation management is necessary to ensure organisations are deriving full value from their activities.

- Third-party review sites are the resource consumers are most likely to name as an important influence on product choices. However, only 9% of businesses see these sites as the key area for defining their online reputation.

- Reviews are more widely trusted than other sources of information, such as social media, news and customer services. In the US, for example, nearly half of consumers have a 'high' degree of trust in reviews (47%, against only 17% for social media).

Tapping into the power of ratings and reviews is a winning formula

Ratings and reviews are a critical part of the purchase experience and the most trusted form of social proof. Ensuring that customer feedback is effectively harnessed and fed back throughout the business is a key step in building a credible business and enhancing commercial performance. However, progress to date has been slow as there is a significant gap between what leaders are doing to bolster their online reputation management strategy and the tactics employed by their mainstream peers.

- On average, four in five consumers state that ratings and reviews are 'very' or 'quite' important when they're looking for information about a company's products or services. They are considered to be much more important than website testimonials and information provided by sales reps.

- Leaders are significantly more likely than their mainstream peers to use a range of online reputation management tactics, such as tracking rating scores (43% vs. 28%), publicising positive ratings (46% vs. 21%) and repurposing customer feedback (32% vs. 22%).

- The most popular channels organisations are using to actively encourage reviews are social media (60%), websites (55%) and email (50%). However, only 12% of consumers claim they left a review after being prompted by social media, compared to 39% for emails and 26% for websites.

Responding to customer ratings and reviews boosts revenues and tangibly impacts the bottom line

The findings of this research highlight that companies cannot afford to ignore the impact of ratings and reviews. When companies take the time to respond to customer queries, this results in an uplift in customer satisfaction and the likelihood of a repeat purchase. Responding to feedback also boosts the perception of the brand.

- Almost half of consumers globally (47%) report that receiving a response from the company results in a major impact on their level of satisfaction. Additionally, 46% report a response majorly increases their likelihood to make a repeat purchase. Neglecting ratings and reviews can have a detrimental effect in terms of long-term customer loyalty.

- While negative reviews make customers less likely to make a purchase, taking the time to respond actually reduces the impact; 64% of consumers globally say they would be less likely to be turned off from making a purchase if the brand responded to a negative review.

Companies could be investing more in reputation management, given the opportunity to reap tangible benefits and strong returns

Given that ORM leaders have gained significant returns from customer feedback initiatives, businesses could be losing out on quick wins by neglecting the importance of online reputation.

- Given the strong ROI, companies are in a good position to justify further investment, but currently, only 27% have allocated resources specifically to monitoring and managing online reputation, while just under half (46%) are planning to ramp up investment in 2020.

- The greatest challenge to managing reputation is time and resources, according to over a third (37%) of respondents.

- Two-thirds (67%) of businesses do not have a specific department for managing reputation; of these, 35% do not plan to put one in place in the future.

Reputation management technology is being under-utilised

Few organisations are taking an integrated approach to reputation management technology, indicating they have gaps in their capabilities and are not maximising efficiency.

- While social media management platforms are in widespread use (75%), only a minority of businesses are leveraging voice of customer and SEO tools (42% each).

- Systems developed in-house are still in common use, with a third (33%) of businesses leveraging them for reputation management. This may well be holding back data sharing and efficiency.

- Most companies have no software in place to monitor and manage customer complaints and queries coming through third-party review websites (57%).

Methodology

The State of Online Reputation Management 2020 report is based on separate surveys of businesses and consumers.

There were more than 500 respondents (503) to our business survey which was carried out in December 2019 and January 2020. This survey was publicised by London Research, its sister company Digital Doughnut and associated LinkedIn groups.

The analysis within the report predominantly focuses on the data from in-company marketers, including those working for supply-side companies (mainly agencies) focused on their own marketing activities rather than their clients' (301 in total). In charts comparing client-side and agency findings, agency respondents include those focused on their clients' marketing activities (202 in total).

This research also contains an analysis of what online reputation management 'leaders' are doing differently from their peers. Leaders refer to those companies that classify their approach to online reputation management as 'advanced', while 'mainstream' companies refer to all the other companies surveyed (see *Figure 1*).

There is a further breakdown of respondent profiles in the appendix of this report, including by geography, company size (annual revenue), business sector and seniority within the business.

Our consumer survey, carried out in January 2020, was focused on four markets: the UK, the US, Germany and Australia. The number of respondents for each country was 1,000. The consumer survey was carried out using a London Research consumer panel partner, with a nationally representative selection of respondents in each country.

This report contains some charts where this consumer survey data is broken out by country, and others where the data is combined. Where the consumer survey data is combined, the sample size is 4,000.

Foreword by Reputation.com

In today's Feedback Economy, feedback is everywhere and readily available, and it's the driving force behind all purchasing decisions. As consumers now have an active role in shaping a brand's reputation, reputation management is foundational to a sound growth strategy. It enables brands to keep a pulse on what people are saying about them online and make targeted operational and customer experience improvements to better serve their audience.

We recently released The State of Online Reputation Management 2020 report, which we produced in partnership with London Research. We surveyed more than 500 companies and combined our findings with consumer surveys from the UK, US, Germany and Australia to find out the impact of proactive online reputation management with respect to the customer journey, consumer trust and long-term business success.

Our findings confirm what we already knew: reputation management is absolutely critical to business success. Additionally, to build and maintain consumer trust and positive sentiment, online reputation management must work hand in hand with effective customer experience management and a proactive effort to tune into the voice of the customer and take action. If businesses build a rock-solid reputation, consumers will trust them and are more likely to purchase their products or services. And if they provide a great customer experience while they're interacting with a brand at every touchpoint along the customer journey, they'll become brand advocates that help others trust a brand and choose it over competitors.

Companies have a lot to gain by prioritising online reputation and CX management. Responding to customer ratings and reviews boosts revenues and tangibly impacts the bottom line. For example, 47% of consumers report that receiving a response from the company has a major impact on their satisfaction, and 46% say a response increases their likelihood to make a repeat purchase. Yet our findings reveal that two-thirds of businesses don't have a specific department for managing reputation and 35% of those don't plan to put one in place. What's more, very few organisations have an integrated approach to reputation management technology, making it difficult to analyse data for deep, meaningful insights.

Ultimately, to leverage the full value of customer feedback data that exists in the wild, organisations must have a single source of truth that pulls in data across all customer touchpoints. This integration is key to getting a 360-degree view of the customer's perceptions about a brand. A platform such as Reputation.com can apply AI and machine learning techniques to uncover predictive and prescriptive insights that enable businesses to re-imagine CX and meet the ever-evolving expectations of consumers.

Anthony Gaskell
Managing Director EMEA, Reputation.com

Anthony Gaskell
Managing Director EMEA, Reputation.com

Anthony Gaskell helps businesses implement efficient online reputation management (ORM) strategy using the patented technology of Reputation.com, the leading ORM platform. The platform helps businesses capture and enlist the voice of the customer to deliver an exceptional customer experience and drive better business performance. He supports leading worldwide companies from 77 industries to drive more revenues by putting them in control of their online reputation. Anthony helped found Reputation.com's European operations and progressed to the Managing Director role.

1

Most Companies at the Start of their ORM Journey

Online reputation management (ORM) is about controlling and influencing what is said about your brand, products and services on digital properties. To a certain degree, if you can get the customer experience right, then positive word of mouth in the form of recommendations, high rating scores and complimentary reviews will follow.
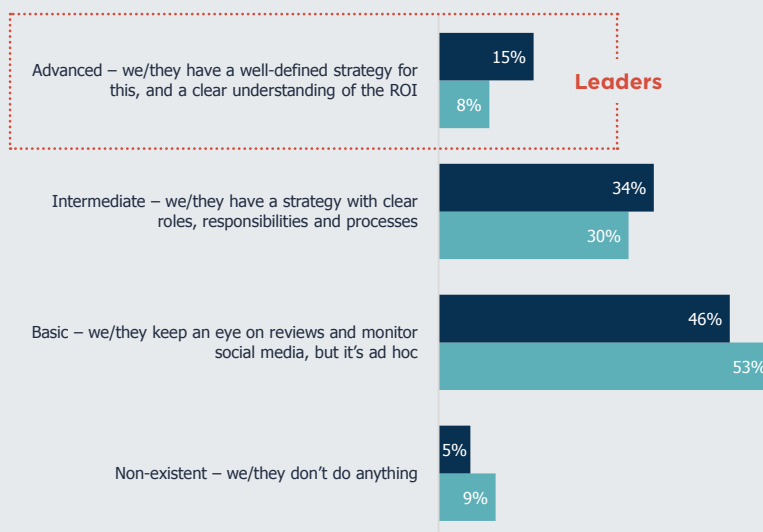
But the reality even for the strongest brands is that their online reputation needs to be nurtured and managed. Customers need to be listened to, feedback needs to be addressed, and positive sentiment needs to be amplified.

Our global survey of businesses has found that most companies are only at the beginning of their ORM journey, or have not yet even started. Just under half (46%) of client-side respondents describe their approach to managing their reputation online as 'basic', while a further 5% say it is 'non-existent' (*Figure 1*).

At the other end of the spectrum, 15% of company respondents say their approach is 'advanced'. These organisations are classified as 'leaders' for the purposes of this research, and it is no surprise to see that they are reaping the commercial benefits.

BUSINESSES

FIGURE 1
How advanced is your company's (or your clients') approach to managing its (or their) reputation online?

Advanced – we/they have a well-defined strategy for this, and a clear understanding of the ROI
15%
8%
Leaders

Intermediate – we/they have a strategy with clear roles, responsibilities and processes
34%
30%

Basic – we/they keep an eye on reviews and monitor social media, but it's ad hoc
46%
53%

Non-existent – we/they don't do anything
5%
9%

Only 15% of companies describe their approach to online reputation management as 'advanced'.

● Company respondents
● Agency respondents

ORM leaders are three and a half times more likely than their mainstream peers to say they have a strong online reputation that delivers tangible commercial value (46% vs. 13%).
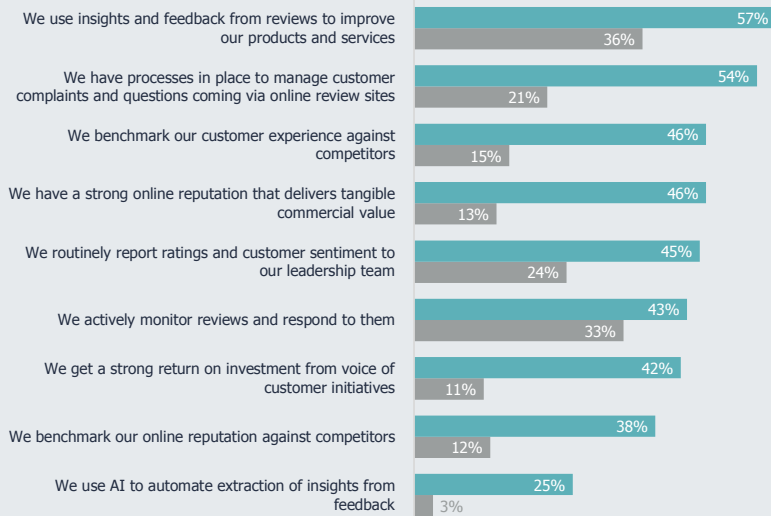
Leaders are three and a half times more likely than their mainstream peers to say they have a strong online reputation that delivers tangible commercial value (46% vs. 13%, *Figure 2*). *Figure 2* also shows other significant differences between leaders and mainstream companies across a range of statements relating to good practice in areas relating to ORM, and these will be referenced throughout this report.

