EXPLORING THE ROLE OF CUSTOMER REVIEWS IN DRIVING BUSINESS GROWTH

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ABSTRACT

Given the ubiquity of social media platforms and review sites, the popularity of online reviews has grown sharply over the past few years. These reviews have proven to help customers decide where to buy, where to eat and where to travel. Many studies have, actually, reported that up to 80% of customers trust these online reviews as much as personal recommendations. Therefore, our objective in this paper is to explore the business opportunities of using this valuable customer feedback. In this vein, it has been revealed that these reviews can boost business growth in a variety of ways. In fact, they help businesses gain invaluable insights on how customers perceive their products and services and enable them to identify areas for improvement. Using online customer reviews can also contribute in building branding, engagement, trust and connection between the business and its current and prospective customers. Moreover, since customer reviews rank high as important drivers of Search Engine Optimization, they can improve business online rankings. Taking into account all these benefits, we strongly believe that an effective use of customer reviews will not only enhance a business online reputation and credibility but will also boost its sales and revenue.

KEYWORDS

Social Media, Customer Review, Business, Opportunities

1. INTRODUCTION

Thanks to the rapid advances in information and communication technologies, the last two decades have witnessed the emergence and proliferation of a wide range of social media platforms. Today, these social online communities are widely used by millions of people around the world for a variety of purposes. Given the ubiquity of these digital networks, they seem to have affected nearly every aspect of our life. They have not only impacted how people communicate or interact with each other, but also influenced the way many regular operations are carried out in various domains.

As social media platforms have been growing in functionality and reach over the years, they have become a virtual space where people can voice their opinions on different issues and topics. Likewise, they have turned into an open service platform via which customers can express their views and feelings about different brands and businesses. With easy access to social media platforms such as Facebook, Yelp and Twitter at their fingertips, 21st century customers have the ability to post reviews on any product or service that they have purchased or used. This has enabled them to take a more active role as market players (Hennig-Thurau et al. 2010).

With the huge amounts of customer reviews that are posted online on a daily basis, this feedback is considered to be as important as word-of-mouth recommendation. This is, actually, why the great majority of customers tend to read these online reviews before making purchase decisions. Nonetheless, these reviews do not only impact the decisions of consumers but they also have the power to boost a company's online reputation and strengthen its credibility.

Given the importance of customer reviews, our objective in this work is to explore the impact of online customer feedback on business growth. The remainder of this paper is structured as follows. Section Two examines the reasons that motivate consumers to leave reviews. Section Three outlines the opportunities of using customer reviews to boost business. Finally, Section Four concludes this paper.

2. WHAT MOTIVATES CUSTOMERS TO LEAVE REVIEWS?

In a world of social presence, online reviews have become part and parcel of the buying experience of many customers. Before analyzing the positive impact of this customer data on businesses, our purpose in the present section is to examine the motives that drive people to post these reviews online (Yoo & Gretzel 2008).

A leading reason that motivates people to leave reviews, be they positive or negative, is that they want to help others make informed purchasing decisions. Many studies have reported that the great majority of people writing product reviews are mainly driven by altruism (Magno et al. 2018, Decker 2008, McQuarrie 2015). If a customer has a positive experience with a product or a service, he usually wants to let other people know about it so as to allow them to have the same enjoyable experience as he had. On the other hand, if his experience has turned out to be bad, his negative review serves as a warning to the online community to stay away from making a purchase they will later regret. Whether the purpose of the message is to incite to buy or not buy, the main objective of the reviewer is to help others save their time, efforts and money.

Another top reason that encourages consumers to write reviews is that they simply enjoy sharing their overall experience with others (Litvin et al. 2008). In today's ever-growing digital environment where groups of online individuals share interests and interact with one another, online reviews serve as an ideal means to voice one's opinions about different things. They are also a great opportunity for consumers to let other people know about their personal experiences with different businesses around the globe. Through reviews, consumers are given the chance to tell their side of the story and have it heard by peers. In such cases, the main motive behind writing a review is not to tell others about a positive or negative experience with a given brand. What really motivates the person to write the review is the enjoyment he feels when sharing information with the crowd (Wang & Fesenmaier 2002).

An additional reason that drives consumers to post reviews online is to reward a business for the excellent products or services it provided. These positive reviews are also an opportunity for shoppers to thank specific staff members for their efforts. Such reviews are, thus, a way of expressing gratitude to the business. Though the majority of online consumers do not write reviews, it has been reported that shoppers are more motivated to write positive reviews than negative ones. In fact, while about one third (33%) of the shoppers who write reviews are more likely to leave a review when they are especially satisfied with a product, only 2% of review writers are motivated by a negative experience (Delgado 2017).

Another motive that makes consumers leave online reviews is to help or compel businesses to improve their products, services or policy. Today, customer expectations are rising. As such, consumers expect all businesses to deliver a great customer experience. However, when the product or service of a given business does not quite live up to those expectations, the result is oftentimes a negative review on a social media platform or in a review site. Although very few of such reviews seem to have malicious intent, the main motive behind posting this set of hostile messages is simply to force the business to offer better products and services as well as establish better personal connections.

No matter what motive incites consumers to leave online reviews, this customer data is a valuable resource for both customers and businesses. In fact, these reviews not only help customers make informed buying decisions but they can also allow businesses enhance their performance in a variety of ways.

