

# Tricky waters: how retailers can safely navigate the world of online consumer reviews

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AUGUST 2016

**Populus**



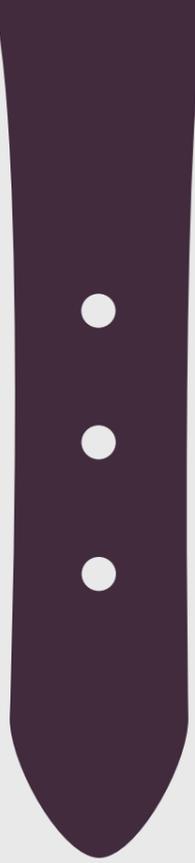
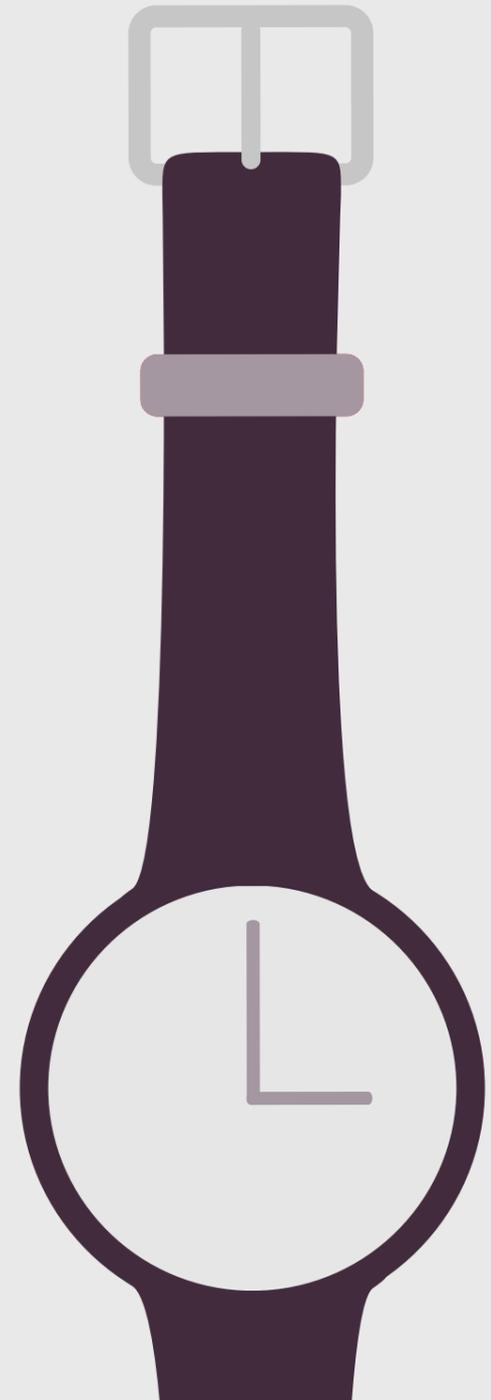
## Methodology

In order to produce this report, Populus interviewed a random sample of 2,013 GB adults (18+) online between 6 & 7 July 2016. Results are weighted to be representative of the UK adult population.

The report is based on online fashion reviews only. Please note that when we mention *items/products* within the report, we are referring to *clothing, shoes and accessories*.

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# Introduction

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## Online reviews – do they matter?

We all love to shop.  
And we love to shop online.

This is not surprising given that it can be done from just about anywhere. Circling a packed car park for a space, battling your way through hoards of other shoppers and waiting in line for the fitting room are simply not an issue. Now we can score a sale bargain from the comfort of our living room and bag the shoes we've had our eye on during our morning commute. But while online shopping certainly has its perks, it is a less immersive and tactile experience than browsing, trying on and purchasing fashion items in-store. That said, it does offer an opportunity for consumers to engage with retailers, in the form of online reviews.

Most retailers, including big players such as M&S, John Lewis and Topshop, enable consumers to have their say about products they have purchased, and it is widely assumed that in the long term this will help to build trusting relationships with customers that are eager to be heard. What's more, showing reviews is an effective means of demonstrating the kind of openness and transparency that consumers want from big businesses. But let's not forget that by doing this, retailers are effectively thrusting a loud-hailer into the hands of the consumer, relinquishing a certain amount of control over their brand and opening themselves up to the risk of public criticism.

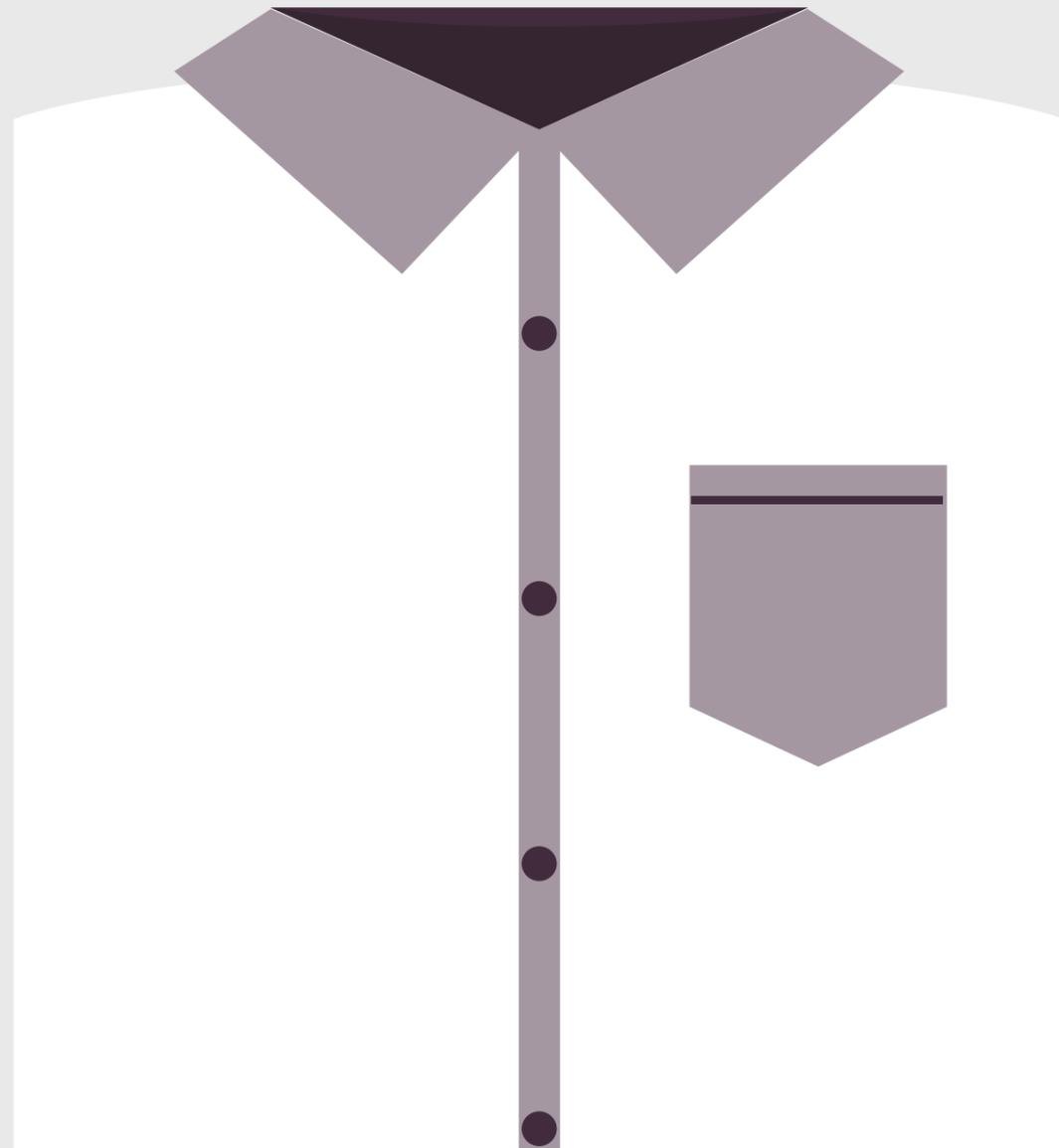
So while it might sound like great news for retailers that so many of us love browsing online, the downside is that consumers are empowered online thanks to a considerable amount of opportunity for them to voice their opinions and potentially bad mouth brands with whom they've had a negative experience.

