



The Growing Power of Reviews

*How consumer dependence on ratings
and reviews continues to evolve*

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INTRODUCTION

There was once a time (in the not so distant past) when the idea of asking for feedback from consumers—then displaying that feedback for the world to see—was a pretty radical concept. But that has all changed—and quickly.

Today, consumers have come to expect easily accessible information to aid their purchase decisions and brand-provided information isn't enough. Increasingly, consumers want to hear about the experiences of others like them. They satisfy this need for information by reading ratings and reviews.

More than three years ago, PowerReviews set out to explore the role ratings and reviews play in consumer decision making and found that nearly all consumers (95%) read reviews and 86% considered them an essential resource when making

purchase decisions. However, we recognize that in today's fast-paced world, consumer behavior continues to evolve.

In order to better understand how consumers' dependence on reviews has changed over the the past four years, PowerReviews recently conducted a survey of more than 1,000 American consumers. Our latest round of research found that consumers are reading and writing product reviews more than ever before. And, as expected, this content continues to be a top consideration when making purchase decisions.

The following report explores how consumer dependence on reviews has evolved and provides recommendations for businesses looking to satisfy consumers' growing desire for information from others like them.

Growing Reliance on Reviews



Nearly All Consumers Read Reviews

Previously, when a consumer was in the market for a new product, she'd ask for the opinions of her family and friends. And though traditional word of mouth is alive and well, increasingly, consumers are seeking out the opinions of other consumers—by reading product reviews.

Today, 97% of consumers consult product reviews when making purchase decisions, up from 95% in 2014. Of those shoppers, more than a quarter (26%) consult reviews for every purchase they make online. That number jumps to 30% for consumers age 18–44.

97%
**of consumers consult
product reviews.**




Reviews are an Essential Resource

Reviews have quickly evolved from a “nice to have” to an expected component of the shopping experience. In fact, 89% of consumers consider reviews to be an essential resource when making a purchase decision, up from 86% in 2014.

Reviews have become so essential that many shoppers simply won't make a purchase without them. 70% of consumers

indicate they won't purchase products online without reading reviews. And over a third (39%) won't purchase products in a brick-and-mortar store without first consulting reviews.

The message is clear: featuring review content on your website is no longer optional—it's essential. Businesses that don't provide this content to their shoppers risk losing them to businesses that do.



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Driving Purchase Decisions



Reviews are a Top Purchase Consideration

Consumers weigh a number of different factors when making a purchase decision—from product pricing to the ease of returns. But which factors weigh more heavily when it comes time to commit?

Our latest research found that consumers rank the presence of ratings and reviews as the most important factor impacting

purchase decisions, behind only the price of the product itself. Consumers have made it clear that the presence of authentic reviews have a larger impact on purchase decisions than other factors including recommendations from family and friends, the brand of the product and the availability of free shipping.

Top 5 Factors Impacting Purchase Decisions

1. Price
2. Ratings and Reviews
3. Recommendation from friends and family
4. Brand
5. Free shipping



Reviews Impact Online Shopping Behavior

The availability of reviews impacts where consumers choose to shop online—and whether they make a purchase once they land on a given website. When shopping online, 63% of consumers specifically seek out websites that have product reviews, up from 57% in 2014. And 77% of mobile shoppers are more likely to purchase an item if the website or app offers product reviews, up from 70% in 2014.

Brands and retailers take note: collecting and displaying reviews is a key way to attract—and convert—information-hungry consumers. Those that don't will lose shoppers—70% of consumers simply won't buy products online without reading reviews first.



Reviews Influence In-Store Behavior

It's clear that reviews play a large role in online shopping behavior. However, it's important to note that a significant—and growing—number of consumers rely on review content when making in-store purchases, too. Our research found that a growing number of consumers (39%) don't buy products in stores without first reading reviews, up 8% from consumer research in 2014. This trend will only continue to grow, with 31% of consumers indicating they use reviews to make in-store purchases more today than last year.

