

The Role Of Customer Product Reviews

Contributed by eMarketer
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Undeniably influential

Customer product reviews are becoming a fixture on retail and consumer brand websites, with over 80% of retailers planning to feature them by the end of 2010.

The accelerated adoption of customer reviews indicates a more enlightened approach to handling negative comments—that is, the acknowledgment that occasional negative reviews do not hurt sales.

“For many purchases, shoppers find the best advice comes not from family and close friends but from strangers who have similar interests or who embody a lifestyle the shopper aspires to achieve,” said Jeffrey Grau, eMarketer principal analyst and author of the new report “Customer Product Reviews: The Next Generation.”

Reading product reviews is a growing part of consumers’ prepurchase search ritual. Over the past few years, consumers have increased the number of reviews they read and the overall time they spend reading them.

And nearly all internet users are influenced in some way by customer product reviews, according to ChannelAdvisor.

A 2010 study by the e-tailing group, sponsored by PowerReviews, revealed the deepening relationship shoppers have with customer reviews.

Whereas 64% of shoppers read reviews always or most of the time before making a purchase decision, unchanged from a similar survey in 2007, they were more immersed in reading them now than they were three years ago:

- * 64% of shoppers took 10 minutes or more to read reviews, vs. 50% in 2007.

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- * 33% took a half hour or more to read reviews, vs. 18% in 2007.

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- * 39% read eight or more reviews before buying, vs. 22% in 2007.

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- * 12% read 16 or more reviews before buying, vs. 5% in 2007.

The e-tailing group study qualified the role of customer reviews in purchase decision-making. Some 57% of shoppers trust customer reviews but place them in a supportive role to other information sources.

Another 35% of respondents expressed mixed feelings by indicating that customer reviews are interesting but sometimes questionable in their authenticity.

“While customer reviews are important to shoppers, merchants should not overrely on them for marketing,” said Grau.

Intriguing potential exists in the possibilities of connecting customer reviews to social media, already explored by some pioneering companies.

The full report, “Customer Product Reviews: The Next Generation,” also answers these key questions:

- * What role do customer product reviews play in consumer decision-making?

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- * How are brands leveraging reviews to improve site usability?

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- * How are brands using reviews in their sales and marketing channels?

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- * How can reviews be integrated with social networks?

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- * How are reviews used to improve business intelligence?

2 November 2010