It is evident that most companies need to raise the bar when it comes to their online reputation. On average, companies only score themselves 6.5 out of 10 for their online reputation (*Figure 3*), a very mediocre score.

BUSINESSES
CLIENT-SIDE RESPONDENTS

FIGURE 2
Proportion of respondents 'strongly' agreeing with the following statements relating to their organisation's online reputation management

We use insights and feedback from reviews to improve our products and services — 57% / 36%

We have processes in place to manage customer complaints and questions coming via online review sites — 54% / 21%

We benchmark our customer experience against competitors — 46% / 15%

We have a strong online reputation that delivers tangible commercial value — 46% / 13%

We routinely report ratings and customer sentiment to our leadership team — 45% / 24%

We actively monitor reviews and respond to them — 43% / 33%

We get a strong return on investment from voice of customer initiatives — 42% / 11%

We benchmark our online reputation against competitors — 38% / 12%

We use AI to automate extraction of insights from feedback — 25% / 3%

● Leaders
● Mainstream

Across a range of areas relating to good practice in ORM, there are significant differences between leaders and mainstream companies.
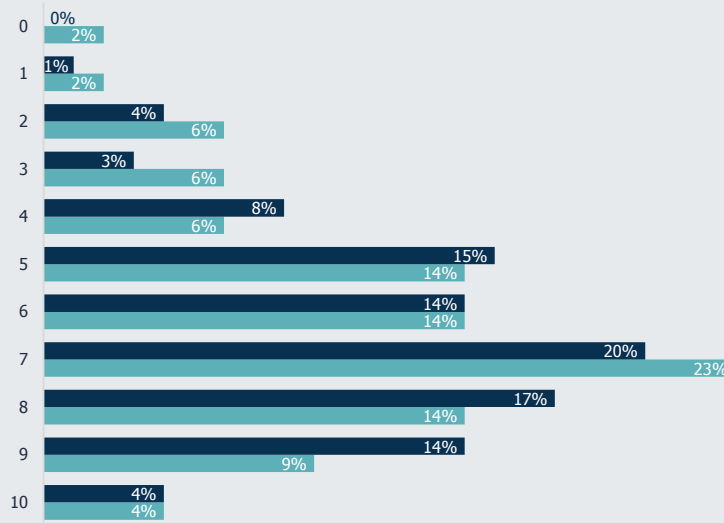
BUSINESSES

FIGURE 3
On a scale of 0-10, how would you rate the online reputation of your business (or your clients), 0 being terrible and 10 being excellent?

Averages:
6.5 (client-side);
6.1 (agencies)

Score	Company respondents	Agency respondents
0	0%	2%
1	1%	2%
2	4%	6%
3	3%	6%
4	8%	6%
5	15%	14%
6	14%	14%
7	20%	23%
8	17%	14%
9	14%	9%
10	4%	4%

On average, companies only score themselves 6.5 out of 10 for their online reputation.
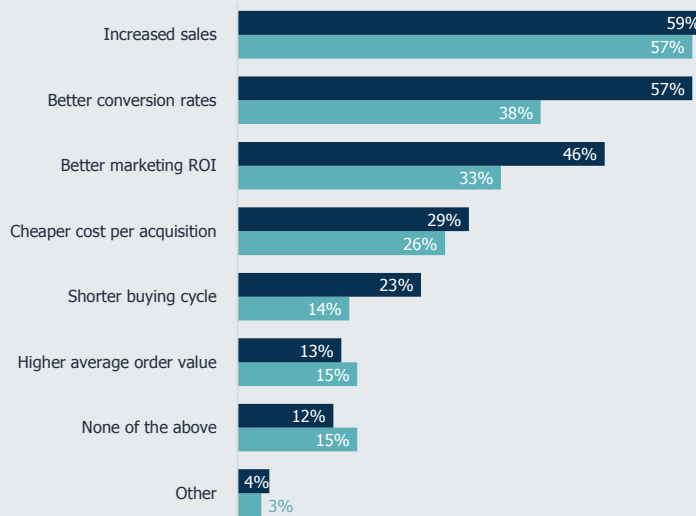
● Company respondents
● Agency respondents

This research shows that ORM investment of budget and resources is worth it because it pays commercial dividends. As can be seen in *Figure 4*, the majority of responding companies say they measure the impact of a positive online reputation in terms of *increased sales* (59%) and *better conversion rates* (57%). Furthermore, just under half (46%) of companies say they quantify its impact through *better marketing ROI*.

As we shall see in the next section, a good online reputation is vital for promoting consumer trust. Without this trust, many consumers will seek an alternative or delay their purchase.

BUSINESSES

FIGURE 4
How do you (or your clients) measure the impact of a positive online reputation on commercial performance?

	Company respondents	Agency respondents
Increased sales	59%	57%
Better conversion rates	57%	38%
Better marketing ROI	46%	33%
Cheaper cost per acquisition	29%	26%
Shorter buying cycle	23%	14%
Higher average order value	13%	15%
None of the above	12%	15%
Other	4%	3%

Companies are most likely to measure the impact of a positive online reputation in terms of increased sales and better conversion rates.

● Company respondents
● Agency respondents

2

Importance of Trust in the Age of the Customer

In today's world of super-connected and highly discerning consumers, trust is a prized asset earned through a consistently good customer experience. Post-truth politics, corporate scandals and the rise of fake news mean authenticity is now being questioned in all walks of life – and brand reputation is very much under the microscope too.

With trust at a premium, companies seen as genuinely caring about their customers and transparent in how they do business have a growing commercial advantage.
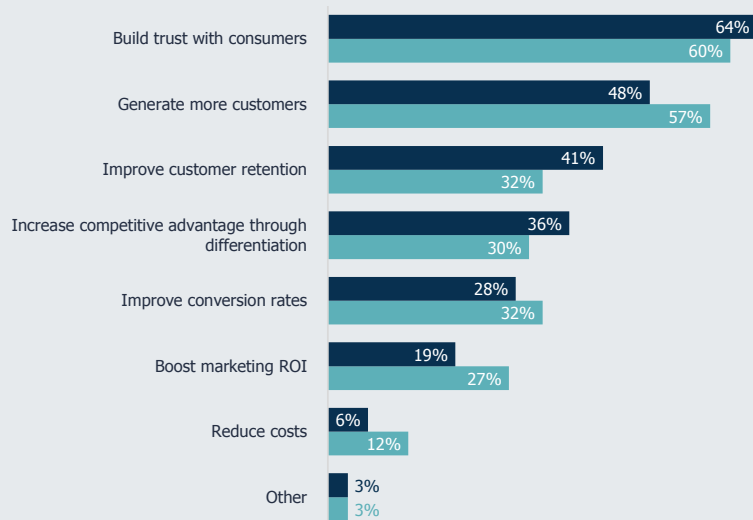
To be successful, businesses must not only have integrity, but also be aware of – and responsive to – the issues consumers care about. Edelman's 2019 Trust Barometer[1] found 64% of customers are now 'belief-driven buyers' that tend to choose, switch, avoid or boycott a brand based on its stand on societal issues. More than four in five (81%)

consumers said brand trust was a deciding factor in their product choices. Monitoring and managing brand reputation are clearly highly important in this challenging new world – and this is evident from our survey responses.

This research shows that 'building trust with consumers' is the most commonly-cited driver of online reputation management for companies. Just under two-thirds (64%) of business respondents say this is a key reason to actively manage their online reputations. These organisations typically recognise that trust is a prerequisite for key commercial and financial drivers such as customer acquisition, retention and conversion, marketing ROI, and efficiency (*Figure 5*).

BUSINESSES

FIGURE 5
What are the key drivers for your company's (or your clients') online reputation management activities?

Build trust with consumers — 64% / 60%
Generate more customers — 48% / 57%
Improve customer retention — 41% / 32%
Increase competitive advantage through differentiation — 36% / 30%
Improve conversion rates — 28% / 32%
Boost marketing ROI — 19% / 27%
Reduce costs — 6% / 12%
Other — 3% / 3%

● Company respondents
● Agency respondents

Building trust with consumers is the most commonly-cited driver of online reputation management.

ORM leaders are more than three times as likely as their mainstream peers to benchmark their customer experience and online reputation against competitors (46% vs. 15% and 38% vs. 12%, respectively).

Businesses are also widely aware of the competitive advantages that reputation management can bring. As was seen in *Figure 2*, leaders are more than three times as likely as their mainstream peers to benchmark their customer experience and online reputation against competitors (46% vs. 15% and 38% vs. 12%, respectively).

The fragility of trust and importance of validation

This battle for trust has resulted in the rise of third-party validation of how well a business delivers for consumers, including on product quality and customer experience.

At the same time, the source of this validation is changing. Traditional, top-down information flow from the media – whether editorial or advertising – no longer washes with many buyers. Former Unilever Chief Marketing Officer Keith Weed, a leader in efforts to address erosion of trust in the media, has warned that advertising is increasingly being 'blocked and skipped' as consumers become ever more cynical about what they are being told[2].
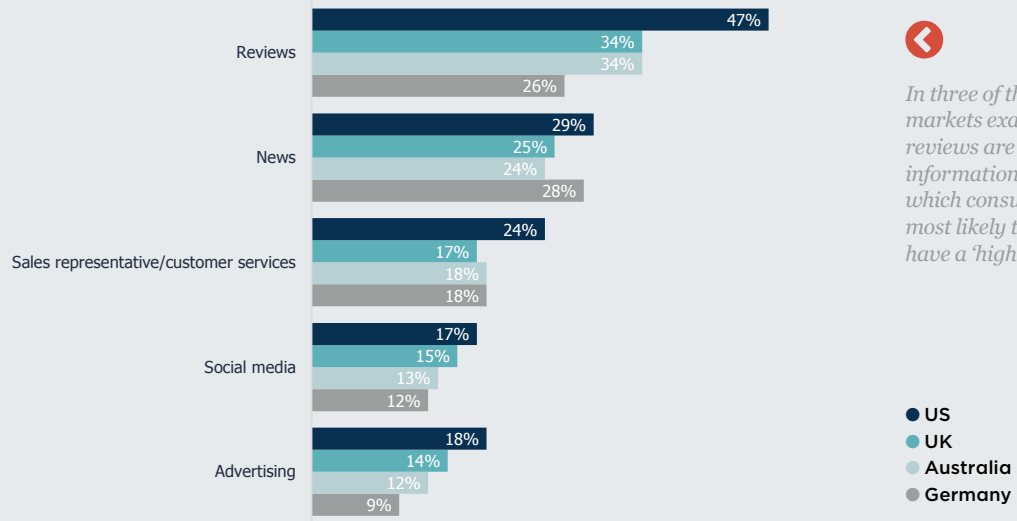
All this means consumers are increasingly leaning towards reviews from their peers for guidance on product selection. Across three of four markets featured in *Figure 6*, *reviews* are the information source in which consumers are most likely to say they have a 'high' level of trust. Only in Germany does a separate source – *news* – have a better standing (28% vs. 26% for reviews).

In the US, reviews are especially widely appreciated, gaining a high degree of trust from nearly half (47%) of consumers.