It's key for brick-and-mortar retailers to ensure review content is easily accessible for in-store shoppers. In addition to ensuring reviews are easy to read via a mobile device, look for opportunities to display ratings and reviews in your physical stores.

Quantity Counts



Most Consumers Read Less Than 10 Reviews

Clearly, consumers are turning to reviews to inform their purchase decisions. But how many reviews do they need to read in order to feel confident in a purchase?

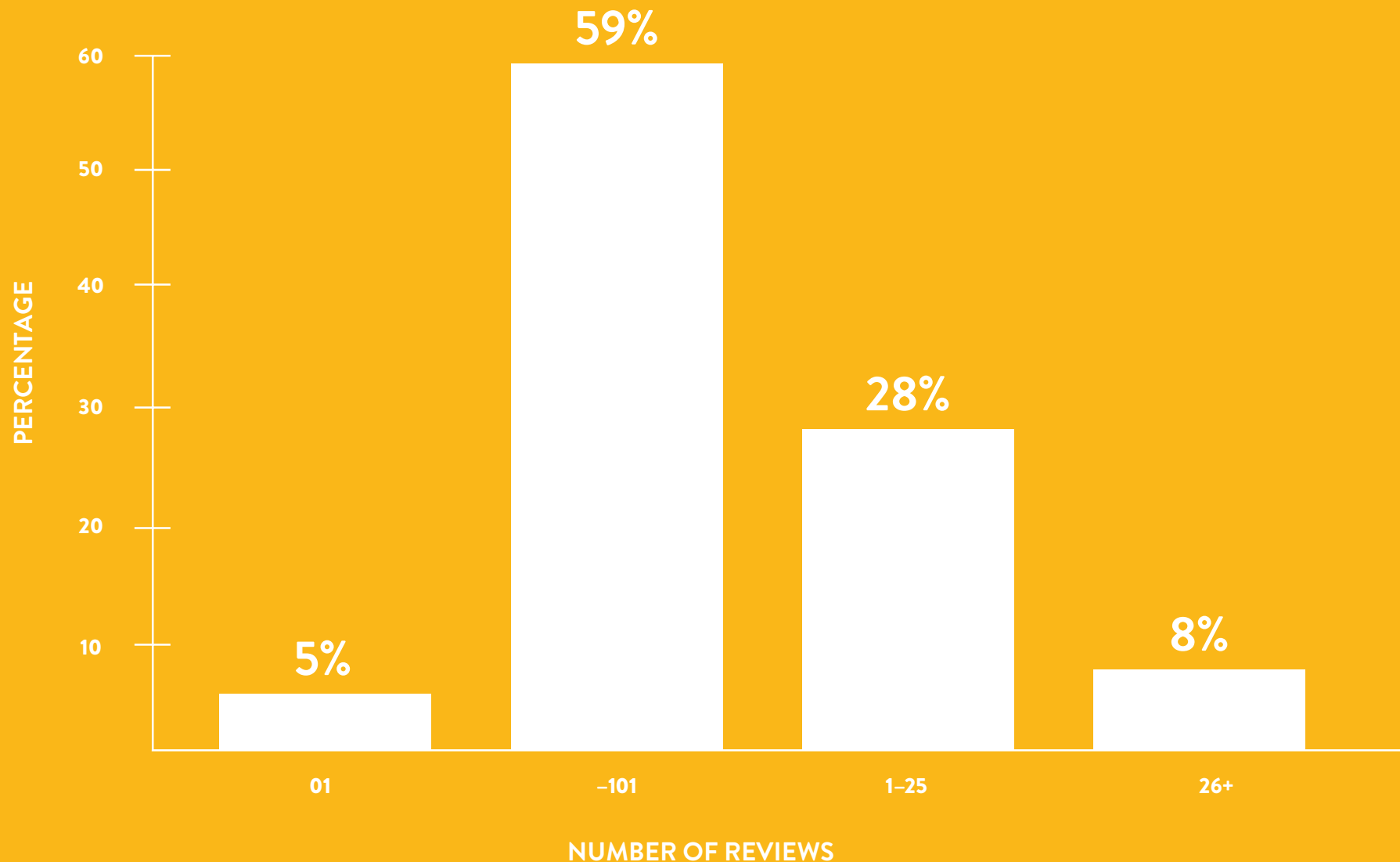
The greatest portion of consumers (59%) read between one and 10 reviews before making a purchase, with an additional 28% reading between 11 and 25 reviews. 8% of consumers read more than 26 reviews before purchasing a product, and the remaining 5% simply don't read reviews.