Of course, it's not all doom and gloom. Many consumers leave glowing reviews of items they

have purchased. The question is, do these positive reviews have an immediate impact on purchasing behaviour? Equally, what happens when a consumer leaves a negative review? Does that product effectively hit an iceberg and sink straight to the bottom of the clearance bin?

This report, based on findings from Populus's consumer research, reveals the answers to these questions. In a nutshell, consumers claim that their decisions to buy a product are heavily influenced by online reviews and, through an inferred analysis, we demonstrate that this is reflected in their purchasing behaviour. Our findings also enable us to advise retailers on exactly what they should do to make the most out of their online reviews – even the negative ones.

Essentially, the report is a map to accompany retailers through their sometimes perilous journey through the digital space and is well worth a read by any brand seeking to make the online review process work for them.



# Chapter One

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## Who is paying attention to online reviews?

First things first. Is anyone even reading reviews? This report would certainly make for a short read if they weren't.

Luckily, our research immediately demonstrates that consumers claim to engage with online reviews considerably more than most other marketing activities, suggesting that they trust their peers more than brands to give an honest evaluation of a product.

59% say online reviews influence their decision to purchase fashion items, ranking above TV adverts (43%), direct mail from retailers (43%), magazines/magazine articles (40%) and social media (30%).

Across the board, online reviews enjoy high levels of engagement, but these do differ according to demographic. Women are particularly engaged, with 63% saying they are influenced by reviews, compared to 55% of men. People with children aged 18 or under are also more influenced by reviews (69% compared to 56% of people without children). It's possible that this is because this group, the so-called squeezed middle, are time-poor and watching the pennies, meaning they want to be confident that they are making the right decision.

Young people are most likely to say they are influenced by online reviews, with 77% of 18-24 year olds saying they are influenced by them while just 44% of people aged 65 and over say the same. This is not surprising given that older generations tend to be less engaged with digital technology, spend less time on the internet and therefore are less likely to see, let alone be influenced by, online reviews.

The findings also reveal when and where online reviews come into play during the sales funnel. Surprisingly, consumers aren't influenced by reviews solely when shopping online. In fact, 32% also claim that online reviews influence them when they are shopping in-store. In all likelihood, these consumers will have had a look at what's available online first, read the reviews and subsequently headed to the store to try the item on before making a final purchasing decision.

Clearly for the consumer online reviews matter a great deal. Considerable numbers of people claim to be reading them, especially women, 18-24 year olds and people with children aged 18 and under. That's pretty essential information for any brand that caters to these groups.

**59%** say online reviews influence their decision to purchase fashion items

**63%** of women say they are influenced by reviews, compared to 55% of men

**77%** of 18-24 year olds say they are influenced by online reviews

**32%** claim that online reviews influence them when they are shopping in-store

## What fashion consumers claim

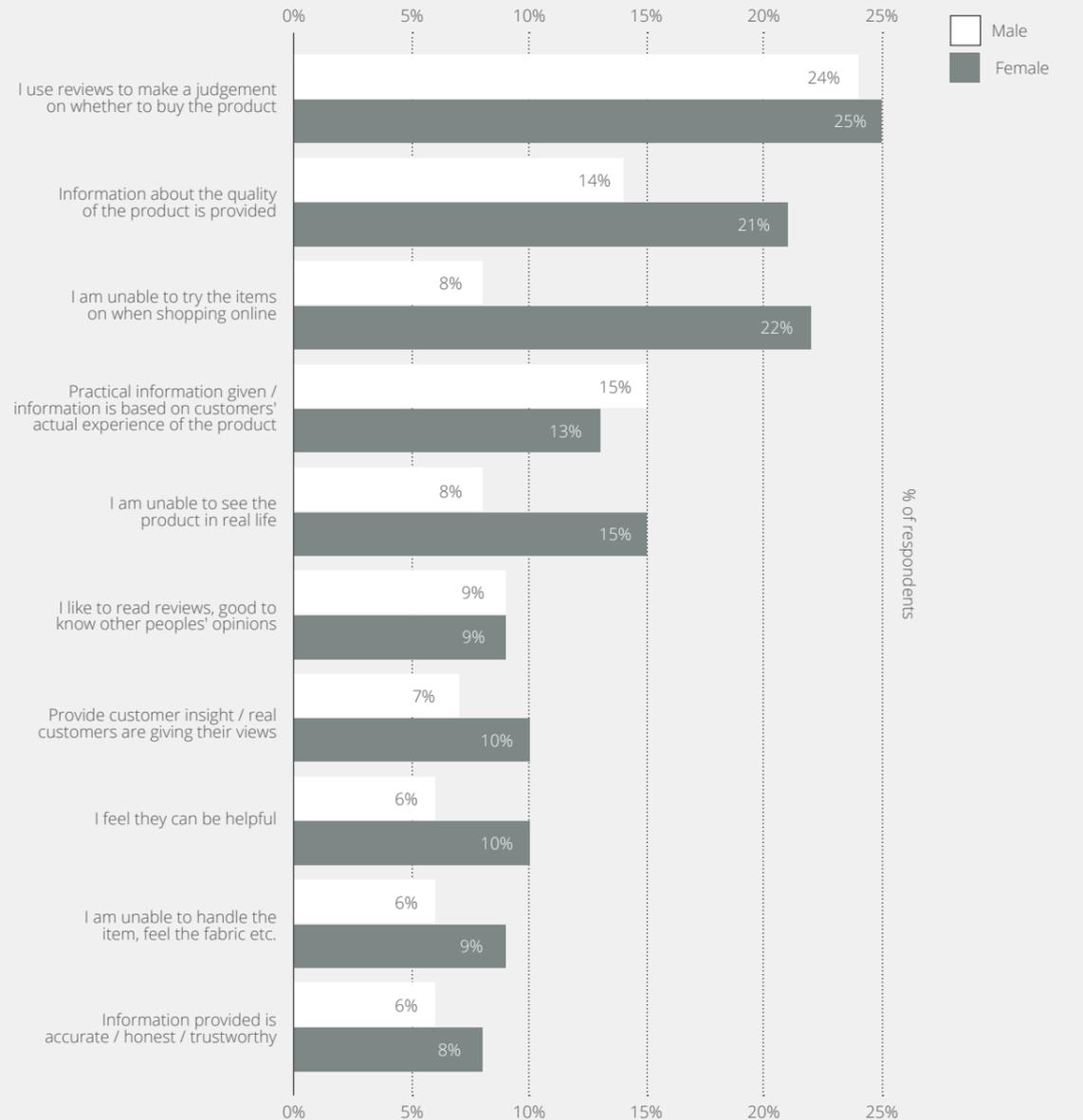
As we've seen, the majority of consumers engage with online reviews, but what kind of impact do they claim these have on their purchasing behaviour? Does the impact depend on the type of consumer?

Our findings indicate that for many consumers, reviews act as a catalyst for making a purchase. In fact, over half (54%) of people who browse online or in-store say they would be more likely to shop with a retailer that provides a lot of helpful product reviews on its website.

What is also beginning to emerge are clear differences in how men and women claim to engage with reviews. For example, women seem to be more sensitive to information on quality, size and fit, whereas men seek more practical information based on customers' actual experience of the product. The chart to the right clearly shows the differences in how important men and women say they find various types of information. We will return to this later in Chapter Four where we explain how retailers can put these findings to good use.