CONSUMERS

FIGURE 6
**Proportion
of consumers
describing the
level of trust
they have in the
following sources of
information relating
to a company, its
products or its
services as 'high'**

Reviews
US 47%
UK 34%
Australia 34%
Germany 26%

News
US 29%
UK 25%
Australia 24%
Germany 28%

Sales representative/customer services
US 24%
UK 17%
Australia 18%
Germany 18%

Social media
US 17%
UK 15%
Australia 13%
Germany 12%

Advertising
US 18%
UK 14%
Australia 12%
Germany 9%

- US
- UK
- Australia
- Germany

*In three of the four
markets examined,
reviews are the
information source in
which consumers are
most likely to say they
have a 'high' level of trust.*

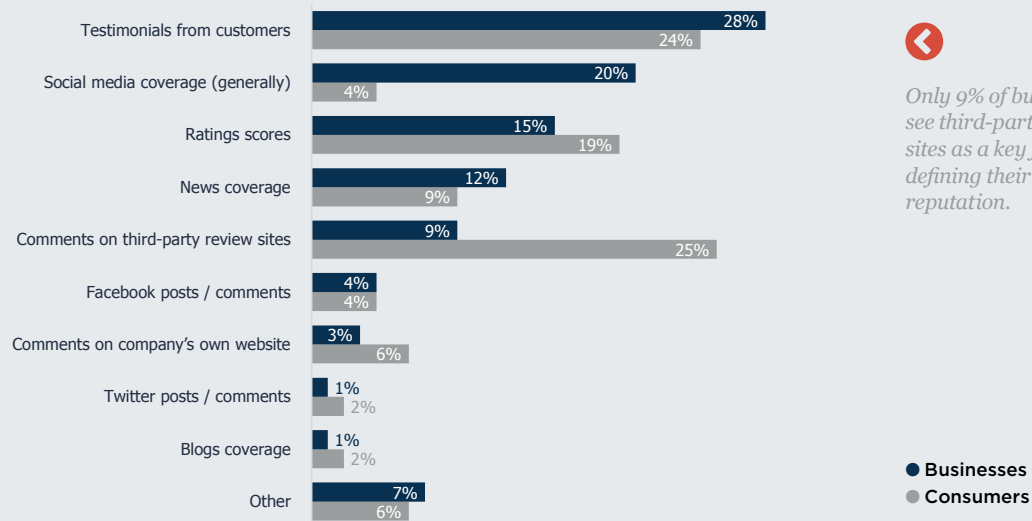**Brands are behind the curve in recognising
importance of reviews**

Review websites are now a go-to resource for many
consumers, when it comes to finding out more about
products and services. Yet *Figure 7* shows how many
businesses have yet to realise the significant role
third-party reviews are now playing in determining
competitive performance.

A quarter of consumers describe comments on
third-party review sites as the most important factor
in their product choices (25%). However, only 9% of
businesses see these sites as the most important
factor in defining their online reputation.

Businesses are more closely focused on customer
testimonials and social media coverage when it
comes to managing their reputations online.

FIGURE 7
**What is most
important for
defining your online
reputation?
(BUSINESSES)**

**What is most
important to you
when you are
deciding on whether
to buy something
from a company?
(CONSUMERS)**

Testimonials from customers
Businesses 28%
Consumers 24%

Social media coverage (generally)
Businesses 20%
Consumers 4%

Ratings scores
Businesses 15%
Consumers 19%

News coverage
Businesses 12%
Consumers 9%

Comments on third-party review sites
Businesses 9%
Consumers 25%

Facebook posts / comments
Businesses 4%
Consumers 4%

Comments on company's own website
Businesses 3%
Consumers 6%

Twitter posts / comments
Businesses 1%
Consumers 2%

Blogs coverage
Businesses 1%
Consumers 2%

Other
Businesses 7%
Consumers 6%

- Businesses
- Consumers

*Only 9% of businesses
see third-party review
sites as a key factor for
defining their online
reputation.*

3

Harnessing and Encouraging Customer Feedback, Ratings and Reviews

The accelerating shifts in customer behaviour have led to the emergence of a diverse, heterogenous consumer base. Successfully attracting and retaining them requires an in-depth understanding of brand perception and the impact ratings and reviews can have on business performance. Empowered by social media and the digital devices at their disposal, today's consumers are increasingly relying on customer feedback throughout their decision journey.
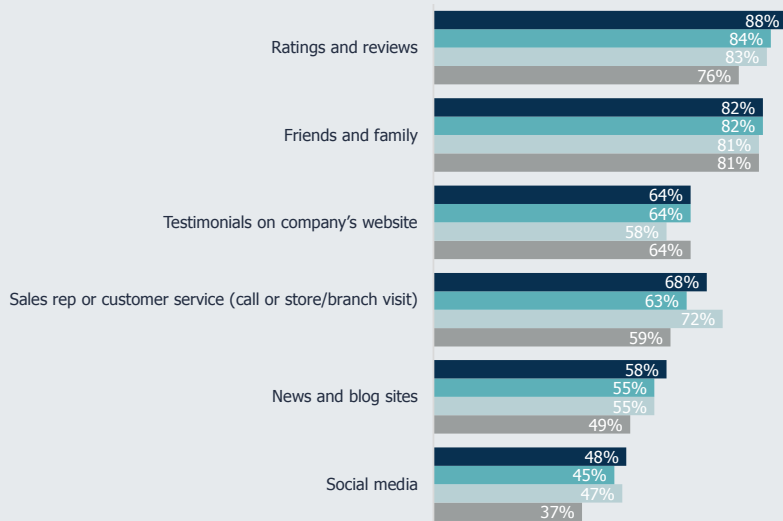
Our research shows that on average, four in five consumers consider ratings and reviews to be 'very' or 'quite' important when they are looking for information about a company's products or services (*Figure 8*). They are particularly influential in the US, with nine in ten (88%) of those surveyed

acknowledging they're very important. Ratings and reviews rank above feedback and recommendations from friends and family, and are considered to be significantly more important than website testimonials and information provided by sales reps.

Figure 9 shows that the impact of consumer ratings and reviews on purchase decisions is not limited to a particular type of product or service. On average, around three-quarters of consumers in the UK, Australia and the US say they have a 'very' or 'quite' important role in helping them decide to buy or choose a range of products and services. German consumers are less likely to assign the same level of importance (64% compared to an average of 77% across the other three regions).

CONSUMERS

FIGURE 8
Proportion of consumers rating the following as 'very' or 'quite' important when looking for information about a company's products or services

	US	UK	Australia	Germany
Ratings and reviews	88%	84%	83%	76%
Friends and family	82%	82%	81%	81%
Testimonials on company's website	64%	64%	58%	64%
Sales rep or customer service (call or store/branch visit)	68%	63%	72%	59%
News and blog sites	58%	55%	55%	49%
Social media	48%	45%	47%	37%

On average, four in five consumers consider ratings and reviews to be 'very' or 'quite' important when looking for information about a company's products or services.

● US
● UK
● Australia
● Germany

ORM leaders are 54% more likely to track ratings scores (43% vs. 28%) and more than twice as likely to publicise positive ratings (46% vs. 21%).

Across all regions, purchase decisions for holidays and retail products are most likely to be influenced by ratings and reviews. On average, nearly three in five (57%) consumers 'always' or 'regularly' check reviews when purchasing in these two categories, compared to only a third (34%) for clothing products (*Figure 10*).

Maximising the value of customer feedback

A comprehensive strategy for effectively harnessing customer feedback is crucial because of the visibility of comments, reviews and ratings to prospects, especially within search results, and the impact this can have on commercial performance (as discussed in *Section 1*).
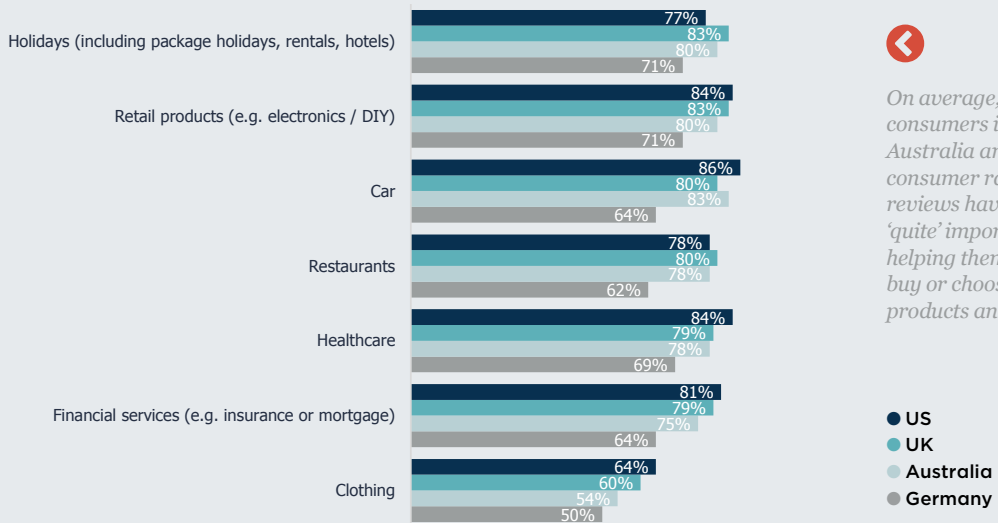
However, *Figure 11* shows a significant variance between leaders and their mainstream peers when it comes to online reputation management tactics.

Leaders are nearly twice as likely as their mainstream peers to actively manage their business listings on third-party sites (57% vs. 31%). Including accurate business information and keeping track of ratings and reviews is the first step towards improving business perception.

Rating scores are particularly important in building credibility and there's evidence that leading organisations are utilising them to their advantage. They're 54% more likely to track ratings scores (43% vs. 28%) and more than twice as likely to publicise positive ratings (46% vs. 21%).

CONSUMERS

FIGURE 9
Proportion of consumers rating consumer ratings and reviews as 'very' or 'quite' important in deciding to buy or choose the following types of products and services

Holidays (including package holidays, rentals, hotels)
77%
83%
80%
71%

Retail products (e.g. electronics / DIY)
84%
83%
80%
71%

Car
86%
80%
83%
64%

Restaurants
78%
80%
78%
62%

Healthcare
84%
79%
78%
69%

Financial services (e.g. insurance or mortgage)
81%
79%
75%
64%

Clothing
64%
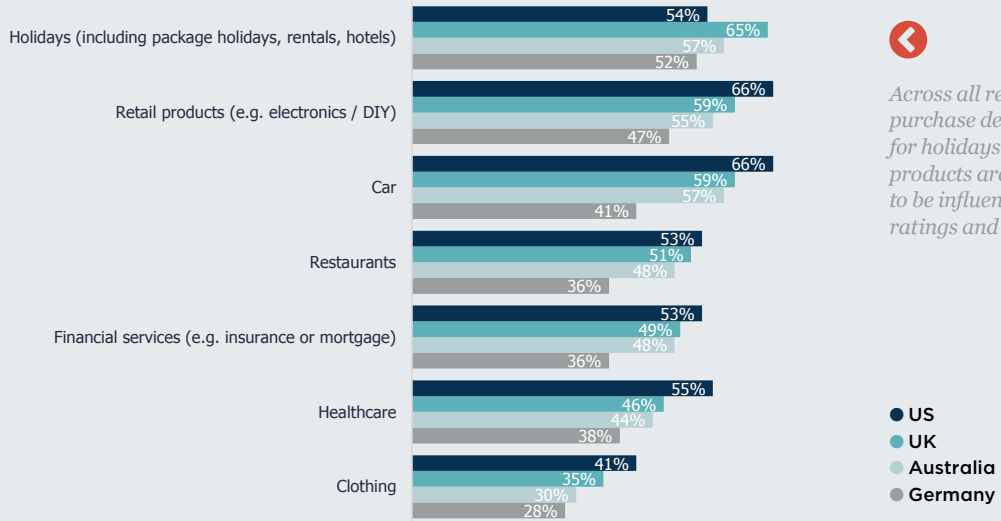60%
54%
50%

● US
● UK
● Australia
● Germany

On average, 77% of consumers in the UK, Australia and the US say consumer ratings and reviews have a 'very' or 'quite' important role in helping them decide to buy or choose a range of products and services.