It's important to note, however, that many factors play a role in the number of reviews a consumer will read before purchasing a product, including the price point and product

category. For example, a shopper will likely read more reviews when purchasing a new car seat for her child, compared to purchasing a tube of toothpaste. For that reason, it's key for businesses to focus on both review coverage (the number of products that have reviews) as well as review depth (the number of reviews per product) in order to meet the needs of today's information-hungry consumers. It's encouraging to know that adding just one review to a product page can have a big impact. At PowerReviews, we've found that when a product without reviews adds one or more reviews, the conversion rate for that product increases by 65%.

Quantity of Reviews Read Prior to Purchase

Most shoppers are satisfied with 1–10 reviews



Importance of Negative Reviews



Negative Reviews Establish Trust

A business' aim is to create products and experiences that consumers love. But even the best product can't be all things to all people. And consumers don't trust products that claim to be.

As it turns out, perfect reviews aren't the best for businesses, either. [Our research with Northwestern University](#) found that purchase probability peaks when a product's average star rating is between 4.2-4.5, because a perfect 5-star rating is perceived by consumers as too good to be true.

Purchase probability peaks when a product's average star rating is between 4.2 and 4.5.

While a business never wants to aspire to negative reviews, their presence adds a level of authenticity to review content, which helps the company build trust with consumers. Plus, as we've found, consumers depend on negative reviews to help steer them toward the products that best fit their needs.

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Consumers Seek out Negative Reviews

Our latest research found that 85% of shoppers seek out negative reviews, up from 82% in 2014. Notably, this number jumps to 91% among consumers age 18-29, pointing to the growing demand for transparency, especially among younger consumers.

Though it may be tempting to delete negative reviews, resist the urge. Negative reviews build trust, and consumers

are actively seeking out this content to help them make informed purchase decisions. And remember—what's considered to be a negative aspect of a product for one consumer may be completely irrelevant for another. For example, if a consumer indicates that a type of shampoo doesn't work well for people with curly hair, that comment will be deemed irrelevant for a consumer with straight hair.



85%

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negative reviews.**

Contributing Reviews



A Growing Number of Consumers Write Reviews

While a majority of consumers read reviews when shopping for products, fewer consumers take the time to write reviews after they've made a purchase. However, since our survey in 2014, the number of consumers writing reviews has grown quite significantly. Today, 50% of consumers write reviews for products they've purchased, up from 42% in 2014.