### WHY DO YOU AGREE THAT REVIEWS PLAY AN IMPORTANT ROLE WHEN YOU'RE SHOPPING FOR CLOTHES, SHOES AND ACCESSORIES ONLINE?

Base: All respondents who agree that online reviews play an important role when they are shopping for clothes, shoes and accessories online



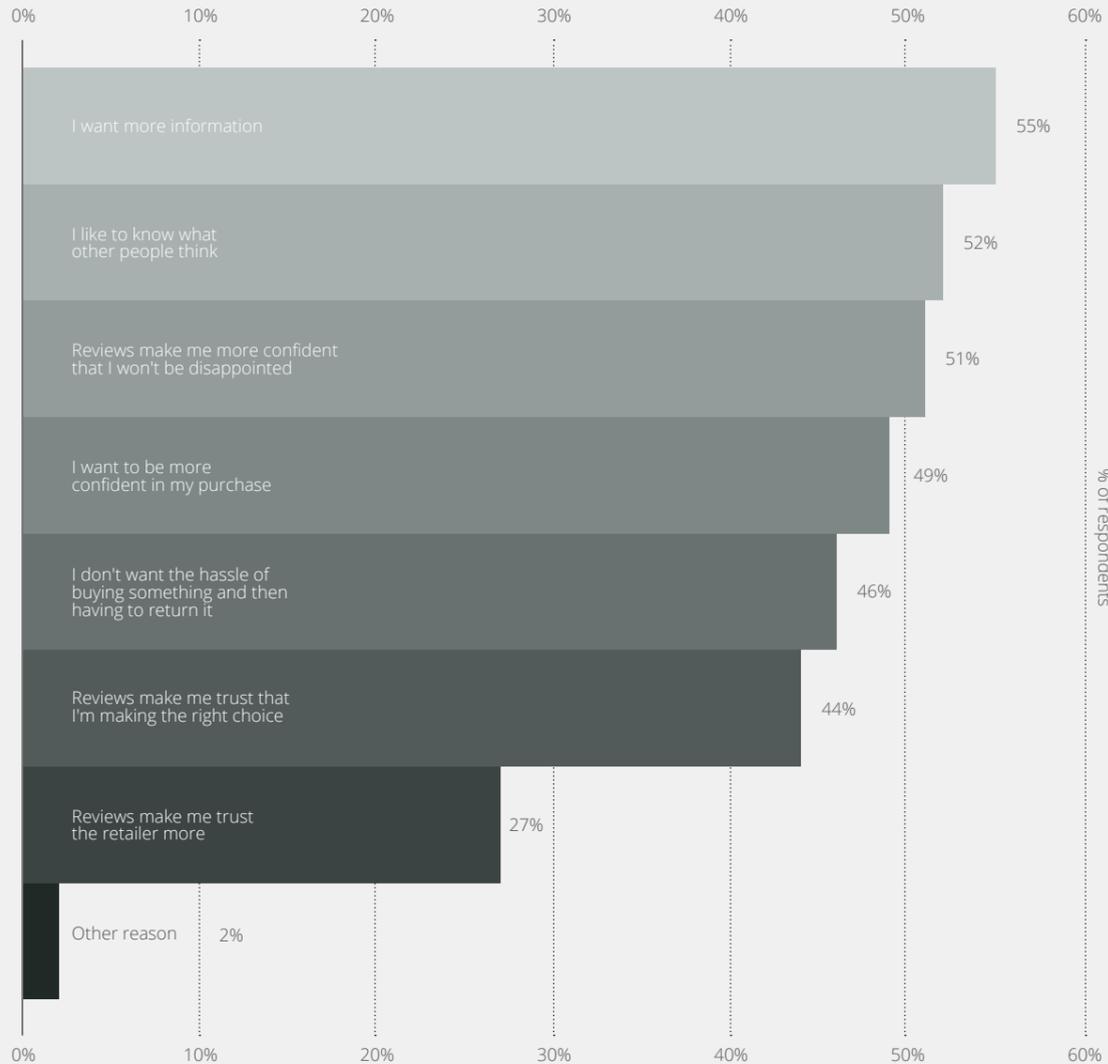


# Chapter Two

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### WHY DO YOU READ REVIEWS ON FASHION RETAILER WEBSITES?

Base: All respondents who have read a review of an item of clothing, pair of shoes or accessory on a retailer's website in the past three months



## What is really driving online reviews?

Consumers may claim that reviews are important, but how many are actually reading or writing them, who is doing it, and why?

According to the data, consumers are much more likely to have read a review than written one. Nearly half (45%) of respondents who have browsed for fashion items online or in-store have read a review in the past three months, compared to just one in ten (11%) who have written a review. This is in-keeping with the general trend that people spend far more time reading and browsing through digital content than they do contributing content themselves. The difference in numbers here could be accounted for by people not having the time or simply not remembering to write a review. The number of people that have read reviews is likely higher because this is something they do while shopping online. Writing reviews, on the other hand, takes place some days later, by which time many consumers will probably be too busy wearing the product to bother writing about it!

As demonstrated by the accompanying chart, those that read reviews do so primarily to gain more information (55%), to know what other people think (52%) and to feel confident that they won't be disappointed (51%). Consumers clearly believe that other consumers offer key insights into products that retailers do not. This puts those that do write reviews in a position of power over the retailer.

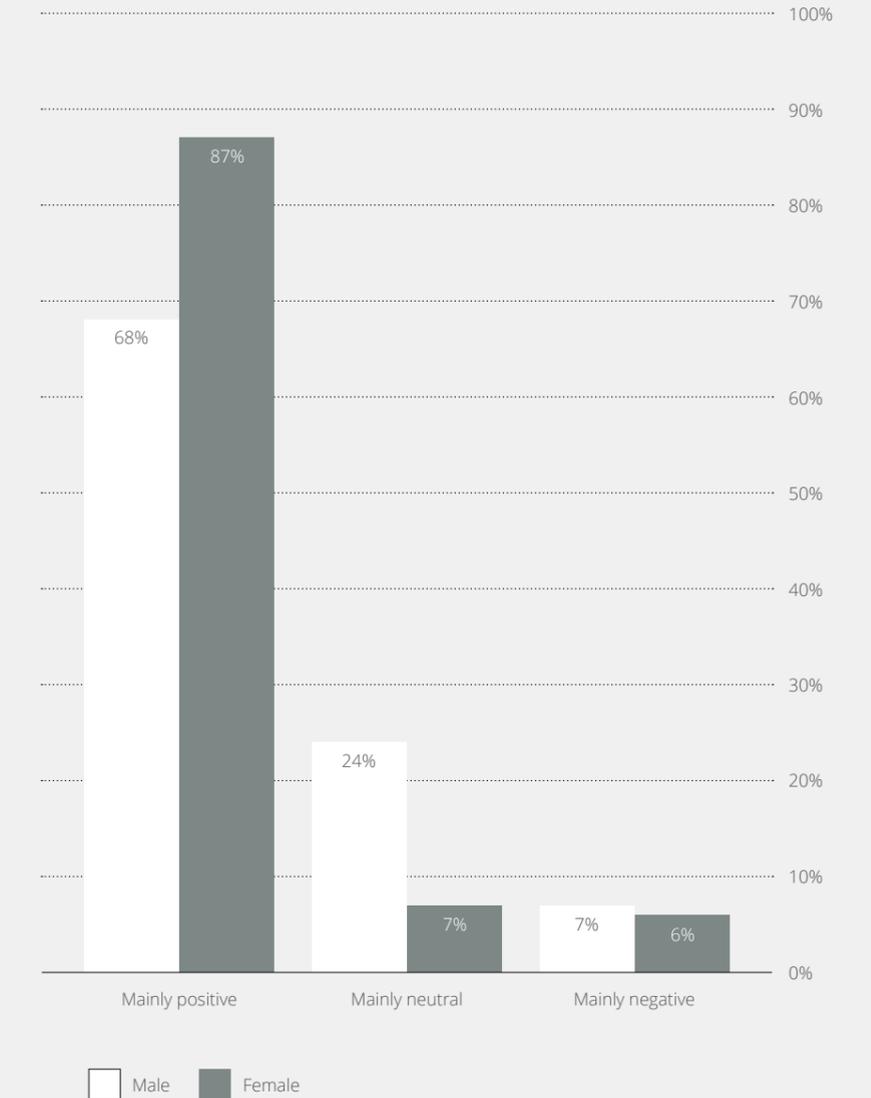
Given that people who write reviews have the ability to influence the purchasing decisions of other consumers, their views have the potential to boost retailers' sales figures, or indeed threaten them. Assessing the motives that drive consumers to write reviews is therefore helpful in anticipating the possible impact they could have.