CONSUMERS

FIGURE 10
Proportion of respondents 'always' or 'regularly' checking reviews when they are buying the following types of products and services

Holidays (including package holidays, rentals, hotels)
- 54%
- 65%
- 57%
- 52%

Retail products (e.g. electronics / DIY)
- 66%
- 59%
- 55%
- 47%

Car
- 66%
- 59%
- 57%
- 41%

Restaurants
- 53%
- 51%
- 48%
- 36%

Financial services (e.g. insurance or mortgage)
- 53%
- 49%
- 48%
- 36%

Healthcare
- 55%
- 46%
- 44%
- 38%

Clothing
- 41%
- 35%
- 30%
- 28%

● US
● UK
● Australia
● Germany

Across all regions, purchase decisions for holidays and retail products are most likely to be influenced by ratings and reviews.
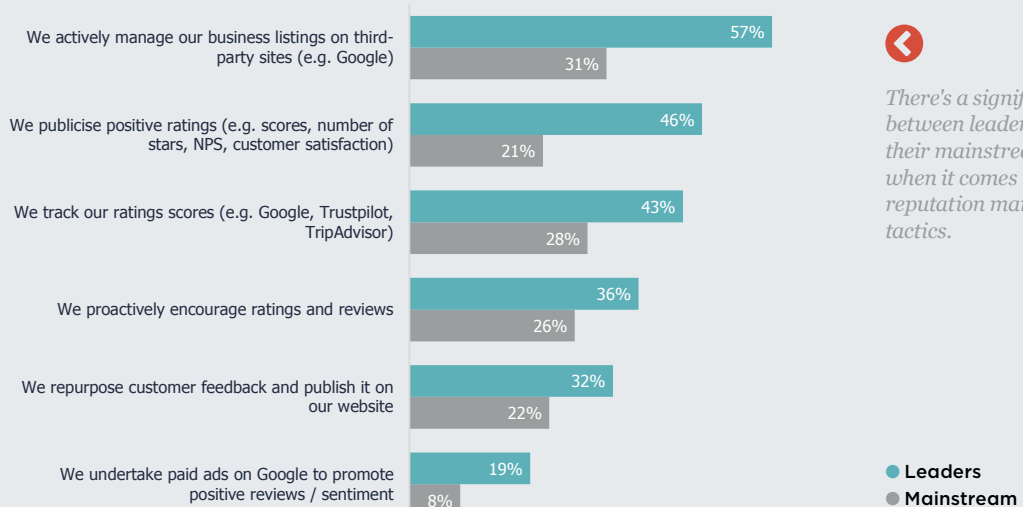
In order to get the full value from existing reviews, it's essential to repurpose customer feedback. Featuring positive reviews on the company's website provides compelling content that can improve organic search results and provide the social proof prospective customers are looking for. Even among leaders, less than a third (32% vs. 22% of mainstream organisations) repurpose customer feedback by publishing it on their website. An even lower proportion of organisations are using Google paid ads to promote positive reviews, but leaders are more than twice as likely to do so (19% vs. 8%).

Actively encouraging reviews: from bold step to necessity

Successful organisations typically have a robust feedback system in place, actively encouraging reviews, tying them to sales data and feeding information gleaned from negative reviews back into the business. Prompting reviews post-purchase, usually through targeted emails, is a commonly used tactic that allows businesses to gain timely feedback from real customers.

BUSINESSES
CLIENT-SIDE RESPONDENTS

FIGURE 11
Proportion of respondents 'strongly' agreeing with the following statements relating to their organisation's online reputation management
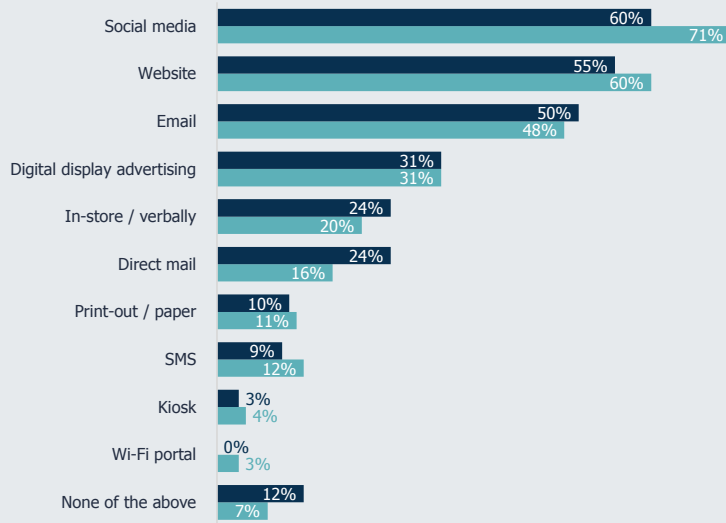

We actively manage our business listings on third-party sites (e.g. Google)
- 57%
- 31%

We publicise positive ratings (e.g. scores, number of stars, NPS, customer satisfaction)
- 46%
- 21%

We track our ratings scores (e.g. Google, Trustpilot, TripAdvisor)
- 43%
- 28%

We proactively encourage ratings and reviews
- 36%
- 26%

We repurpose customer feedback and publish it on our website
- 32%
- 22%

We undertake paid ads on Google to promote positive reviews / sentiment
- 19%
- 8%

● Leaders
● Mainstream

There's a significant gap between leaders and their mainstream peers when it comes to online reputation management tactics.

BUSINESSES

FIGURE 12
Which channels do you (or your clients) use to proactively encourage ratings and reviews?

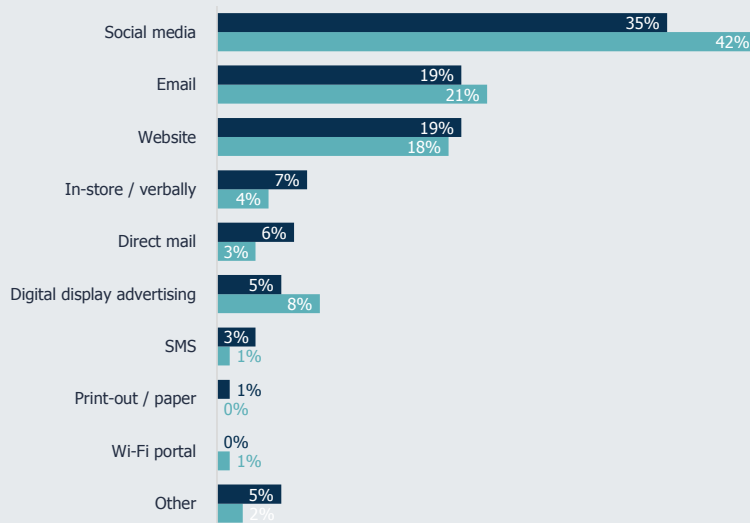| Channel	Company respondents	Agency respondents
Social media	60%	71%
Website	55%	60%
Email	50%	48%
Digital display advertising	31%	31%
In-store / verbally	24%	20%
Direct mail	24%	16%
Print-out / paper	10%	11%
SMS	9%	12%
Kiosk	3%	4%
Wi-Fi portal	0%	3%
None of the above	12%	7%

● Company respondents
● Agency respondents

The most popular channels businesses are using to proactively encourage ratings and reviews are social media, websites and email.

As seen in *Figure 11*, leaders are 38% more likely than their mainstream peers to proactively encourage ratings and reviews. The most popular channels businesses are using to do so are social media, websites and email (*Figure 12*). These also rank highly on the effectiveness scale (*Figure 13*), with social media well ahead of the other two (35% vs. 19% each for email and websites).

BUSINESSES

FIGURE 13
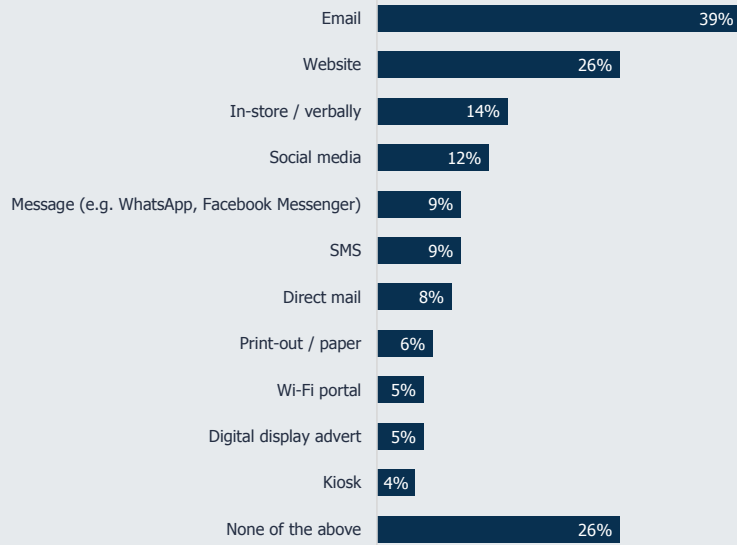**What is the most effective channel for encouraging ratings and reviews?**

Channel	Company respondents	Agency respondents
Social media	35%	42%
Email	19%	21%
Website	19%	18%
In-store / verbally	7%	4%
Direct mail	6%	3%
Digital display advertising	5%	8%
SMS	3%	1%
Print-out / paper	1%	0%
Wi-Fi portal	0%	1%
Other	5%	2%

● Company respondents
● Agency respondents

Social media is seen as more effective than email and websites when it comes to encouraging ratings and reviews.

CONSUMERS

FIGURE 14
Have you left a review after being prompted by any of the following?

Email	39%
Website	26%
In-store / verbally	14%
Social media	12%
Message (e.g. WhatsApp, Facebook Messenger)	9%
SMS	9%
Direct mail	8%
Print-out / paper	6%
Wi-Fi portal	5%
Digital display advert	5%
Kiosk	4%
None of the above	26%

Only 12% of consumers claim they left a review after being prompted by social media, compared to 39% for emails and 26% for websites.

It is worth noting that on average, only 12% of consumers claim they left a review after being prompted by social media, compared to 39% for emails and 26% for websites (*Figure 14*). This suggests that companies should explore multiple avenues for encouraging reviews and focus their efforts on sending post-purchase follow-up emails.

4

Responding to Reviews and Addressing Negative Feedback

Actively reviewing and responding to feedback is critical to the success of top-performing companies. As *Figure 15* highlights, when companies respond to reviews, this boosts customer satisfaction, and increases the propensity to make a repurchase or engage further. With almost half of consumers globally reporting that a brand response has a major impact on satisfaction and loyalty, it's clear that ignoring the customer leaves brands open to the risk of losing valuable customers.

It is also crucial for companies to use feedback for product development. ORM leaders are one-and-a-half times more likely than their peers to use the insights from reviews to actively improve their products and services (57% vs. 36% for mainstream companies, *Figure 2*).

