

Role of Customer Reviews & Ratings in eCommerce

Discussing the impact of customer reviews and ratings on consumer goods eCommerce sales.

Audience

Heads of eCommerce, Key Account Managers, Shopper Marketing Managers, Finance, Data & Analytics Managers

Introduction

In the dynamic world of consumer goods eCommerce, customer reviews and ratings wield unparalleled influence over purchasing decisions. In today's digital age, where shoppers have access to a wealth of information at their fingertips, the opinions and experiences shared by fellow consumers play a pivotal role in shaping perceptions, driving sales, and influencing brand loyalty. This article delves into the significant impact of customer reviews and ratings on consumer goods eCommerce sales, while spotlighting prominent ratings providers such as Bazaar Voice, PowerReviews, and more.



Understanding the Influence of Customer Reviews and Ratings

1. The Rise of Social Proof

Consumer reviews and ratings serve as a form of social proof, providing potential buyers with valuable insights into the quality, performance, and usability of products. According to a survey by BrightLocal, 91% of consumers aged 18-34 trust online reviews as much as personal recommendations. This underscores the profound impact that peer feedback exerts on purchasing behavior in the digital era.

2. Building Trust and Credibility

Positive customer reviews and high ratings not only boost trust and credibility but also enhance a brand's reputation in the eyes of consumers. Research indicates that products with higher ratings and more positive reviews are perceived as more trustworthy and reliable, leading to increased sales and customer loyalty.

3. Driving Conversion and Sales

Customer reviews and ratings have a direct impact on conversion rates and sales figures. According to a study by Spiegel Research Center, products with reviews are 270% more likely to be purchased than those without. Additionally, products with higher ratings tend to enjoy higher conversion rates, as consumers are more inclined to purchase items with positive feedback from fellow shoppers.

The Role of Ratings Providers in Consumer Goods eCommerce

Review syndication to retailer platforms is a crucial aspect of ratings and reviews solutions for consumer goods companies. It involves the distribution of customer reviews and ratings collected on a brand's website or third-party review platform to retailer websites where the products are sold. This helps to increase visibility, build trust, and drive sales across various online channels. Here's an expanded overview of companies that offer review syndication solutions along with ratings and reviews capabilities:

- **PowerReviews:** PowerReviews not only provides ratings and reviews solutions but also offers robust review syndication capabilities. Their platform enables consumer goods companies to syndicate customer reviews and ratings to retailer websites such as Walmart, Target, and Amazon, helping to enhance product visibility and credibility across multiple channels.
- **BazaarVoice:** BazaarVoice offers review syndication services as part of its comprehensive ratings and reviews platform. Their solution allows brands to syndicate customer reviews

and ratings to retailer websites, enabling them to leverage social proof and drive sales on third-party eCommerce platforms.

- **Yotpo:** Yotpo's platform includes review syndication features that enable consumer goods companies to distribute customer reviews and ratings to retailer websites and other third-party platforms. By syndicating reviews across multiple channels, brands can increase product visibility, improve search rankings, and drive conversion rates.
- **Feefo:** Feefo offers review syndication capabilities as part of its feedback platform. Their solution allows brands to syndicate verified customer reviews and ratings to retailer websites, helping to build trust and credibility with potential buyers and drive sales across various online channels.
- **Trustpilot:** While primarily known as a review platform, Trustpilot also offers review syndication services to consumer goods companies. Their solution enables brands to syndicate customer reviews and ratings to retailer websites, enhancing product visibility and credibility in the online marketplace.
- **Reevoo:** Reevoo's review platform includes syndication features that allow brands to distribute customer reviews and ratings to retailer websites and other online platforms. By syndicating reviews across multiple channels, consumer goods companies can increase brand visibility and drive sales across various eCommerce channels.
- **ResellerRatings:** ResellerRatings offers review syndication services that enable consumer goods companies to distribute customer reviews and ratings to retailer websites and online marketplaces. By syndicating reviews to third-party platforms, brands can reach a wider audience and drive sales through trusted retail partners.

These companies offer review syndication capabilities as part of their comprehensive ratings and reviews solutions, enabling consumer goods companies to distribute customer feedback to retailer platforms and other online channels effectively. By syndicating reviews across multiple channels, brands can increase product visibility, build trust with potential buyers, and drive sales across the eCommerce landscape.

The Impact of Customer Reviews and Ratings on Consumer Goods eCommerce

1. Increased Visibility and Discoverability

Products with a higher number of positive reviews and ratings tend to rank higher in search results and enjoy greater visibility on eCommerce platforms. This increased visibility not only attracts more traffic but also enhances the likelihood of conversion, as consumers are more likely to explore and purchase products with positive feedback from fellow shoppers.