Fortunately for retailers, the data shows that consumers are most likely to leave positive reviews. The vast majority (81%) of respondents claim that their last review was mainly positive. A quarter (25%) even go as far as to claim that they have never written a negative review.

In the previous section, we revealed that men and women claim to be influenced by online reviews in different ways. Once again, when it comes to review sentiment we see differences between the types of reviews written by men and women. This chart shows that women are more likely than men to write a positive review (87% compared to 68%). Men are more likely to leave neutral reviews than women (24% and 7% respectively), perhaps as a result of their own preference for clear, basic information about products. The findings show that neither men nor women are likely to leave negative reviews.

### THINKING BACK TO THE LAST REVIEW YOU WROTE ON A FASHION RETAILER WEBSITE, WAS IT...?

Base: All respondents who have written a review of an item of clothing, pair of shoes or accessory they have purchased on a retailer's website



The reasons that consumers claim to leave reviews are also very positive. In fact, for those that have written a review of a fashion item they have purchased, the top reason for wanting to write a review is to praise the company on a good product (49%). This is followed by the desire to give others more information on items they might want to buy (48%) and wanting other people to be more confident in their purchases (38%). Just 5% claim that they wrote a review to complain.

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*Just one in five (21%) respondents claim to write reviews as a means of imparting their opinions about the company. Equally, just 27% who read reviews say they make them trust the retailer more.*

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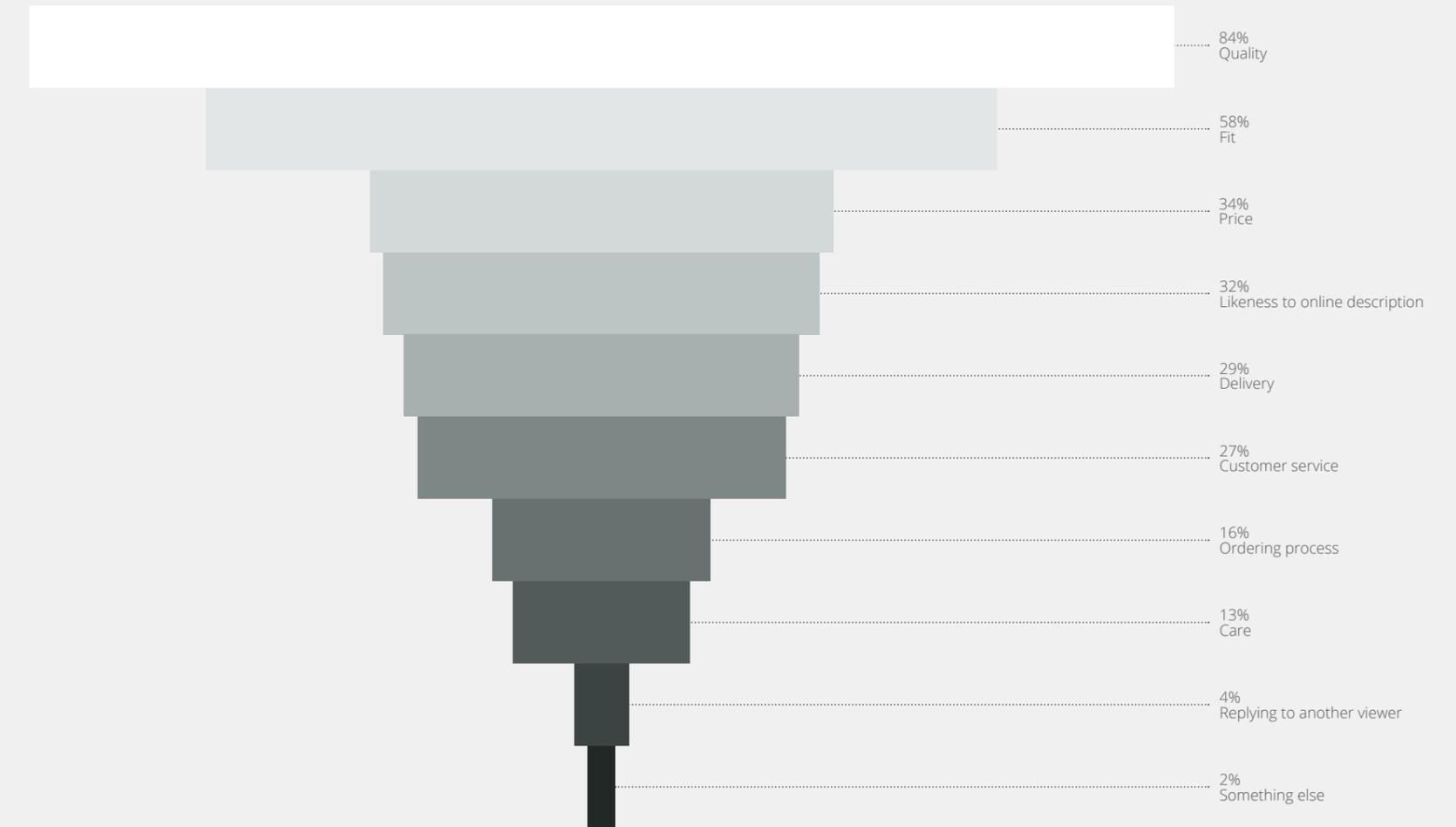
We also asked respondents who have written reviews to tell us what their last review focused on. The chart opposite shows that product quality undoubtedly comes out on top as the attribute people are most likely to write about when leaving a review.

It is worth noting that reviews are mainly focused on the fashion product itself as opposed to the retailer. Just one in five (21%) respondents claim to write reviews as a means of imparting their opinions about the company. Equally, just 27% who read reviews say they make them trust the retailer more.

This is surprising given the general assumption that online reviews help maintain or improve brand reputation and consumer trust. We would argue that positive reviews are unlikely to make consumers trust the retailer; rather they help to generate trust in the product itself by assuring consumers that they will not be disappointed. If a consumer is satisfied at a product level, they are unlikely to have further interaction with the retailer. It's the way that retailers behave if the consumer is disappointed and leaves a negative review that is a truer indication of their trustworthiness and standards of customer service. We discuss this further in Chapter Four, where we offer retailers clear recommendations on how to improve consumer trust by effectively dealing with negative reviews.

IN THE LAST REVIEW YOU WROTE ON A FASHION RETAILER'S WEBSITE, WHAT DID YOUR REVIEW FOCUS ON?

Base: All respondents who have written a review of an item of clothing, pair of shoes or accessory they have purchased on a retailer's website





# Chapter Three

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## Do reviews have an impact on sales?

So far, we have demonstrated that consumers are highly engaged with the review process.

But the question remains; are online reviews really as important as consumers say they are? Do reviews have a measurable and immediate impact on purchasing behaviour?

In order to find out whether reviews have a measurable impact on sales, we created our very

own fashion brand, Drea, which we imagine to be positioned alongside retailers with a large share of the market, such as Marks & Spencer, Next and John Lewis.

Our aim was to uncover whether positive reviews have the capacity to increase an individual's likelihood to purchase an item and whether negative feedback puts potential buyers off.

To achieve this, we showed consumers the online shopping scenario shown below and asked them if they would purchase a plain, navy jumper; a basic item that would appeal to both men and women.

Respondents that said they were likely to purchase the navy jumper were also asked which elements of the mocked up product screens had influenced their decision.