Responding mitigates the impact of negative reviews

Responding to feedback boosts customer loyalty. As the findings in *Figure 16* and *17* highlight, while negative reviews can turn customers off from making a purchase, the effect is mitigated if brands take the time to respond to feedback. Globally, 83% of consumers said a negative review would hold them back from making a purchase, but when the company responded, almost two-thirds (64%) reported they would be less likely to be put off.

ORM leaders recognise the importance of responding to the voice of the customer, as they are two-and-a-half times more likely than their peers to have an active strategy in place to deal with customer complaints and questions (54% vs. 21%, *Figure 2*).

CONSUMERS

FIGURE 15
Proportion of consumers describing impact of receiving a response to feedback from a business as 'major'
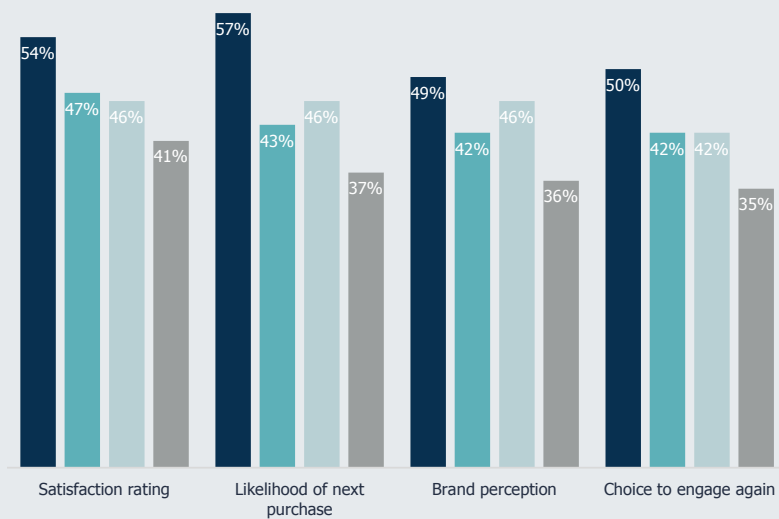
Globally, nearly half of consumers report that receiving a response from the company has a major impact on their level of satisfaction and likelihood to make a repeat purchase.

- US
- UK
- Australia
- Germany

ORM leaders are one-and-a-half times more likely than their peers to use the insights from reviews to actively improve their products and services (57% vs. 36% for mainstream companies).

Letting the customer know the brand is taking on board their input has the potential to transform detractors into brand advocates.

**Companies must utilise both negative and positive feedback**

There can be a tendency for businesses to only take note of bad reviews, but companies may be missing a trick if they don't make effective use of both negative and positive feedback. As seen in *Figure 11*, almost half (46%) of ORM leaders are utilising positive ratings to market themselves, more than double their peers (just 21%).

Consumers need to know that the business is listening to them and addressing their feedback. According to a study on 'Wantedness' by Wunderman, 79% of US consumers want brands to show that they care about them and their needs[3].

Using an online reputation management platform, keeping an eye on online reviews and taking the time to respond are the first steps on the road to greater engagement, which ultimately translates into loyal customers and higher retention rates.

CONSUMERS

FIGURE 16
Would negative reviews or comments make you less likely to buy a particular product or service?
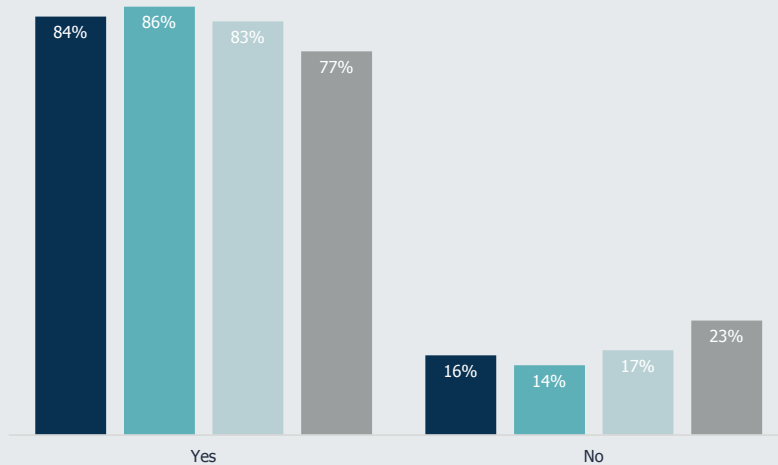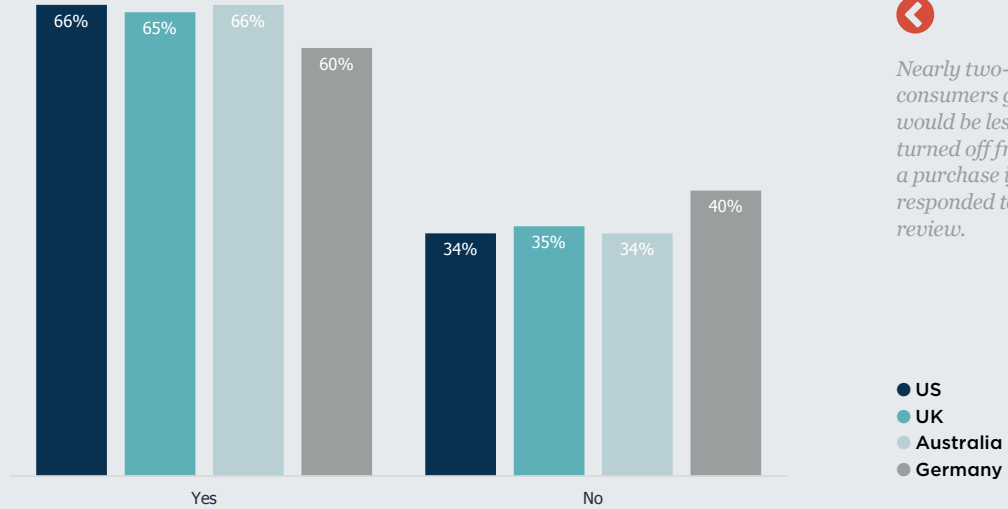

Globally, 83% of consumers said a negative review would hold them back from making a purchase.

- US
- UK
- Australia
- Germany

CONSUMERS

FIGURE 17
**Are negative reviews
or comments less
likely to put you off
a product or service
if businesses have
responded to them?**

*Nearly two-thirds of
consumers globally
would be less likely to be
turned off from making
a purchase if the brand
responded to a negative
review.*

● US
● UK
● Australia
● Germany

Consumer expectations in different regions

Consumers in different regions turn to different channels when it comes to reporting complaints or asking queries. Over a third of consumers in the UK, US and Australia report that they expect a response from the brand if they comment on social media, regardless of whether the feedback is positive or negative (*Figure 18*). This expectation is consistent across different platforms, with around a third of customers also expecting a response to reviews on TripAdvisor or Google, as shown in *Figure 19*.

In Germany, consumer behaviour is slightly different, with almost half (47%) of consumers reporting that they do not expect a response on social media. In addition, 51% do not expect a response on Google or TripAdvisor when a comment or complaint is posted.

While social media and online review sites are the channels of choice for UK, US and Australian consumers, in Germany, customers may be more likely to get on the phone or write an email.
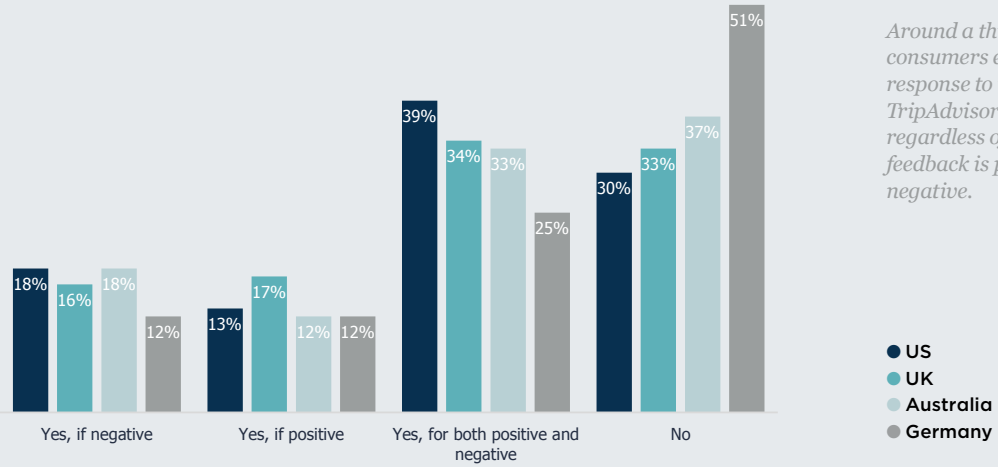
CONSUMERS

FIGURE 18
**Do you expect a
response from a
business when
you have posted
a comment or
complaint on social
media, for example
on their Facebook
page or directed
at their Twitter
account?**
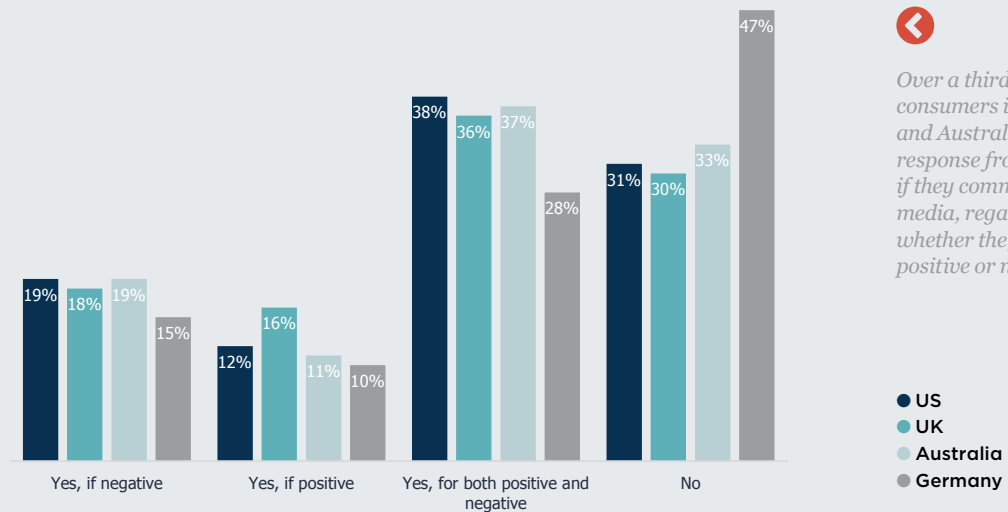
*Over a third of
consumers in the UK, US
and Australia expect a
response from the brand
if they comment on social
media, regardless of
whether the feedback is
positive or negative.*

● US
● UK
● Australia
● Germany

CONSUMERS

FIGURE 19
Do you expect a response from a business when you have left a review on a reviews website such as TripAdvisor or Google?

Around a third of consumers expect a response to reviews on TripAdvisor or Google, regardless of whether the feedback is positive or negative.

- US
- UK
- Australia
- Germany

Customers expect businesses to respond in a timely manner

With a faster pace of life and shorter attention spans, it comes as no surprise that consumers expect a quick turnaround when it comes to responding to feedback.

