

ARTICLE 1:

Online Reviews Are the Best Thing That Ever Happened to Small Businesses

Cory Capoccia

Forbes Councils Member

Forbes, Apr 11, 2021, 07:30am EDT

Introduction

Since its founding in 2004, Yelp has become a major force in local commerce, with 186 million people using it on various devices each month to post nearly 150 million business reviews. The reviews posted on this website can be highly influential in determining whether a business succeeds or fails.

Yelp's rise hasn't come without controversy, with some arguing that it's not fair to put small businesses' reputations on display online.

The truth is, Yelp didn't create the Web 2.0 movement that enabled everyday internet users to create content and share it with the whole world. What Yelp did do, however, is harness shifts in consumer behavior to create the best marketing channel of all time for local businesses. Today, Yelp is joined by dozens of other popular consumer review sites as the first place shoppers go to find businesses nearby. As long as they're governed correctly, these sites are a boon to small, local businesses.

In fact, if you run a small business today, probably the single most important thing you can do to attract new customers is to take control of your online review score on sites like Yelp, Google My Business, FourSquare and TripAdvisor. It's a changing word and small businesses need to recognize the importance of online reviews if they want to thrive.

Mobile Is Driving Local

Even the busiest business owner must recognize that access to real-time information has rapidly increased Internet usage in the U.S., which has doubled since 2001 to nearly 300 million users with much of that due to a staggering rise in smartphone users,. Nowadays, everyone has the internet in their pocket all the time, and this changes everything for small businesses.

This dramatic shift in technology adoption has led to similarly dramatic shifts in consumer behavior. About 90% of global sales still happen in physical stores, but 97% of consumers use the internet to find local businesses and three in four people who use their smartphones to search for something nearby end up visiting a local business within a day. Foot traffic to retail businesses is down 57% in the past five years, but the value of every visit has tripled.

Your notes

For small businesses, this means the iconic physical storefront has been replaced by many digital ones. Consumers are using the internet to figure out where they want to spend money locally before they go there, and their visits are increasingly prompted by real and urgent purchasing intent.

Online Review Sites Guide Customer Choice

In the past, small businesses had to rely on inefficient “push” methods to attract new customers. If you buy a radio ad, for example, the message has to do two hard jobs: Convince the customer to spend money with you and create urgency to do it now, before distractions take over.

When a consumer uses a review platform like Yelp or Google My Business, the decision and urgency to buy are exactly what prompted the person’s search. If traditional advertising is a megaphone that enables businesses to shout and see who’s listening, review sites are tractor beams that pull consumers toward local businesses precisely when they’re actively looking to spend money. That’s an invaluable opportunity for small businesses with tight — or non-existent — marketing budgets.

Think about it. When you’re looking to try a new restaurant or find a mechanic, what do you do? You might get a recommendation from friends or family, but you probably also do a “near me” search on Yelp, Google or OpenTable. This is the new normal: 97% of consumers use the internet to find local businesses, and one in eight search online for a nearby business every single day. Review sites are at the epicenter of “near me” searches.

Yelp Can Work for Small Businesses

While there are certainly internet trolls out there, one of the great myths about online reviews is they’re all bad. In truth, two-thirds of all Yelp reviews are four or five stars, meaning most customers are logging on specifically to rave about their great experiences with local businesses.

That’s good news because 90% of customers say that what they decide to buy is influenced by positive online reviews, and 94% will use a business with at least four stars. If you run a small business, the very best thing you can do to attract more customers is to maintain a high star-rating on the most popular review sites.

Small businesses have more control of their online star ratings than they know. First, they can proactively encourage their customers to post reviews about their experience — 68% of customers will leave a review if asked. This activates the business’ happiest customers, buries any unfair negative reviews and ensures that the company’s “review ratio” is healthy.

Second, small businesses can turn negative reviews into a second chance. Everyone has a bad day, and business owners deserve to know when something’s wrong. In the past, dissatisfied customers might not even fill out a comment card -- they’d just lambaste the business via word of mouth, and the owner might never know anything was wrong.