Figure 1

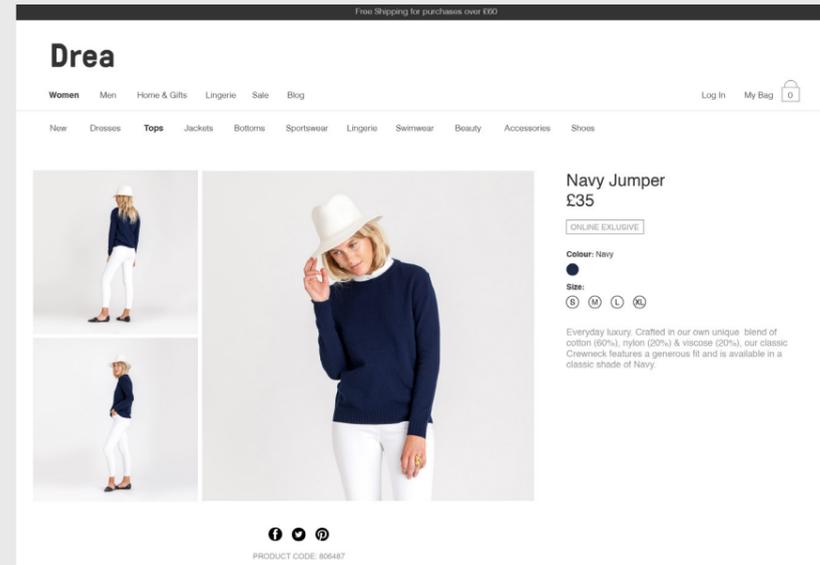
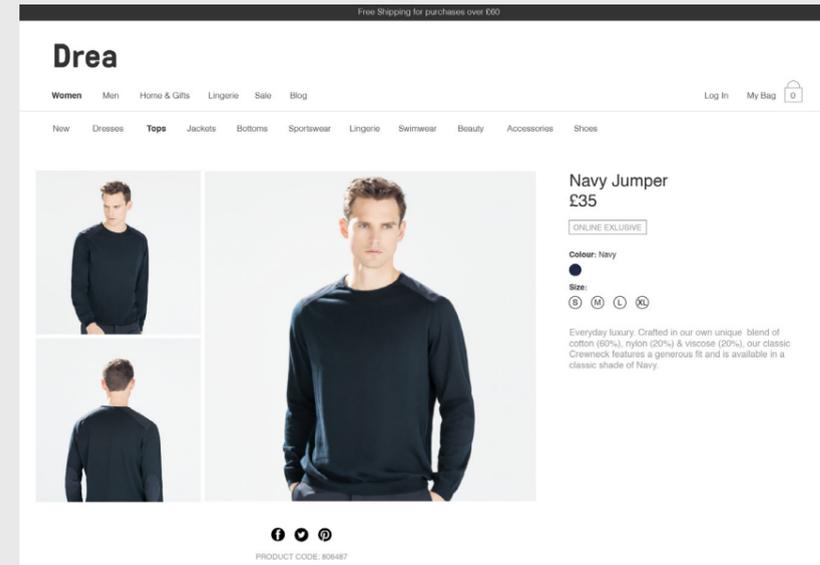


Figure 2



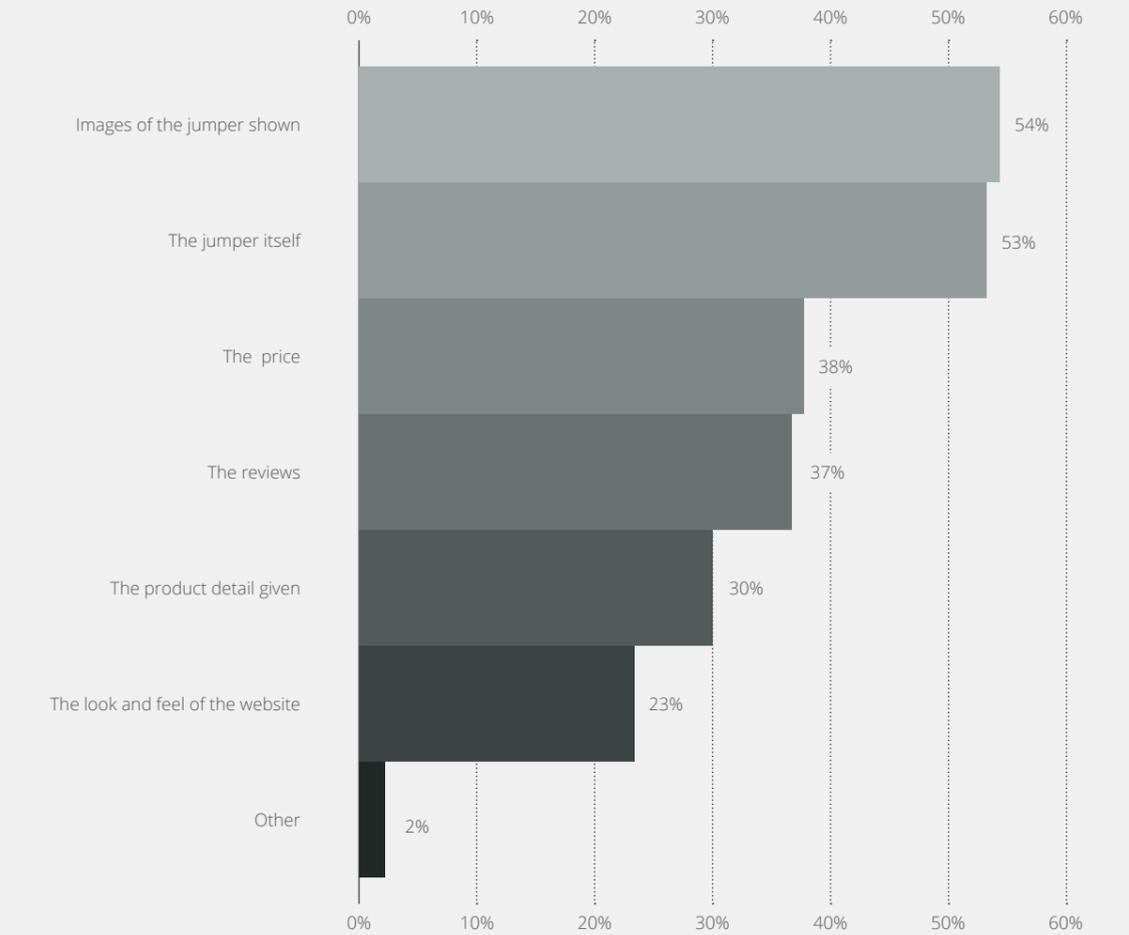
The results illustrated in the chart opposite demonstrate that the reviews of our Drea jumper were as influential as price in respondents' decisions to buy the product. The data also supports the idea that consumers trust other consumers' descriptions of the product more than the retailer's. This is demonstrated by the fact that 37% say the reviews influenced their decision to buy the jumper, compared to just 30% who said they were influenced by the product detail given.

*Once again, our research leads us to believe that reviews play an important role in consumers' buying decisions.*

Once again, our research leads us to believe that reviews play an important role in consumers' buying decisions. However, it's crucial to remember that these, along with all the other findings discussed up to this point, refer to claimed behaviour that may not be reflected in a consumer's actual decision to buy a product.

PLEASE INDICATE THE ELEMENTS, IF ANY, OF THE IMAGE ABOVE, WHICH WERE THE REASONS WHY YOU SAID YOU WOULD BE LIKELY TO BUY THE NAVY JUMPER.

Base: All respondents who ever browse for or purchase clothes, shoes or accessories online or in-store and likely to buy the navy jumper



## Actions speak louder than words

One way to look beyond what consumers claim and assess the genuine impact of reviews on purchasing behaviour is to conduct an inferred analysis using our Drea brand.

To do this, we split our sample of respondents who have browsed for fashion items online (1,985 UK adults aged 18+) four ways, showing each group one of four hypothetical online shopping scenarios containing different combinations of reviews of our navy Drea jumper.