Most consumers usually expect a response within hours, with 24 hours being the upper limit. The expected speed of response varies across different channels, as shown in *Figure 20*. Social media is perceived to be much more immediate, so a response is expected within a few hours. A response coming through email, or via a web form is typically expected to have a longer lead-time, usually within 24 hours.

CONSUMERS

FIGURE 20
How quickly do you expect a response from a company when you have left some feedback or a complaint about a product or service?
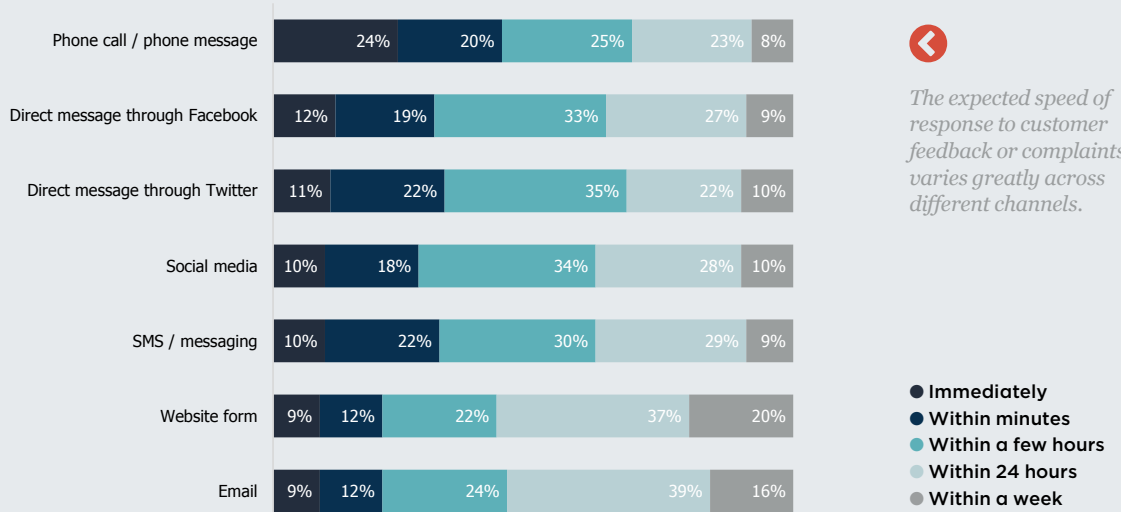
The expected speed of response to customer feedback or complaints varies greatly across different channels.

- Immediately
- Within minutes
- Within a few hours
- Within 24 hours
- Within a week

5

Ownership of Online Reputation Management and CX Within the Organisation

While many departments may collectively share responsibility for online reputation, there must be accountability within a business for proactively using and responding to feedback. Almost half (46%) of companies report that responsibility for ORM falls on the shoulders of the CMO or marketing director (*Figure 21*).
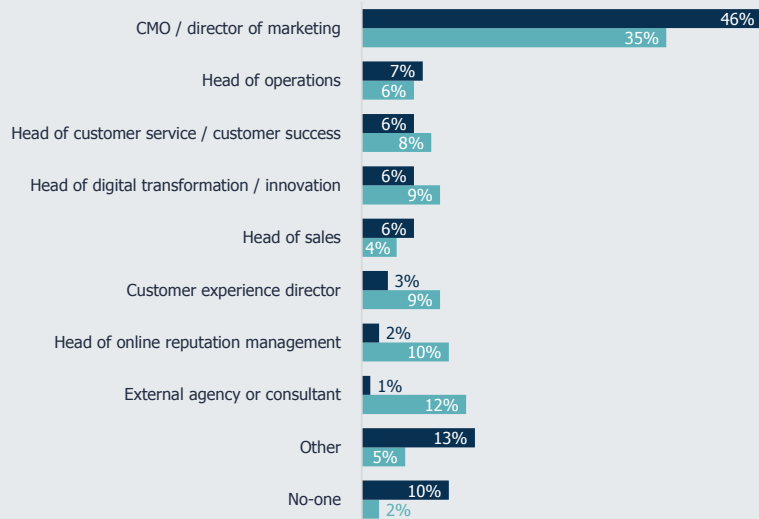
Designating clear ownership for reputation management means that the insights from ratings and reviews can actively feed into product and service development. The top-performing businesses understand how to harness feedback, as they are one-and-a-half time more likely than their peers to use the insights from ratings and reviews to feed into service improvements (*Figure 2*).

Looking at the most advanced companies, there is a clear process in place to elevate customer insights up the chain of command. Almost half (45%) of ORM leaders are routinely reporting ratings and customer sentiment to management, compared to only a quarter (24%) of mainstream businesses (*Figure 2*).

Sharing information with top-level executives enables management to chart a path forward and steer the organisation in the right direction. This customer-centric approach results in tangible benefits. As already referenced in *Section 1*, leaders are three-and-a-half times more likely than their peers to report that a strong online reputation delivers tangible commercial value.

BUSINESSES

FIGURE 21
Who within your business (or your clients' organisations) has ownership for online reputation management?

	Company	Agency
CMO / director of marketing	46%	35%
Head of operations	7%	6%
Head of customer service / customer success	6%	8%
Head of digital transformation / innovation	6%	9%
Head of sales	6%	4%
Customer experience director	3%	9%
Head of online reputation management	2%	10%
External agency or consultant	1%	12%
Other	13%	5%
No-one	10%	2%

● Company respondents
● Agency respondents

In almost half of companies surveyed, responsibility for ORM falls on the shoulders of the CMO or marketing director.

Almost half (45%) of ORM leaders are routinely reporting ratings and customer sentiment to management, compared to only a quarter (24%) of mainstream businesses.

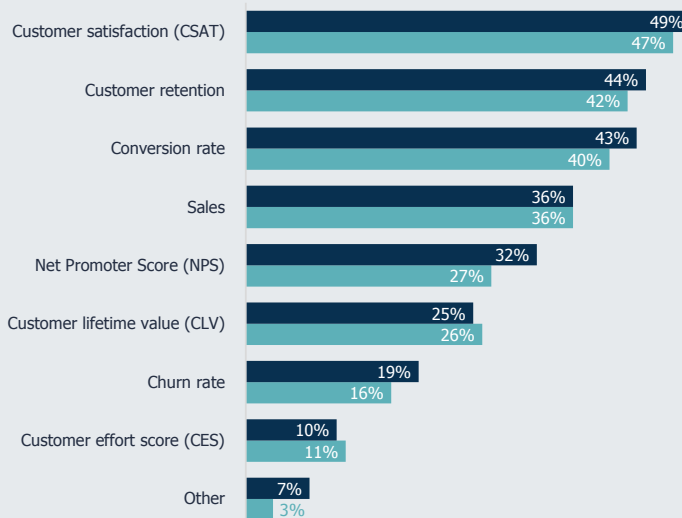**Mapping the customer journey is critical to success**

Fundamentally, improving CX entails having a greater understanding of the customer. The first step is to map the customer journey and develop specific metrics to measure performance at every touchpoint. Most businesses use a mix of different key performance indicators (KPIs), each of which are specific to different moments in the customer journey.

Companies must optimise the customer experience across different points in the customer journey and seize every opportunity to improve their products and services.

Using a wide range of metrics paints a holistic picture that enables companies to understand performance not just at the specific point of interaction, but also at the point of conversion as well as the long-term impact, long after the transaction has been completed. While nearly half (49%) of companies depend on customer satisfaction to measure CX, 44% are focused on the long-term gains by benchmarking customer retention (*Figure 22*).

BUSINESSES

FIGURE 22
Which key performance indicators do you (or your clients) use to measure and monitor customer experience (CX)?

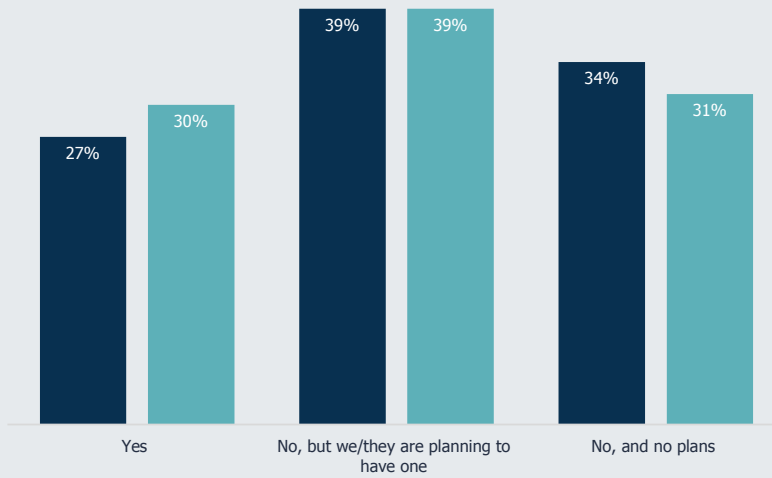| KPI	Company respondents	Agency respondents
Customer satisfaction (CSAT)	49%	47%
Customer retention	44%	42%
Conversion rate	43%	40%
Sales	36%	36%
Net Promoter Score (NPS)	32%	27%
Customer lifetime value (CLV)	25%	26%
Churn rate	19%	16%
Customer effort score (CES)	10%	11%
Other	7%	3%

Nearly half of companies rely on customer satisfaction to measure and monitor customer experience.

● Company respondents
● Agency respondents

BUSINESSES

**FIGURE 23
Does your
organisation (or
do your clients)
have a budget for
monitoring and
managing online
reputation?**

Yes — 27% (Company respondents), 30% (Agency respondents)
No, but we/they are planning to have one — 39% (Company respondents), 39% (Agency respondents)
No, and no plans — 34% (Company respondents), 31% (Agency respondents)

● Company respondents
● Agency respondents

Only a quarter of companies have allocated budgets specifically to monitoring and managing online reputation.

Budgets for online reputation management

It is critical for businesses to set aside budget for managing online reputation, given that negating its impact runs the risk of lost revenue. Currently, only a quarter (27%) of companies have a space in the budget for managing online reputation (*Figure 23*), while just under half (46%) of companies surveyed are planning to increase their budgets for managing online reputation (*Figure 24*).

One strategy for prioritising customer satisfaction is to provide staff working in an offline environment with financial incentives to prioritise the customer experience. Currently, only a fifth (22%) of companies are providing these rewards to managers (*Figure 25*).

It's clear that more could be done to prioritise the customer experience which is inextricably linked to a company's online reputation. Companies need to seize every opportunity to deliver an excellent customer experience and enhance their reputation for delivering outstanding customer service.

BUSINESSES

**FIGURE 24
What best describes
plans for your
(or your clients')
online reputation
management
budget?**

We/they are increasing our/their budget for 2020 — 46% (Company respondents), 33% (Agency respondents)
No change to our/their budget — 54% (Company respondents), 62% (Agency respondents)
We/they are decreasing our/their budget for 2020 — 0% (Company respondents), 5% (Agency respondents)

● Company respondents
● Agency respondents
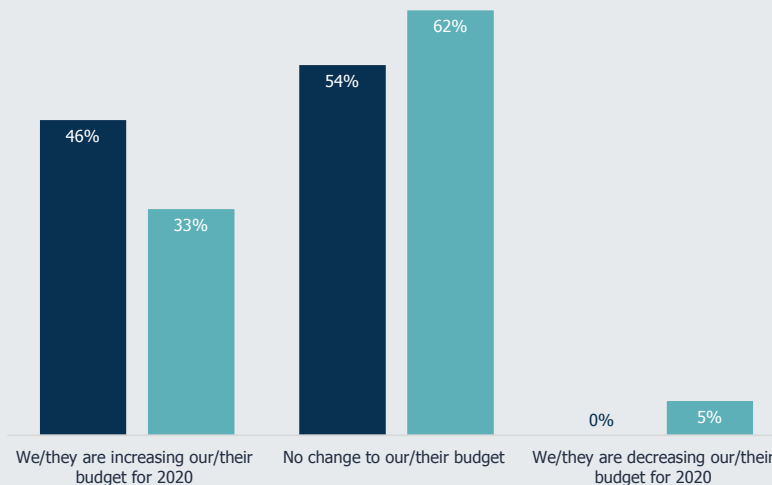
Just under half of companies surveyed are planning to increase their budgets for managing online reputation.

