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PRODUCT & STRATEGY FOR CONSUMER TECHNOLOGY RETAILING

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~~CUSTOMER-CENTRIC~~ COMPANY
PREDATORS?**

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PROFITING FROM ONLINE REVIEWS

Energize your product sales

BY LEO DARDASHTI, PRESIDENT AND CEO, ATLANTIC, INC.

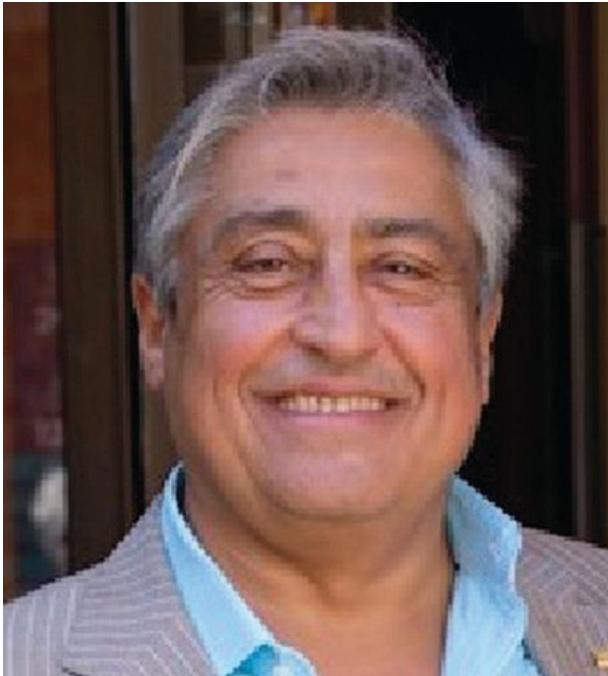
The e-commerce economy is increasingly dependent upon customer reviews to fuel online product sales. The Consumer Technology Association's (CTA)™ research report, entitled *Consumer Journey to Purchase: Audio* (October 2015), found 41 percent of consumers looked online at peer product reviews, retailer websites, dedicated review websites and manufacturers' websites before making an audio purchase. CTA's study supports the notion that product research builds trust and satisfaction among consumers.

VALUE AND EFFECT

The value, power and effect of online product reviews are well documented. A February 2016 survey by TrustPilot, a consumer review website, found that over 80 percent of Internet users rated product reviews as 'somewhat' or 'very important' to their buying decisions. Nearly half of users read reviews just before they bought online; most others checked reviews prior to actively shopping.

Online product reviews add unique content that search engines use to boost rankings. Consumers frequently search for a product in conjunction with the word 'review.' User reviews help to increase sales by answering detailed questions and easing doubts about the product. Their value is supported by a comparison of sales rankings, number of reviews and star rankings for products on large e-commerce sites.

Consumers use reviews in a number of ways. For instance, when shopping online, I disregard similar products recommended to me with no reviews, and am wary of purchasing items with less than four stars out of five. Overall, when choosing between a small number of competing products or services, consumers may choose to pay more for those with good written reviews. Some consumers look first at the bad reviews to get a sense of any glaring issues or missing features.



LEO DARDASHTI

GETTING GOOD REVIEWS

Manufacturers and service providers all want good reviews, but getting them requires an investment. Promotions through testimonials, ads and emails can get the ball rolling on growing your number of online product reviews. After-sale review requests or inducements such as product insert cards or special offers also have merit. The most expensive approach is to pay for reviews. This requires an ethical consideration that does not bias the reviewer and explains to the reader that the reviewer received something of value. Some large e-commerce sites offer manufacturers verified customer product reviews for a substantial fee.

USING REVIEWS

Many businesses effectively use reviews to improve services or boost product sales. When you have your car serviced at the dealer, the dealership will often beg you to give them a five-star review. That's because

the servicers are graded on the feedback. Uber also relies on reviews to not only rate drivers but also identify bad riders. And restaurants from small local eateries to upscale destinations are paying closer attention to reviews from sites such as Yelp, Open Table and Zagat.

And while it seems we're all used to reading reviews when selecting a new hotel or restaurant, our society is moving toward reviewing many types of transactions. Knowledgeable manufacturers use reviews to promote product sales, often accelerating early adoption of new items.

HANDLING BAD REVIEWS

Nevertheless, products will get bad reviews. But responding to them quickly often diminishes their impact on your overall rating. Manufacturers benefit by learning from negative feedback that has merit – maybe product simply needs clarification in the online product description or instruction manual. If a product lacks a necessary feature or has a defect, that should prompt swift corrective action.

When developing new products similar to previous ones, manufacturers should take heed of past reviewers' comments. Dealers should be vigilant by monitoring reviews for products they sell and dropping manufacturers who do not react to significant flaws.

Building a strong base of good reviews takes time, energy and money. Manufacturers who invest in effectively acquiring and managing reviews will gain market share over their competitors who do not use this valuable sales tool. ■

Atlantic, Inc., is a diversified product manufacturer and supplier of consumer electronics accessories, home storage and organizational products, ürb SPACE fashionable home furnishings, and the exclusive North American supplier of Snowsound acoustic panels. Dardashti is also a member of CTA's Accessories Division Board.