3. BUSINESS OPPORTUNITIES OF USING CUSTOMER REVIEWS

Over the last couple of years, the popularity of online customer reviews has grown considerably. These reviews have proven to help people decide which product or service that they should buy, which hotel they should stay in and even where they should eat. Over time, and with the abundance of reviews on social media platforms and review sites, this customer feedback has become a valuable resource for businesses thanks to the various opportunities that it presents (Faizi et al. 2017a, Faizi et al. 2018a, Faizi et al. 2018b, Ye et al. 2009, Zhu et al. 2010, Hu et al. 2008).

One of the major opportunities that online reviews offer is that they enable businesses to gain valuable insights on how customers perceive their products and services (Bassig 2017). Customer reviews are invaluable not only to prospective customers reading them but to businesses as well. In actual fact, they are a vital source of feedback about the way a given business is performing. In addition, they provide the business with information as to where it is meeting its customers' interests and where it is falling short.

Hence, by regularly gathering feedback that customers post on social media, businesses get a lot of opportunities to address customers' complaints and queries successfully in a timely manner before things spiral out of control. Handling the problems that customers have and responding to both negative (and even positive) reviews is likely to improve the perceptions that customers have towards the business. Responding to reviews shows that the business values both its customers together with the feedback they leave. This can help build a trusting relationship with customers who left the reviews as well as and with those who will read them, and will undoubtedly contribute in improving the overall customer experience (Faizi et al. 2017b).

Reviews can also help businesses identify areas for improvement. In addition to positive online reviews that boost a business online reputation, some other reviews may raise concerns about a specific product or service or even suggest improvements. As such, businesses can in real-time or near-real time spot difficulties that their clients are having and can identify prime issues of concern about the brand (Purcell 2011). If a given product is consistently getting mentioned in online negative reviews, a business can quickly react to solve the problem in question (El Fkihi & Faizi 2018). If an employee is frequently talked badly about, he may need to be coached. In the past, retrieving, analyzing and acting up on customer and brand data usually takes months. However, thanks to online reviews, a business can currently handle customer grievances and monitor its brand performance. Online reviews are also a good opportunity for the business to get valuable insights for enhancing business practices and for strategic analysis (Sarkar 2018). In fact, by being able to listen to what customers say about its products or services and taking into consideration the suggestions they make, businesses will not only be able to identify the potential opportunities for improving their current product line but will also be capable of designing or launching new products or services. Since products always need to be improved or upgraded to meet the evolving needs of customers, online reviews can be a great free source of great business ideas.

An additional benefit of using online reviews is that they have become one of the most trustworthy, engaging, and effective means to advertise a business products or services. Unlike traditional advertising, which can be highly expensive and oftentimes dishonest, online reviews are cost-effective, authentic, and largely unbiased. Today, every positive review that a customer posts on social media or on review sites serves as a free advertisement for the company. Through online reviews, people all over the world can get to know about different businesses and their products from real users. This is why 80 % of consumers trust online reviews as much as personal recommendations and more than advertisements and direct marketing messages (Sanyal 2016). This is simply because they serve as the digital era's word-of-mouth marketing. As such, these reviews provide mass advertising opportunities that no business might ever be able to afford through classical marketing channels. Henceforth, they are currently more vital than ever to any business seeking the most practical and profitable way to connect with customers online. Given these benefits, every business should cease every opportunity to invite happy customers to leave a review on a social media platform or on their own website after a successful customer transaction. Incorporating customer online reviews into marketing strategies will certainly help build branding, engagement, influence, trust and connection between the business and its existing and prospective customers.

In addition to the above-mentioned opportunities, customer reviews can also improve business online rankings. In fact, though search engines like Google, Bing and Yahoo have their unique ways of indexing and publishing webpages, they all value authentic and vivid content (Goldstein 2018). Yet, while there are a lot of factors that determine where a website should show up in search results, many studies have revealed that customer reviews rank high as important drivers of Search Engine Optimization (SEO) (Hodges 2018, Khan 2018). A steady pipeline of positive customer reviews is, thus, highly valued by search engines when deciding which results to return. Therefore, the more people talk about a business on the Web, the higher it is likely to appear in the top list of search results. In other words, the more online reviews a business has either on its own website or more importantly on third-party websites (such as Google, Facebook, Yelp, Amazon or Tweeter) the more chances the brand gets surfaced and clicked on. When a business website gets links (or backlinks) from other authoritative or quality sites, search engines see it as a vote of trust from users or consumers. And when the consumers' reviews are mostly positive, it is a signal for search engines that the business is trustworthy and is meeting the evolving needs of customers. Accordingly, it will certainly rank higher in search results. Therefore, in an era in which competition is increasingly getting tougher for both small and big businesses on the web, managing online reviews is an optimal way to improve search rankings and to build a solid online presence.

4. CONCLUSION

The objective of this paper was to explore the potential role of customer reviews in driving business performance and growth. The findings of the present study showed that this consumer feedback is a valuable resource of information for both customers and businesses. In fact, while these reviews can help customers make better buying decisions, they can also boost businesses in a variety of ways. In this respect, it was revealed that through this invaluable feedback, a business can know who its customers are and what their perceptions and attitudes are towards its products or services. Using these reviews will also enable businesses identify areas for improvement and will help them build branding, engagement, trust and connection with their existing and future customers. Furthermore, these customer reviews can enhance the business online rankings. All these opportunities will surely improve the online reputation and credibility of businesses and will, thus, boost their sales and revenues.

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