BUSINESSES

FIGURE 25
Do you (or your clients) provide any financial incentives to your (or their) location (stores/branches/ hospitals/gyms etc.) managers to provide a positive customer experience?
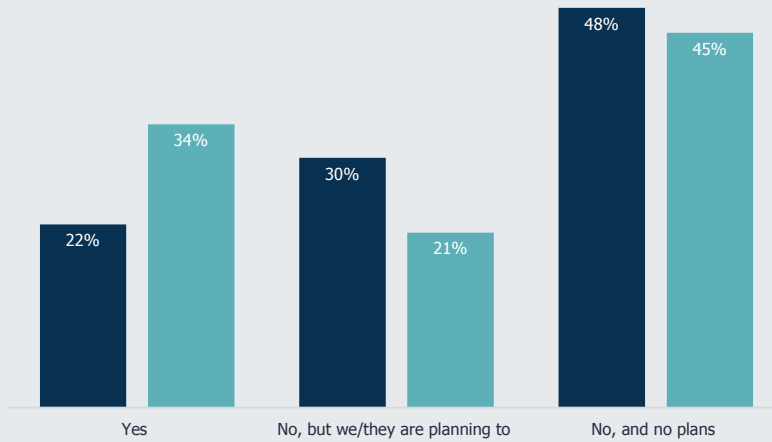
*Only a fifth of companies provide staff with financial incentives to prioritise the customer experience.*

- ● Company respondents
- ● Agency respondents

Challenges around managing reputation

A lack of time and resources is thought to be the greatest barrier to managing online reputation, highlighted by a third (37%) of organisations surveyed (*Figure 26*). Improving online reputation is shown to have a tangible impact on the bottom line; ORM leaders are almost four times as likely as their mainstream peers to get a strong return on investment from VoC initiatives (42% vs. 11%, *Figure 2*).

BUSINESSES

FIGURE 26
What is the most significant challenge you (or your clients) face when trying to improve your company's (or their) online reputation?
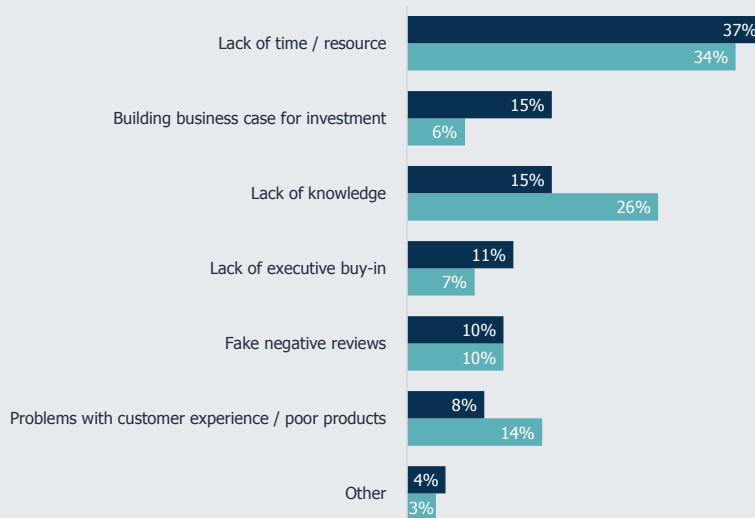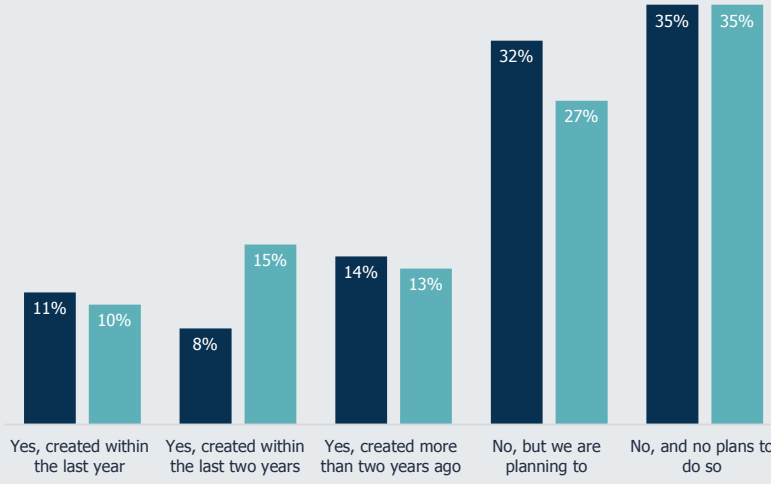

A lack of time and resources is considered to be the greatest barrier to managing online reputation.

- ● Company respondents
- ● Agency respondents

BUSINESSES

FIGURE 27
Does your organisation (or do your clients) have its (or their) own online reputation management function?

	Company respondents	Agency respondents
Yes, created within the last year	11%	10%
Yes, created within the last two years	8%	15%
Yes, created more than two years ago	14%	13%
No, but we are planning to	32%	27%
No, and no plans to do so	35%	35%

Two-thirds of businesses do not have a specific department for managing reputation; of these, 35% have no plans to assign one.

Those companies that dedicate additional resources to managing online reputation will reap clear benefits. Businesses can profit from investing in a dedicated reputation management function but, currently, 67% of organisations do not have a specific ORM department, and of these, 35% do not plan to put one in place in the future (*Figure 27*).
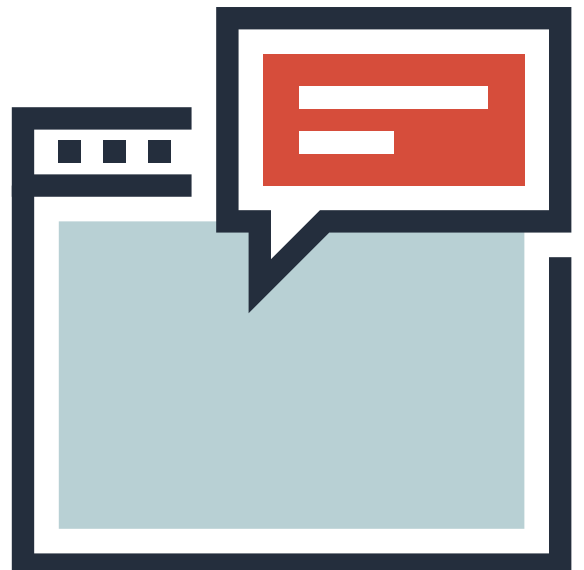
6

Utilising Technology for Better VoC Programmes

Effective reputation management involves the collection and analysis of large amounts of raw information, and the ability to derive actionable insights from aggregated data to improve CX. It also requires the ability to identify and address individual comments at scale.

At a strategic level, companies need to ensure they are capturing feedback from customers in order to enhance their products and services, and to eradicate any friction in the customer journey as quickly as possible. At a more tactical level, they must also ensure they are addressing feedback and reviews, while also ensuring that their brands and products appear in a positive light on search engine results pages and business listings.

The volume and range of data that businesses must gather and analyse means success is dependent on technology. A feature-rich and well-integrated reputation management platform can make a huge difference – tying together different sets of data, enabling automated actions, and freeing marketers to focus on areas that add most value.

Over time it's clear that AI and machine learning will play an increasingly important role in how companies manage their online reputations and harvest insights from consumers. ORM leaders are more than eight times more likely than their mainstream peers to use AI to automate extraction of insights from feedback (25% vs. 3%, *Figure 2*).

Figure 28 suggests there is a mixed picture in terms of how well businesses have equipped themselves in relation to reputation management software.

BUSINESS

FIGURE 28
Which types of technology do you (or your clients) use to help manage your (or their) online reputation?
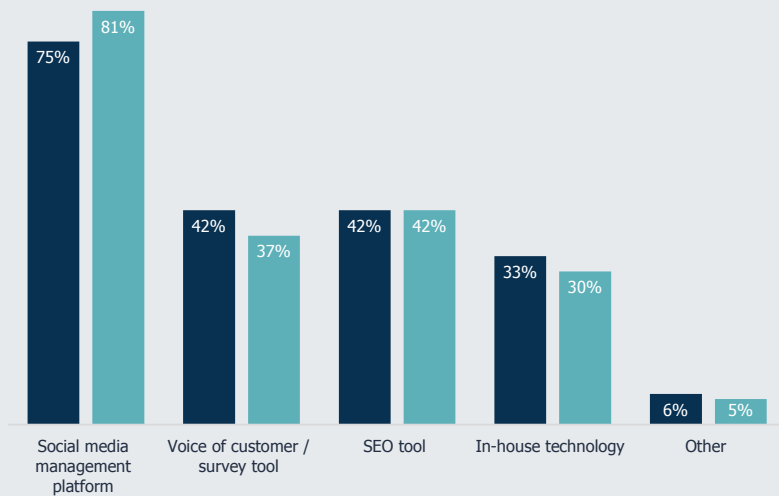
Companies using VoC and SEO tools for online reputation management remain in the minority.

- ● Company respondents
- ● Agency respondents

Leaders are more than eight times more likely to use AI to automate extraction of insights from feedback.

Most respondents have a *social media management platform* in place to help manage their online reputation (75% of companies).

However, as shown in previous sections, social media is only one domain where companies should be focusing to build trust with consumers. Those using *VoC* and *SEO tools* for reputation management remain in the minority (42% in both cases).

Additionally, a third (33%) of organisations indicate they are using in-house technology to tackle reputation management. This suggests many have taken a piecemeal, point solution-based approach to developing their capabilities, as the demands of the online reputation management space have grown.

Review websites: a CX blind spot for many organisations

Review websites have a major hand in many consumer product choices, as was shown in *Section 2*. Google will continue to dominate this growing space, with Google My Business already getting significantly more traffic than other review websites in the US, according to a table compiled by Vendasta[4]. Consumers researching purchases will also continue to use other third-party sites such as Trustpilot, Feefo and TripAdvisor.

Yet at the same time, many businesses have not yet grasped the importance of monitoring and managing their online reputation on these digital properties, and being responsive to concerns that are raised on them.

Additionally, the task of tracking them in real time can be a major drain on resource, and a level of automation through software is crucial. Yet as shown in *Figure 29*, use of technology to track and manage third-party review websites is by no means universal.

- Almost three in ten (29%) company respondents have no such technology, nor any plans to deploy it.

- Nearly half of companies do have this software in place (43%), with an even split between vendor-supplied or in-house-developed solutions.

- A further 28% of companies are planning to install review site monitoring software, with a leaning towards third-party applications.