The scenarios were as follows:

- Scenario 1 - no reviews
- Scenario 2 - 4 good, 2 bad reviews
- Scenario 3 - 3 good, 3 bad reviews
- Scenario 4 - 2 good, 4 bad reviews

You'll notice that in each scenario (examples of which are shown overleaf) the images of the product, the price, the look and feel of the website and the product descriptions remain constant. The only thing that differentiates the scenarios are the numbers of positive and negative reviews shown.

Respondents were asked to tell us whether or not they'd buy the jumper based on what they'd seen.

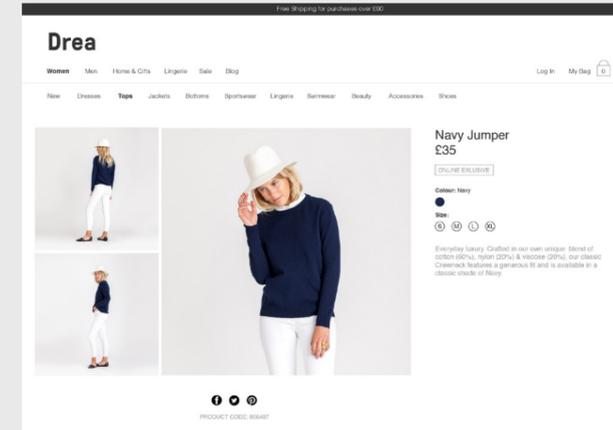
Given that the only variable that changed in each scenario were the reviews, we can assume that any differences in respondents' purchasing behaviour was caused by the reviews.

By examining the likelihood to purchase in this way, we are able to determine just how important the reviews themselves are and demonstrate whether good reviews do in fact make consumers more likely to purchase a product – and whether bad reviews put them off reaching for their wallets.

### *Here's what we discovered...*

#### Scenarios

##### Scenario 2



**★★★★★ Excellent Quality!**  
Great quality workmanship in this product. Highly recommended.

**★★★★★ Cheap looking**  
For the price, this item is extremely cheap looking. Sent it straight back.

**★★★★★ Easy ordering process.**  
Website was really good, enabling me to find the product I was looking for and simply place the order.

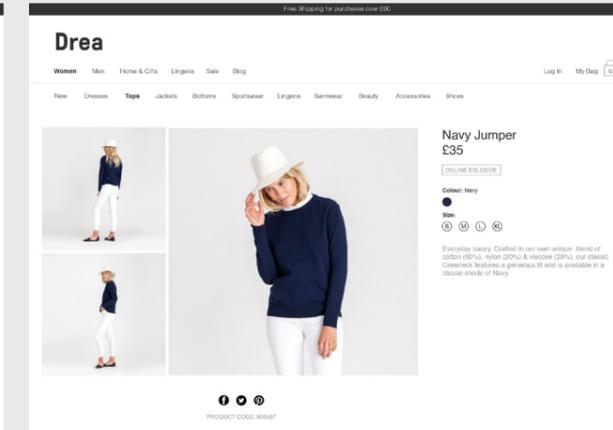
**★★★★★ Super-fast delivery!**  
I was extremely impressed with the service as my item was delivered the next day!

**★★★★★ Terrible Quality**  
Bad quality material and the seams are badly stitched- they start to unravel after about 2 washes. Would not recommend.

**★★★★★ Really good value ☺**  
For the price it may be the best jumper I have bought lately.

Male respondents were shown the same scenarios containing the menswear jumper shown on page 20.

##### Scenario 3



**★★★★★ Super-fast delivery!**  
I was extremely impressed with the service as my item was delivered the next day!

**★★★★★ Really good value ☺**  
For the price it may be the best jumper I have bought lately.

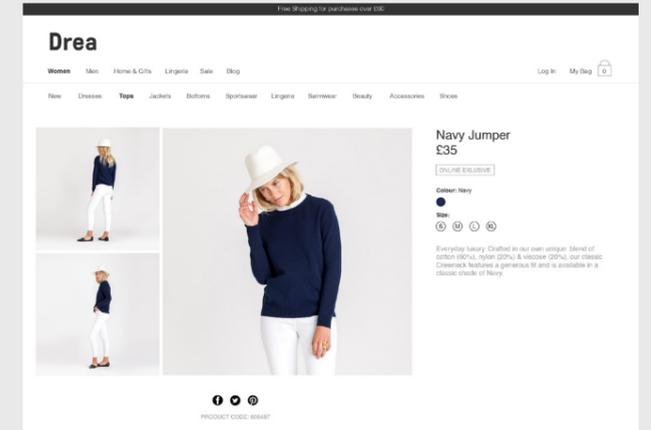
**★★★★★ Inefficient ordering process**  
The online ordering process desperately needs to be improved. I didn't receive an order confirmation email to let me know my order was successful until a few days later.

**★★★★★ Exactly as described online!**  
I am really pleased with this. The fit and look of the jumper perfectly matches the description online.

**★★★★★ Doesn't match online sizing description!!!!**  
The item is very small fitting a large wouldn't fit a 13 yr old.

**★★★★★ Bad service**  
The delivery took ages! Didn't get the jumper till long after the delivery deadline had passed.

##### Scenario 4



**★★★★★ Doesn't match online sizing description!!!!**  
The item is very small fitting a large wouldn't fit a 13 yr old.

**★★★★★ Really good value ☺**  
For the price it may be the best jumper I have bought lately.

**★★★★★ Bad service**  
The delivery took ages! Didn't get the jumper till long after the delivery deadline had passed.

**★★★★★ Cheap looking**  
For the price, this item is extremely cheap looking. Sent it straight back.

**★★★★★ Excellent Quality!**  
Great quality workmanship in this product. Highly recommended.

**★★★★★ Inefficient ordering process**  
The online ordering process desperately needs to be improved. I didn't receive an order confirmation email to let me know my order was successful until a few days later.

## Positive reviews drive sales

Our results clearly show that not only do consumers *claim* to be influenced by online reviews, they very much *are*.

This is demonstrated in the chart opposite, which shows the variation in likelihood to purchase our Drea jumper between results from the scenario in which no reviews were shown (represented by the horizontal line), and the scenarios in which reviews were included.

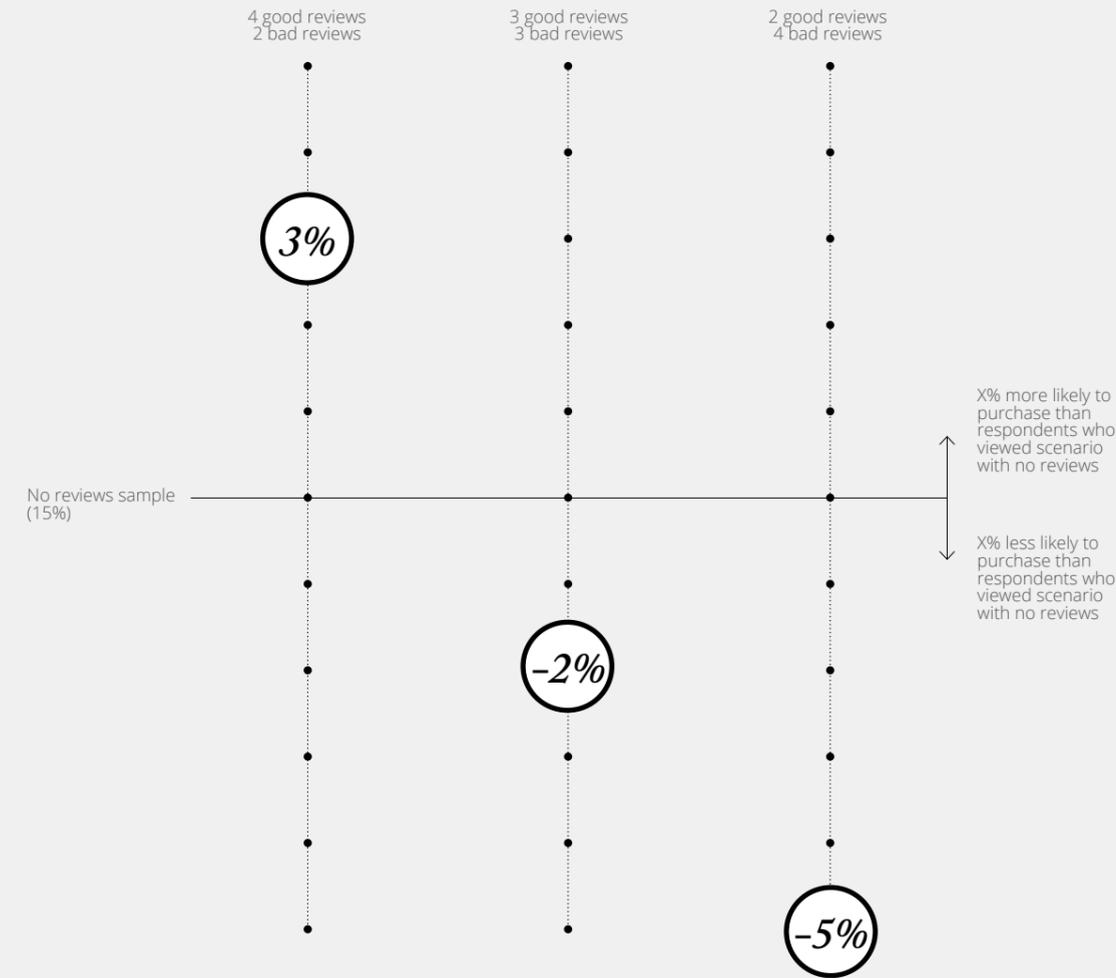
From this diagram it's clear to see that when more positive reviews are shown, consumers are more likely to make a purchase, showing that they do, indeed, drive sales.