Small businesses can use online reviews to uncover any legitimate blind spots and show acts of good faith for all the public to see. Engaging with dissatisfied customers in online review forums can actually lead to repeat business, and up to 70% of complaining customers will give the business another shot if their concerns are resolved.

If you run a small business, it's time to embrace online review sites and use them to your advantage. Word of mouth happens online now, and small businesses finally get to add their voices to the conversation. Better yet, adopting the world of online reviews might be the only marketing plan a small business needs these days.

End of article 1

ARTICLE 2 :

The Effect of Weather on Online Reviews

Leif Brandes, Yaniv Dover

Journal of Consumer Research, 2022

Introduction

Online product reviews have become a key source of information for consumers and have a major influence on consumer decision-making and product sales. Given this practical relevance, a growing body of literature has examined what affects the content of these reviews (Babic Rosario et al. 2016; Berger 2014). Particular emphasis has been placed on understanding why consumers are more likely to write reviews when they have an extreme opinion (either very good or very bad) rather than a moderate one. This research has examined the personal motives of reviewers. But the influence of a consumer's physical (offline) surroundings – weather, location, décor, sounds, aromas, lighting, and visible configurations – at the time of writing the review have largely been ignored.

We hypothesized that the weather at the location where the customer wrote their review affected the content of that review. We specifically studied reviews following stays in hotels. We were able to obtain the reviewer's address on the day they wrote their review and find out the local weather on that day.

Why do we expect that the weather conditions around the time of writing a review affects online reviews of *past* consumption? This expectation was built on evidence that bad weather, such as rain or snow, has a direct negative influence on individuals' feelings (Govind, Garg, and Mittal 2020), possibly in turn influencing opinion formation. Existing studies suggest that bad weather reduces evaluations, and that this effect occurs automatically and subconsciously (Schwarz and Clore 1983). Thus, the expectation was that bad weather conditions would reduce the positivity of reviews posted online.

Regarding the actual decision to write a review, prior research shows that bad weather conditions, such as rain, increase the attractiveness of indoor activities (Connolly 2008), and make people more productive in general (Lee, Gino, and Staats 2014). As more than a third of all reviews are still written on desktop computers, and as many consumers cite lack of time as the reason for not providing reviews (Statista 2019), it was expected that bad weather conditions would increase consumers' likelihood of writing a review.

The results

Results from more than three million bookings and almost 300,000 associated reviews over more than 12 years show that bad weather affects both review content and the likelihood of a review being written. Rain at a consumer's residential address on the day of review provision reduced rating scores by about 0.10 points. This is a large effect as it can result in a five-star hotel being demoted to four-stars. Additionally, bad weather increased the likelihood of reviewers actually writing a

Your notes

review. It should be noted that these results were shown to be independent of the weather during the customer's stay at the hotel.

Managerial Relevance

Businesses actively manage their online reputation in various ways. They send out emails asking customers to write reviews for their consumption experiences ([Brandes et al. 2022](#)), respond to reviews to demonstrate that they value customer feedback ([Chevalier, Dover, and Mayzlin 2018](#)), and analyze online review content to anticipate and mitigate potential crises ([Herhausen et al. 2019](#)).

According to our findings, businesses should not send emails to customers requesting reviews on bad weather days. This weather information is readily available on the internet and a computer program can be designed so that emails are only sent to customers when they are experiencing good weather.

From our work it is clear that even a relatively short rain spell of three to four days across a country or region may have a substantial impact on a hotel's set of relevant reviews for consumers. Moreover, recent evidence demonstrates that a negative first review for a product can have long-term negative effects on the product's rating. Accordingly, our results are particularly relevant for new businesses.

Our results also help individual businesses understand certain patterns and fluctuations in their online reviews. Consider the example of a hotel that noticed a sudden drop from four to three stars in its rating scores from a group of recent customers. Such a reduction can have a substantial effect on consumer behavior, because 52% of consumers state they will not consider a hotel with fewer than four stars ([BrightLocal 2020](#)). Therefore, the business needs to quickly understand what is driving this change and how to respond to it. While firms will probably look at consumer experience during their stay, our study reveals that the answer may actually lie in how *external* factors at the time of writing the review affect consumers' evaluation of their experiences.

End of article 2