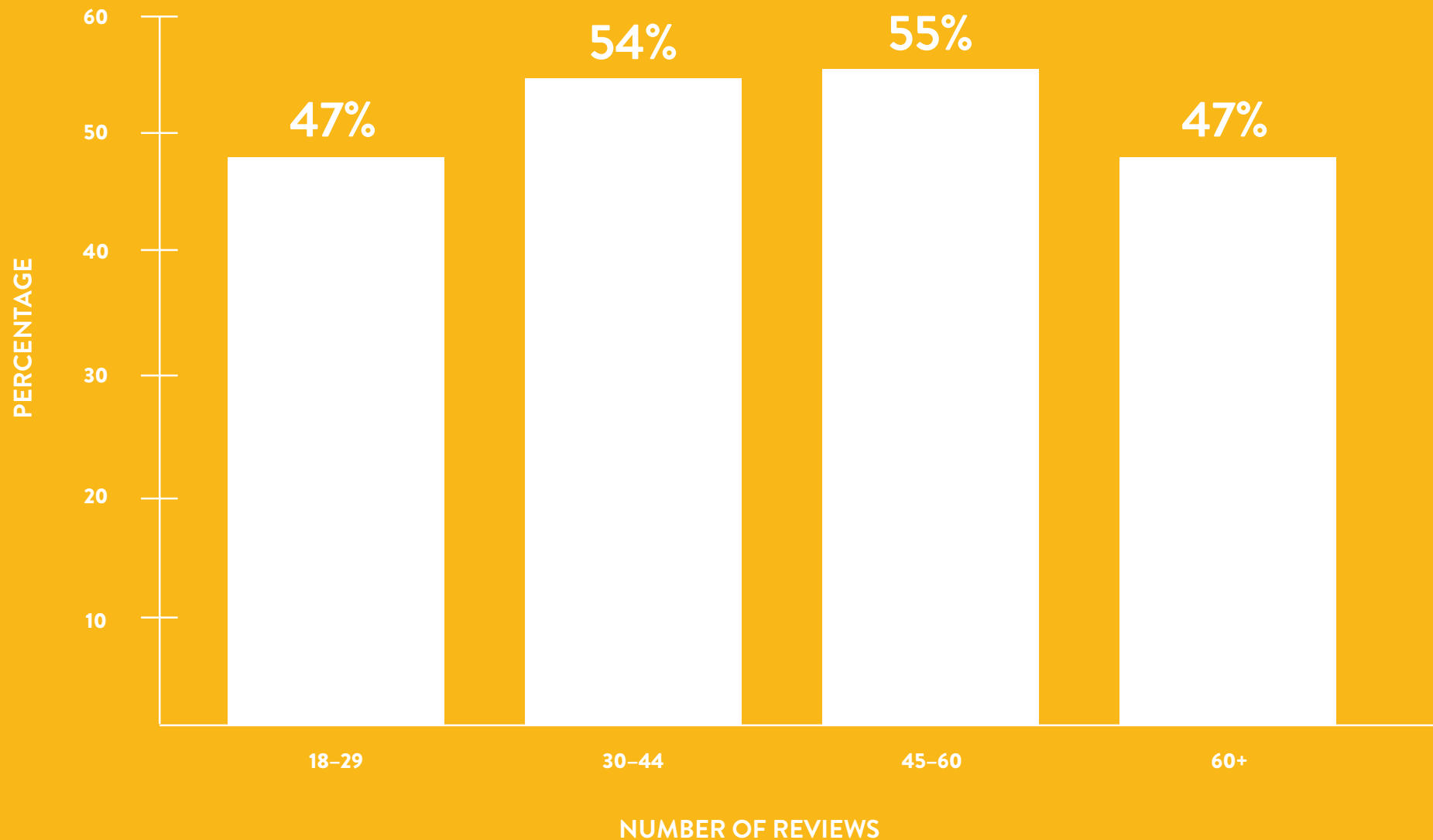
Consumers age 45-59 are the most likely to contribute content, with 55% indicating they write reviews for the products they purchase. Following closely behind are the

54% of consumers age 30-44 who admit to writing reviews. In comparison, consumers age 18-29 and those over 60 are the least likely to contribute this content, with 47% of each group indicating they write reviews.

A growing number of consumers are willing to write reviews. It's key for businesses to make the process of contributing this content as simple as possible in order to generate the greatest amount of content—especially from age groups that are generally less likely to contribute this content.

More Consumers Are Writing Reviews

Shoppers age 30–60 are most likely to contribute content





Consumers Don't Write Reviews for Every Purchase

It comes as no surprise that the majority of consumers who write reviews aren't doing so for every product they purchase. When asked to consider the last 10 products they purchased, only 4% of review writers reported leaving reviews for all 10 items. In comparison, 25% of review writers indicate that they wrote reviews for two or three of their 10 most recent purchases.