In fact, our findings show that having a higher proportion of positive reviews in this scenario helped the Drea brand achieve a 20% uplift in sales. Retailers who do not show reviews should certainly bear this in mind. They could be missing out.

**20%** uplift in sales as a result of a high number of positive reviews

PLEASE IMAGINE YOU ARE SHOPPING ONLINE FOR A NAVY JUMPER FROM YOUR FAVOURITE BRAND. TO WHAT EXTENT ARE YOU LIKELY OR UNLIKELY TO PURCHASE THIS ITEM?

Base: All respondents who ever browse for or purchase clothes, shoes or accessories online or in-store



## What about negative reviews?

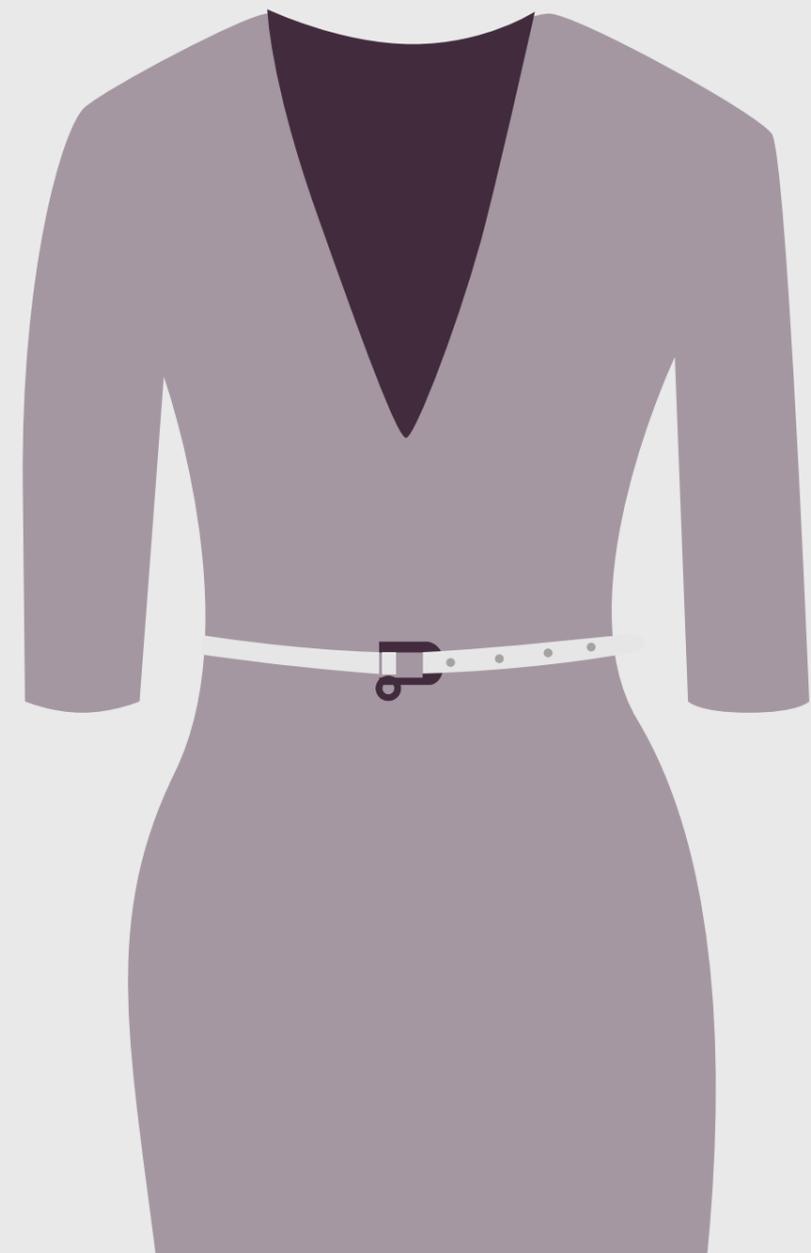
The results of our inferred analysis indicate that positive reviews are responsible for driving sales. This is great news for retailers who choose to show reviews, however, when we take a look at the findings from the opposite perspective, we can see that these retailers may be at risk of the harmful effects of negative reviews.

*When we take a look at the findings from the opposite perspective, we can see that retailers that do show reviews may be at risk of the harmful effects of negative reviews.*

If we refer back to the chart above, which shows likelihood to purchase for all respondents, we can see that this decreases as the number of negative reviews shown goes up. The findings reveal that the impact of these negative reviews is also arguably more powerful than the impact of positive reviews. According to the results, our Drea brand experienced a 33% decrease in sales as a result of a high number of negative reviews.

Clearly, negative feedback poses a threat that retailers need to watch out for, but there are a number of measures retailers can take to ensure that negativity doesn't drag down their sales. Read on to find out what these measures are, and to discover how negative reviews can even work in favour of the retailer.

**33%** decrease in sales as a result of a high number of negative reviews



# Chapter Four

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## How to manage your online reviews

Through our inferred analysis, we have demonstrated that online reviews do have an impact on product sales.

We believe that our findings make a strong case for all retailers' digital teams to make online reviews a key area of focus, not least because, as we have shown, bad reviews also have a negative impact on consumers' likelihood to purchase.

It is essential for all brands to understand how to manage reviews well, according to the needs and expectations of the consumer.

In this section, we share the top insights from our research that will enable retailers to use online reviews to their advantage – even the negative ones!



### INSIGHT ONE

#### *Tailor reviews to the needs of the consumer*

All retailers could be getting more from their positive reviews by providing guidance as to what type of information other readers find helpful when prompting consumers to write a review.

According to our research, the type of information that constitutes a “good” review is, by and large, the same for both male and female consumers.

For example, 44% of consumers find star ratings useful. Prompting customers to give products a star rating could be a great place for retailers to start; not only are people more likely to leave a review if it's quick and easy to do, but also 43% prefer reviews that are short and to the point, compared to 32% who wish to see a lot of detail.

The only major difference in the type of information men and women find helpful is that women are extremely keen on finding out about size and fit; 74% of women say this information would constitute a “good” review, compared to just 46% of men.

Certainly, asking customers to give a star rating and jot down one thing they love about the product, particularly on size or fit in the case of women, would make for a snappy review that readers can process quickly and would potentially speed up their buying decision.