2. Enhanced Customer Engagement and Loyalty

Customer reviews and ratings foster engagement and loyalty by enabling brands to connect with consumers on a deeper level. When consumers feel heard and valued, they are more likely to develop a sense of loyalty towards the brand and become repeat customers. Positive reviews also serve as advocacy for the brand, as satisfied customers share their experiences with friends and family, further amplifying the brand's reach and impact.

3. Mitigation of Risk and Uncertainty

In an increasingly crowded marketplace, where consumers are bombarded with choices, customer reviews and ratings help mitigate the risk and uncertainty associated with purchasing decisions. By providing social proof and firsthand insights into product performance and quality, reviews and ratings empower consumers to make informed choices with confidence, reducing the likelihood of buyer's remorse and returns.

4. Continuous Improvement and Innovation

Customer feedback serves as a valuable source of insights for consumer goods companies, enabling them to identify areas for improvement and innovation. By analyzing trends and patterns in customer reviews and ratings, brands can uncover opportunities to enhance product features, address pain points, and stay ahead of evolving consumer preferences, driving long-term success and competitiveness in the marketplace.

Driving Customer Reviews

Driving ratings and reviews for products on eCommerce platforms involves employing various strategies, including utilizing services for sampling and generating paid reviews. Firstly, ensuring product quality and exceptional customer service can naturally encourage satisfied customers to leave positive reviews. Offering incentives, such as discounts or loyalty points, in exchange for honest feedback can also motivate users to share their experiences.

Additionally, leveraging sampling services allows brands to distribute free or discounted products to targeted individuals in exchange for reviews. While this approach can help generate authentic feedback, it's essential to ensure transparency and authenticity by disclosing any incentivized reviews. Moreover, some brands may opt for generating paid reviews through reputable review services or influencer marketing campaigns. However, it's crucial to comply with platform guidelines and regulations regarding paid endorsements to maintain credibility and trust with consumers.

By combining these strategies thoughtfully, brands can effectively drive ratings and reviews, enhancing visibility, credibility, and ultimately, sales on eCommerce platforms.

On platforms like Shopee and Lazada, users are encouraged to leave ratings and reviews through various incentives and engagement strategies, often leveraging virtual coins as rewards. These eCommerce giants understand the pivotal role of customer feedback in building trust and driving sales. Shopee and Lazada employ gamification techniques, such as offering loyalty points or virtual coins, which users can accumulate and redeem for discounts or exclusive deals. By incentivizing users with virtual coins for leaving reviews, these platforms not only encourage participation but also enhance user engagement and loyalty. Moreover, both platforms may prominently feature reviews on product pages, allowing users to see the impact of their feedback on other shoppers.

Additionally, Shopee and Lazada may organize promotional campaigns or contests where users can earn extra coins or exclusive rewards for leaving reviews, further motivating engagement. By fostering a culture of reviewing and incentivizing participation with virtual coins, Shopee and Lazada empower users to contribute valuable insights while enhancing the overall shopping experience for everyone.



Optimal number of reviews

Determining the optimal number of reviews per product before consumers trust the brand can vary depending on several factors, including the product category, brand reputation, and the platform's user base. However, empirical studies have shed light on this critical aspect of consumer behavior. Research conducted by Spiegel Research Center suggests that having a minimum of around 10 to 20 reviews per product can significantly impact consumer trust, with products having 200 or more reviews seeing the most substantial impact on purchase likelihood.

Moreover, according to BrightLocal, 85% of consumers trust online reviews as much as personal recommendations, underscoring the significance of review quantity in influencing consumer trust. As the number of reviews increases beyond this threshold, consumer confidence typically grows exponentially, with a diminishing return on trust after reaching a certain point. Nonetheless, having a diverse range of reviews, including both positive and negative feedback, contributes to a more authentic and credible portrayal of the brand's products, further bolstering consumer trust and loyalty.

Conclusion

In the digital age of consumer goods eCommerce, customer reviews and ratings wield unprecedented influence over purchasing decisions, brand perceptions, and sales performance. Ratings providers such as BazaarVoice, PowerReviews, Trustpilot, and Yotpo offer consumer goods companies powerful tools and platforms to harness the power of social proof and amplify the voice of their customers. By leveraging customer feedback effectively, brands can increase visibility, drive conversion, and foster engagement and loyalty, ultimately driving success and growth in the competitive eCommerce landscape.