Most likely, you have loyal customers that have purchased many products from you over time. Make sure you're capturing the greatest amount of content from these shoppers by allowing them to easily review all products they've purchased from one central location, rather than navigating to separate pages to write a review for each purchased product.

Review-Writers Want to Help Others

We know that a growing number of consumers are contributing review content. What is motivating these people to take the time and effort to leave reviews for the products they purchase? The vast majority (91%) say they do so because they want to help inform other consumers.

Sending post purchase emails to consumers, asking them to write reviews for recently purchased products, is one of the most effective ways to generate more content. Consider revisiting the wording of your post purchase emails to position reviews as a way to help future consumers make smart purchase decisions.



Reluctant Consumers Need Motivation to Contribute Content

While a growing number of consumers are writing product reviews, half (50%) aren't providing this feedback. What would it take to entice these reluctant consumers to contribute content? More than half (55%) of those not writing reviews cite needing motivation to do so. Interestingly, this number jumps to 60% for consumers age 30-44.

55% of consumers who don't write reviews cite needing motivation to do so.

Consider offering an incentive to entice these reluctant shoppers to share their feedback. Leverage your existing loyalty program to reward points for contributing content, or offer an entry into a sweepstakes or a coupon for a further purchase.

While testing different types of incentives, remember that transparency is key. Work with your ratings and reviews provider to ensure any reviews that are generated as the result of a sweepstakes, free sample or other incentive are badged appropriately so future shoppers understand who wrote each review and can make informed purchase decisions.



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Recommendations



Five Tips for Success (1 of 2)

With nearly all consumers reading reviews, this content has become an expected part of the path to purchase. Read on for five tips for businesses looking to leverage ratings and reviews to attract and convert shoppers.

1

Collect Reviews

If you're not already, now's the time to start requesting reviews from your customers. The most effective way to generate this content is to send a post purchase email, asking consumers to write reviews for recently purchased products. Make sure the entire process for submitting a review is quick, simple and can easily be completed from any device. Finally, ensure it's easy for your consumers to review multiple products at once.

2

Make Reviews Front and Center Online

Once you've started generating reviews, start prominently displaying this content on your product pages so shoppers can easily find it, regardless of the device they're using to shop. Look for opportunities to include ratings and reviews on other parts of your website too, including category pages and even your homepage.

3

Feature Reviews In-Store

A growing number of consumers are turning to reviews to inform in-store purchases. In addition to ensuring this content is easy to find and read on your website from any device, look for opportunities to display review content in your brick-and-mortar store locations. For example, include star ratings and excerpts from reviews on signage alongside key products.



Five Tips for Success (2 of 2)

With nearly all consumers reading reviews, this content has become an expected part of the path to purchase. Read on for five tips for businesses looking to leverage ratings and reviews to attract and convert shoppers.

4

Syndicate Reviews

If you're a brand that syndicates content to retail sites, you'll benefit from getting this content in front of more shoppers in more places. And if you're a retailer that accepts syndicated brand content, you'll benefit from increased review coverage and depth, without having to generate that content yourselves. Today, retailers receive an average of 58% of their review content from syndication.

5

Embrace Negative Reviews

No business should aim for negative reviews, but allowing them on your site adds a level of authenticity to your content and helps you build trust with shoppers. And, as our latest research found, shoppers are actively seeking out this content in order to make well-informed purchase decisions.

About the Research

This report is based on a survey and subsequent analysis of 1,041 American consumers from October 2017, developed with the goal of better understanding the role ratings and reviews play in the path to purchase and how consumers' dependence on user-generated content has evolved over the past three years.

About PowerReviews

PowerReviews works with more than 1,000 global brands and retailers to deliver cloud-based software that collects and displays ratings and reviews and questions and answers on websites. Ratings and reviews solutions from PowerReviews are essential for consumers as they search and shop online and in-store, and they are proven to increase online site-wide sales.

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