## INSIGHT TWO

*Know how to deal with negativity*

Online reviews may leave retailers exposed to potential criticism, but while negative reviews act as a drag on sales in the short term, applying best practice when dealing with them could have a positive impact on brand perception and trust, which will drive sales and loyalty in the long term.

Our findings show that handling reviews properly is a must. In fact, 70% of consumers say they would be reluctant to shop with a retailer that handles negative reviews badly.

We believe there are three key things to keep in mind when a negative review lands on your site:

## I

*First and foremost, speed is of the essence. 68% of respondents say that the ideal way to respond is “quickly”.*

So make sure one of your team is always on hand to post an immediate response. Not only will whoever wrote the negative review appreciate your prompt attention to the issue they've raised, but others reading the review at a later stage will be impressed by your dedication to getting the matter resolved as quickly as possible.

## II

*Respond publicly. 48% of respondents in our survey feel that responses to negative reviews should be made publicly.*

The temptation may be to direct complaints offline, yet dealing with them in a professional and helpful manner publicly will mitigate the impact of any bad reviews. In other words, a consumer who reads a bad review may then have reservations about buying a product, but seeing that the retailer dealt with it efficiently will put their mind at ease. Dealing with reviews publicly serves to reassure consumers that negative experiences are an unusual circumstance that won't necessarily happen to them, and even if it did it would be dealt with properly by the retailer.

## III

*Lastly, 41% say retailers should respond with remuneration.*

This seems obvious – if a consumer is unhappy with a fashion item and wishes to return it, of course they should receive a refund. Retailers could, however, go one step further and offer a little something extra. That way, the issue is sure to be resolved more quickly, the consumer is less likely to be put off shopping with the retailer again, and if the remuneration is offered in the form of store credit they may even be more likely to shop with the retailer again in the future.

## INSIGHT THREE

*Use incentives to drive positive reviews*

For any retailer who chooses to have reviews on their website, maintaining a balance that's strongly in favour of positive feedback is crucial.

Luckily, our research has shown that people are more likely to leave positive reviews. Retailers should therefore take advantage of this and aim to increase the number of positive reviews they are able to show by incentivising customers to get writing.

We asked all respondents who have ever browsed or purchased fashion items online or in-store to tell us how much more likely they would be to write a review for a fashion item they've purchased if the retailer were to offer various incentives.

The results were extremely conclusive and enable us to make two clear recommendations for how retailers should be incentivising customers to write reviews.

## I

*Enter consumers into a prize draw*

57% of consumers say they would be more likely to write a review if they were entered into a prize draw. Naturally, consumers' likelihood to leave a review will depend on how good the prize is, and this of course will vary according to the type of consumers retailers want to target.

The findings show that this type of offer is more suited to women, 62% of whom say they would be more likely to leave a review if they were entered into a prize draw, compared with 52% of men. This is also a more appropriate offer for brands with a younger following ; 78% of 18-24 year olds say they would be more likely to leave a review. However, this figure decreases steadily with age until just 39% of people aged 65 and over say this would make them more likely to write a review.

## II

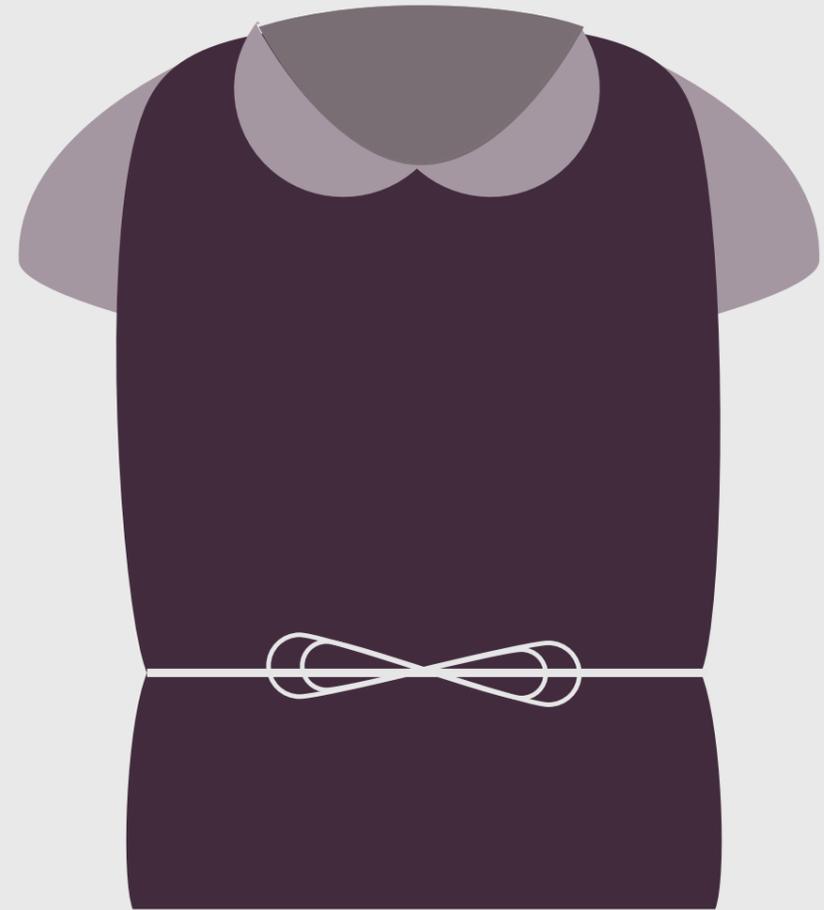
*Offer money off their next purchase*

No surprises here. A considerable 79% claim that being offered money off their next purchase would make them more likely to write a review. Again, women are more likely than men to claim that this would encourage them to write a review (84% compared to 73%). Interest in this type of offer is also high across all age groups.

Clearly it is an appropriate incentive for the majority of retailers, but what would be an appropriate amount to offer off a subsequent purchase and does this differ across demographic groups?

The bulk of respondents (81%) would like to receive 20% off or less.





# Conclusion

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## Four key takeaways for the journey

Our research has revealed that when it comes to online reviews, it's all smooth sailing until you encounter negativity. However, even if retailers are unfortunate enough to come into contact with a bad review, all is not lost.

Remembering these important findings will help retailers stay in control of their brand's reputation and ultimately benefit as much as possible from consumers' online reviews:

# 1

*Consumers claim to be influenced by reviews while browsing online and in-store*

59% of consumers claim that their purchasing decisions are influenced by online reviews, with women and young people in particular claiming they are very important. These findings highlight that online reviews should be an area of focus for retailers, particularly as they matter more to consumers than other marketing activities, including TV advertising and social media.

# 2

*Reviews impact sales!*

Our analysis reveals that reviews do have a measurable impact on both claimed and actual purchasing behaviour. As we expected, positive reviews contribute to an uplift in sales while negative reviews put consumers off making a purchase.

# 3

*Drive positivity with incentives*

A higher ratio of good to bad reviews will drive sales and minimise the potentially harmful impact of negativity. Incentivising consumers is a great way to boost your number of positive reviews, particularly due to the fact that consumers are more likely to leave positive reviews. Consumers themselves say that the best way to incentivise them is to enter them into a prize draw or offer 15-20% off their next purchase.

# 4

*Negative reviews need urgent attention*

It's not the reviews, it's how you deal with them. Negative reviews are a drag with the power to seriously impact sales. That doesn't mean there's any need to panic – we believe that just because a retailer has received a bad review, it isn't the end of the world. In fact, it can work in their favour. Respond quickly and publicly to reviews and you'll have the chance to redeem yourself in the eyes of your customers.

Online reviews are a complex business with the potential to affect the way that retailers and their products are viewed by consumers. On the surface, it may seem as if the consumer is at the helm, but by putting Populus's recommendations into practice, retailers can stop themselves from being knocked off course by negative feedback, and instead steer themselves towards a reputation as a trustworthy retailer that values, showcases and listens to the opinions of those that choose to shop with them.



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