



# MANAGING REVIEWS



**Most CPG Brands  
Manage Ratings Wrong**



# What if we told you...

there are some amazingly simple, low-cost things that every CPG brand could do that could increase sales by 37% to 300%?

You would think this would be a no brainer, but the truth is most brands are ignoring this low cost, but massively effective effort.

In today's world of retail, customer reviews are often more important to consumers than what the brands themselves say about their product. 90% of shoppers now use online reviews before making a purchase. 88% of shoppers think that an



online review is equal to a personal recommendation. Even more surprising is that consumers that read a positive online review will spend 29% more on that product. This is a key fact for premium brands.

As of now, Amazon is the number one review site in America, receiving 60% more ratings searches than Google. Overall, there are a dozen or more online review portals that need to be addressed.

# Higher Ratings Mean Higher Sales (to a point)

Higher star ratings equate to significant increases in sales volume. As an example, in a study of all CPG categories on Amazon, 95% of all sales were made by a brand with 3.5 stars or greater. Brands with 3 or 4-star ratings averaged sales that were three times greater than those with one or two stars. The fact is, all the advertising in the world is going to struggle to overcome a low customer rating.



Even fractions of a star matter to a point. On average, the difference between a 4.2 rating and a 4.4 rating was 37% in sales. This is incredibly significant, and a place where brands need to focus. However, once a brand reaches the 4.5 rating, the focus should no longer be on the star rating but on the context of the reviews.

A recent study conducted by the University of South Florida shows that star ratings are the cost of entry into the marketplace, but once the rating has reached above average for the category, what matters is the reviews. The way consumers use reviews is to first look to see that the ranking is high enough to justify their consideration. Then, their attention moves to the most relevant reviews. This why it is important to focus on the quality of the reviews.

# Quantity Matters

**Just as a 3.5 and above rating is the cost of entry, so is the number of reviews. It is human behavior to believe that the collective is smarter than the individual. We all tend to look to the masses for information.**

**There is no magic number; the benchmark is based on your category. If everyone in your class of trade has 500 or more reviews, you will need a similar number. However, the law of diminishing returns works here. This means that if 500 reviews is the average, 5000 reviews is not 10x better; it is the expectation.**

**Just as we expect a car to have 4 tires, to a consumer, it is expected you reach this minimum bar for reviews.**



# What Must a Brand Do?

## 1

## Respond to Every Review

**Most brands have this process on autopilot, but it is a mistake!**

Every negative review is a chance to demonstrate customer support and to show others that you care about your customers. You can offer suggestions, solutions, replacements, or take the conversation offline and reduce the bad news.

As for positive reviews, these are made by people that are so happy with your product that they took the time to tell other people. Psychologically speaking, everyone wants to be heard. When you acknowledge their comment with nothing more than a *“Thank you! We are so happy to hear you are pleased,”* you turn them into a raving fan that will tell others about you. In addition, consumers quickly learn that you are a company that cares about its customers.



# What Must a Brand Do?

## 2

### Ask for Reviews

Now that we know the need for reviews, how do we get them? If you have an email list of consumers, you should send out regular emails asking people to review your product, and offer them an incentive, like a few products or a discount on their next purchase. People want to be helpful, and the incentive you offer will be the thing that nudges them to take action.



## 3

### Join Amazon Vine



If you are a new product with less than 30 reviews you can join Amazon Vine. This is a program where people who are identified as reviewers will receive free product (at your expense) and write verified reviews on it. This is a fantastic way of getting your review volume up.

# What Must a Brand Do?

## 4 Pepper Your Site with Real Reviews

Reviews need to be as available as possible to potential customers. Take some of your best reviews and randomly place them on every page of your product web site. This shows customers that you care and that they may end up on your site someday.



## 5 Don't Try to Game the System



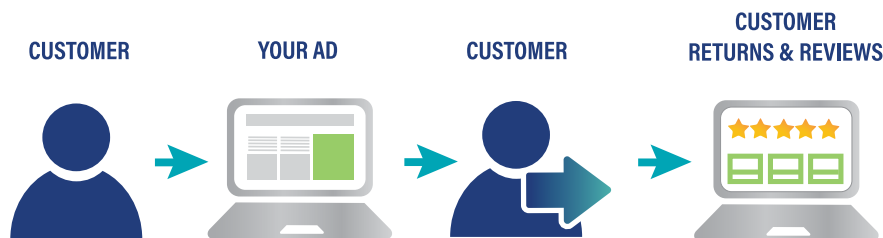
Many brands attempt to write fake reviews in order to get their score up and to improve the number of reviews. This can backfire! First, most reviews written by the brand look like it; it is difficult to overcome your own bias for the product. But more importantly, most sites have tracking and algorithms to sniff these out, and once they catch you, you get flagged and it becomes difficult to recover from this.

# What Must a Brand Do?

## 6

## Retarget for Reviews

You should become familiar with retargeting advertising. This is where we can send banner or video ads anywhere on the web to people that have visited our site. We can also do this with people that have purchased your product. Since we can only ask for a review so many times in an email before we become irritating, you can use retargeting banners as a less intrusive ask to encourage viewers to leave a good review.



**The bottom line: the cost to properly manage reviews is miniscule when compared to the results. Managing your reviews needs to be one of the very basic things that's done by every brand in today's marketplace.**

**Managing reviews will, without a doubt, be one of the things you can do that will produce the best return on investment.**





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