BUSINESSES
CLIENT-SIDE RESPONDENTS

FIGURE 29
Do you use a technology platform to manage customer complaints and questions coming via online review sites?
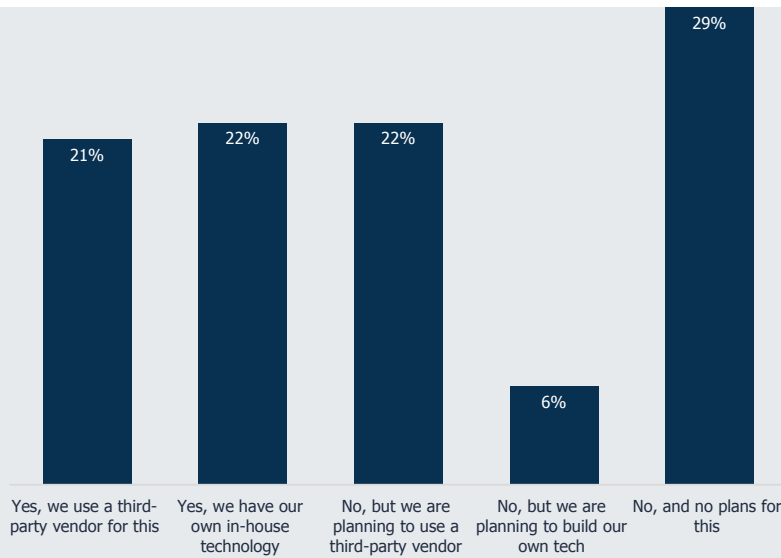
Almost three in ten companies don't have any technology in place to manage customer complaints and questions coming via online review sites, or any plans to deploy it.

Yes, we use a third-party vendor for this	Yes, we have our own in-house technology	No, but we are planning to use a third-party vendor	No, but we are planning to build our own tech	No, and no plans for this
21%	22%	22%	6%	29%

Avoiding the silo: data sharing is key

With online reputation management activities being highly data-driven in nature, it is not surprising to see respondents citing integration capability as a key facet of the tools they employ (*Figure 30*).

Digital marketing relies on a plethora of different platforms and interweaving them is key to enabling an efficient, scalable and collaborative commercial operation.

Regarding VoC tools, business respondents mention several different aspects as important to their smooth running, but integration with other systems, such as customer relationship management software, comes top (25% of company respondents). Next comes output in terms of score generation (22%) and reporting (17%).

It can also be seen that agencies are particularly focused on social media monitoring, and almost three times more likely than their client-side peers to regard this as the most important capability of VoC software.

BUSINESSES

FIGURE 30
What do you (or your clients) regard as the most important capability of a VoC tool?
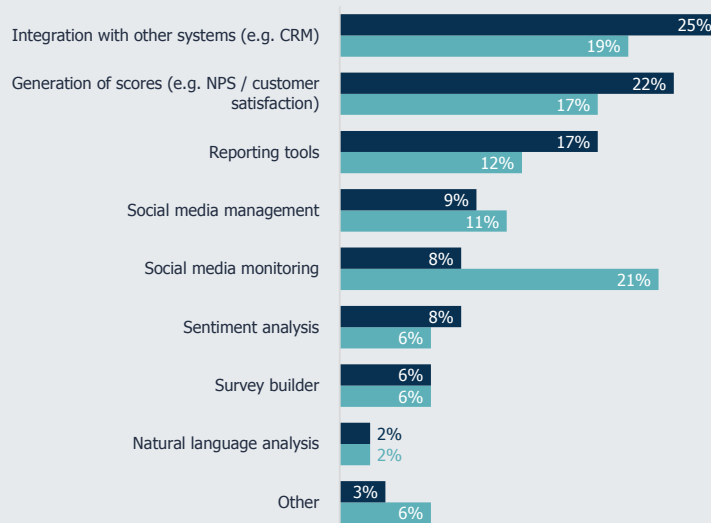
Integration with other systems is seen as the most important capability of VoC tools.

Capability	Company respondents	Agency respondents
Integration with other systems (e.g. CRM)	25%	19%
Generation of scores (e.g. NPS / customer satisfaction)	22%	17%
Reporting tools	17%	12%
Social media management	9%	11%
Social media monitoring	8%	21%
Sentiment analysis	8%	6%
Survey builder	6%	6%
Natural language analysis	2%	2%
Other	3%	6%

● Company respondents
● Agency respondents

Recommendations

1

Prioritise ORM in the context of overall customer engagement and experience.
There's no denying that reviews, whether positive or negative, are a goldmine for any business. Auditing, tracking and improving online reputation can have a significant positive impact on commercial performance, but effective ORM is not a discrete project that happens in isolation. It needs to be aligned to other customer engagement initiatives and become a key part of overarching customer experience strategies.

2

Don't lose sight of the ultimate goal: building customer trust and loyalty.
While commercial objectives and financial metrics represent a key driver for ORM programmes, building an authentic, transparent brand that customers trust should be the key focus. Customers have a high level of trust in ratings and reviews, particularly those on third-party websites, so it's important to build trust and credibility by giving ORM the attention it deserves.

3

Maximise the value of customer feedback by actively encouraging and harnessing it.
Using a range of online reputation management tactics, such as actively managing business listings on third-party sites, publishing positive ratings and repurposing customer feedback can significantly improve brand perception among customers and prospects alike. Explore multiple avenues for encouraging reviews, not just social media, and don't underestimate the impact of post-purchase emails requesting reviews.

4

Take the time to respond to customer queries and address negative feedback.
Customer reviews shouldn't be one-way communication. With the majority of customers expecting brands to respond to their feedback, effectively handling customer queries and negative feedback is key. Assign responsibilities, establish guidelines for response times and tone of voice, determine response workflows and refine an escalation procedure for negative reviews where necessary.

5

Allocate resources specifically to monitoring and managing online reputation.
Building a successful ORM programme requires co-ordination with multiple departments and individuals at all levels within the organisation, but designating clear ownership and accountability is essential. Establish a baseline for measuring success and investigate the direct correlation between positive reviews and customer acquisition and retention to get the entire organisation on board and streamline resource allocation decisions.

6

Invest in technology to develop a comprehensive VoC programme.
Enlisting the help of a reputation management platform eliminates manual, painstaking processes associated with monitoring reviews and managing feedback. Having a robust, efficient system in place also provides actionable insights into online reputation and overall customer experience, pinpoints the areas where improvements are needed, and leads to positive business outcomes.
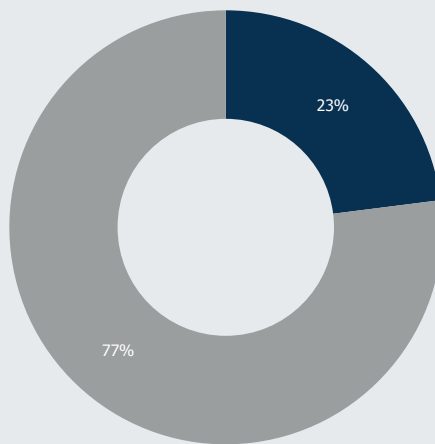
Appendix

Business Respondent Profiles

FIGURE 31
**What best describes
your job role?**
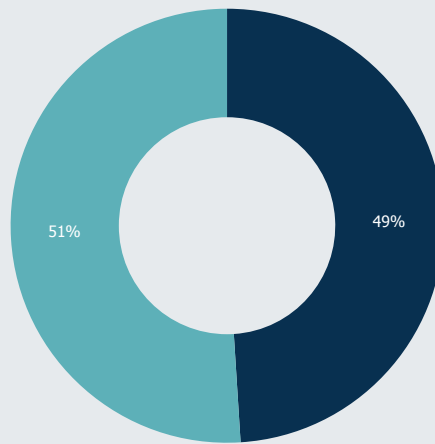
● I work client-side for a
  brand/advertiser
● I work for an agency
  or as a consultant

49%

51%

FIGURE 32
**Agency
respondents**
**Are you focused on
your own company's
marketing
activities, or your
clients' marketing
activities?**

23%

77%

● Our own marketing
● Our clients' marketing
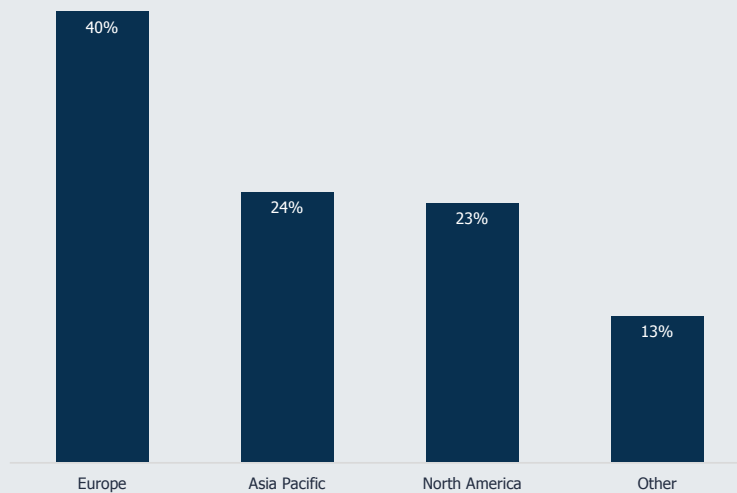
FIGURE 33
**What region are
you based in?**

Europe	Asia Pacific	North America	Other
40%	24%	23%	13%

FIGURE 34
Client-side respondents
Is your company focused mainly on B2B or B2C?

	B2B	B2C	Both B2B and B2C
	32%	19%	49%
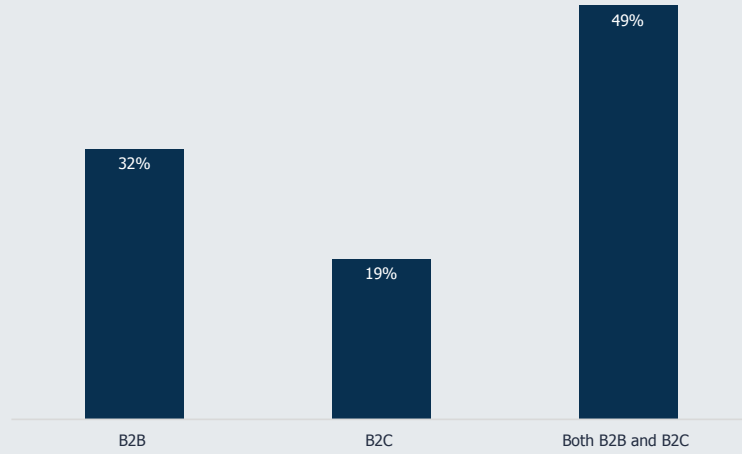
FIGURE 35
Client-side respondents
In which business sector does your company operate?

Sector	%
Financial services and insurance	9%
Retail	9%
Healthcare / Medical / Pharmaceutical	9%
IT consultancy	8%
Manufacturing	6%
Professional services	5%
Media and entertainment	5%
Automotive	5%
Food and beverage	4%
Government and local authority	3%
Publishing	3%
Hospitality and travel	3%
Consultancy	3%
Charity / Non-profit	3%
Utilities	2%
Telecommunications	2%
Property / Property management	2%
Accountancy / Business services / Law	2%
Sport and leisure	2%
Construction	1%
Other	14%

FIGURE 36
What is your annual company revenue?

Revenue	%
Below £2.5m	42%
£2.5m - £4.9m	14%
£5m - £49m	17%
£50m - £99m	6%
£100m - £249m	3%
£250m - £499m	4%
£500m - £999m	4%
£1bn plus	10%

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