The Economics of a Bad Review

A single bad review can spread like wildfire, instantly changing and damaging the way that clients see your brand. Here's how.

The Most Popular Review Sites

Google My Business

158.03 M

Average Monthly US Traffic

Facebook

85.57 M

Average Monthly US Traffic

Amazon

85.44 M

Average Monthly US Traffic

Yelp

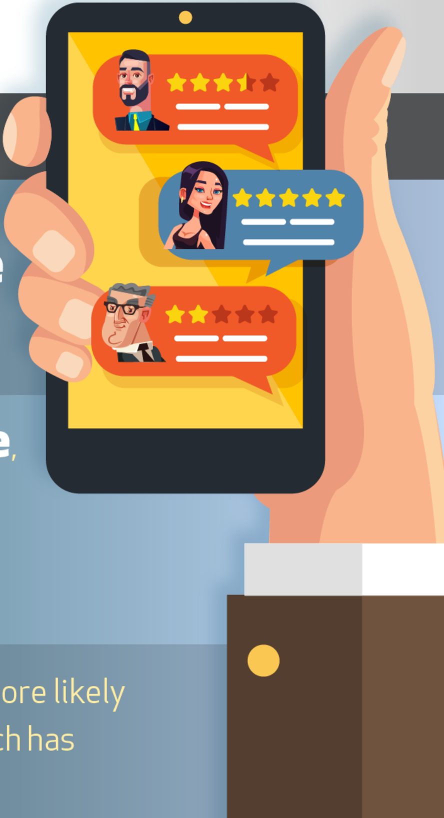
40.47 M

Average Monthly US Traffic

Trip Advisor

28.27 M

Average Monthly US Traffic



The Importance of Reviews

Reviews of **50 or more**, per product, can mean a **4.6% increase** in conversion rates

63% of customers are more likely to purchase from a site which has user reviews

88% of consumers trust reviews as much as personal recommendations

Consumer reviews are trusted nearly **12x more** than descriptions from manufacturers

92% of consumers now read online reviews

23% of consumers will visit the business premises directly after reading positive reviews

DID YOU KNOW?

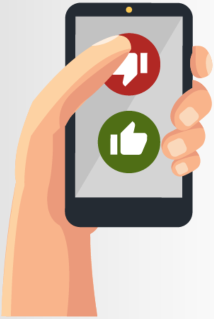
26,380 reviews are posted on Yelp *per minute*

The Effect of a Bad Review

An unhappy customer is an influential one. Consumers who receive a bad experience are more likely to share and write about it on social media.

$41 Billion

is lost by US companies each year due to poor customer service



45% of consumers **share** negative reviews on social media

63% of consumers **read** negative reviews on social media

60% of consumers would look for an alternative product or company if they saw *3 negative reviews*

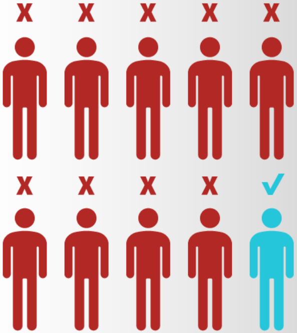
US consumers spent **$11.8 trillion** in 2016

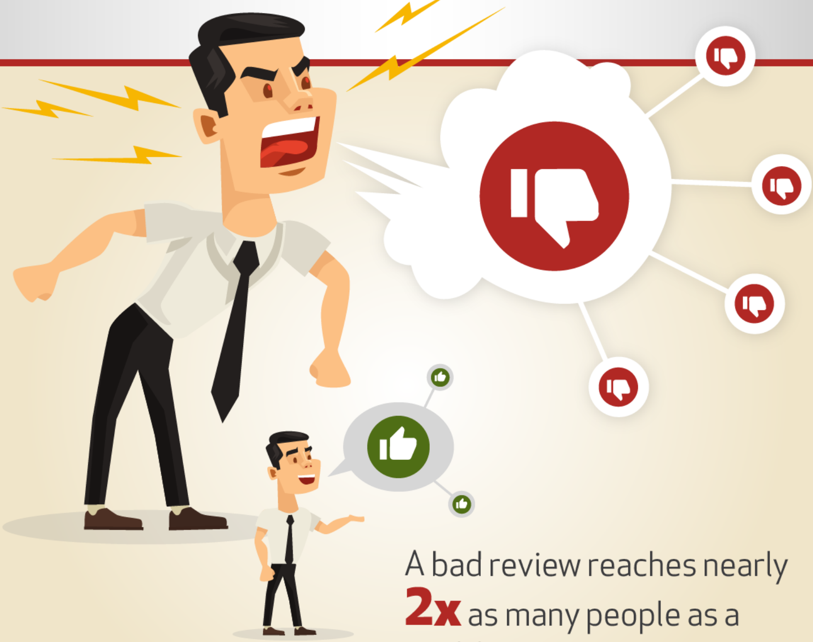
The cost of *3 negative reviews:*

11.8 trillion x 60%=

$7,080,000,000,000 lost

Businesses with mostly 1-star or 2-star reviews fail to convert about **90%** of prospective customers

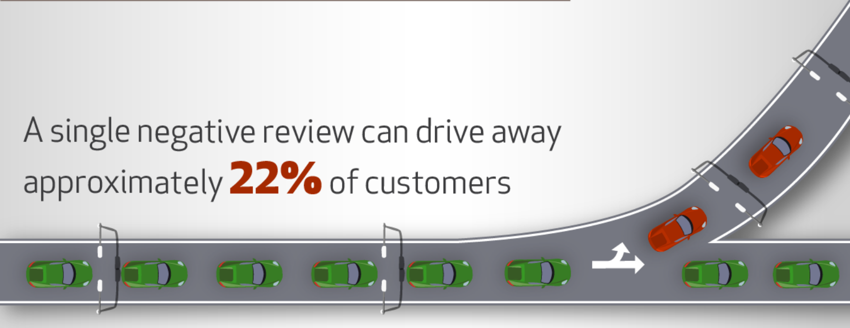




A bad review reaches nearly **2x** as many people as a positive one

40% of buyers gain an opinion on a business after reading just 1-3 reviews

A single negative review can drive away approximately **22%** of customers



86% of consumers hesitate to purchase from a business that has negative reviews

Every star a business loses will cost them **5%-9%** of their revenue

If you aren't managing your reputation and reviews, your consumers are. And that could be costing you big bucks.

★★★★★
SOCi
Social Media Management Solved.

Resources

https://www.vendasta.com/blog/top-10-customer-review-websites

https://www.brightlocal.com/learn/local-consumer-review-survey/

http://www.business2community.com/customer-experience/many-customers-one-bad-yelp-review-cost-business-01324508#yh7gQhugY7BeffxZ.97

https://martech.zone/consumer-review-statistics/

https://www.vendasta.com/blog/50-stats-you-need-to-know-about-online-reviews

http://www.insightsquared.com/2015/04/100-customer-service-statistics-you-need-to-know/

https://www.thebalance.com/consumer-spending-trends-and-current-statistics-3305916

https://blog.reputationx.com/online-reputation-management-statistics

https://hyken.com/customer-experience-2/guest-blog-how-much-does-negative-review-hurt-business/

http://mentalfloss.com/article/31222/numbers-how-americans-spend-their-money

https://www.brightlocal.com/2017/03/15/the-impact-of-online-reviews/