



The customers always write: Why 2022 is the year of online reputation management

Explore the results from nearly 900 marketing executives from around the world on how they leverage customer reviews and ratings to drive business outcomes.

Reputation Management Report 2022

dacgroup.com



How you can turn your online reputation into a driver for your business

While DAC is an international agency, our local teams are here to support you on your journey as you transform your online reputation management strategy.

As we can see from our international and regional results, there is tremendous opportunity for brands to really drive their online brand perception forward and take advantage of ratings and reviews as a sales tool.

Our role in the reputation management space is to apply data science, strategic insights, operational rigor, content, and technology (proprietary and best-in-class) to fundamentally improve the impact of reviews and responses across the entire customer experience—for brands, products, and locations—to drive business outcomes.

DAC is here to support you wherever you are on your reputation management journey.



Nasser Sahloul
Senior Vice President, Strategy
DAC

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What is reputation management?

rep·u·ta·tion

/ˌrepyə'tāSH(ə)n/

Reputation management is **the practice of influencing stakeholder perceptions and public conversations about an organization and its brands**. It includes monitoring perceptions and conversations, responding to reputation threats and proactively seizing opportunities to boost reputation¹.

Online Reputation Management as we define it involves the monitoring and management of the reputation of a brand on the Internet, primarily focusing on search and social media platforms such as Google, Facebook, Instagram, YouTube, etc., marketplaces such as Amazon, etc., and other websites addressing user generated content in the form of product / location / brand reviews and/or ratings and using customer feedback to try to solve problems and promote positive sentiment for brands.

¹ <https://www.gartner.com/en/marketing/glossary/reputation-management>

Why is it important?

More than ever, consumers pay attention to brands' online reputations, and **98% of consumers say reviews and ratings are the most influential factor in making a purchase**, surpassing things like pricing and free shipping². The importance of brand reputation is only growing, with **70% of customers saying that reviews are more important to them than ever**³.

But showcasing reviews and ratings not only drives brand perception online; they are also a significant driver for business revenue.

Products with at least 5 quality reviews increase the chance of purchase by 270%⁴, and **consumers spend 49% more with companies that respond to their reviews than those that don't**⁵.

Further, **product pages with reviews convert buyers 3.5x more than those without**⁶. The impact of ratings and reviews extends beyond products, and into locations. For example, we know that for **every star increase on Yelp, businesses see a revenue increase of between 5-9%**⁷.

² <https://www.powerreviews.com/insights/power-of-reviews-survey-2021/>

³ Podium 2021 Local Marketing Report

⁴ <https://www.forbes.com/sites/forbestechcouncil/2021/05/25/how-revenue-can-increase-through-reviews/?sh=1bf613c84df0>

⁵ <https://www.womply.com/impact-of-online-reviews-on-small-business-revenue/>

⁶ Bazaarvoice 2018, <https://www.oberlo.com/blog/online-review-statistics>

⁷ <https://hbr.org/2019/11/designing-better-online-review-systems>



While marketers instinctively understand the potential negative impacts of not actively managing online reputation, what is often overlooked are the considerable positive strategic implications of this work. These are:

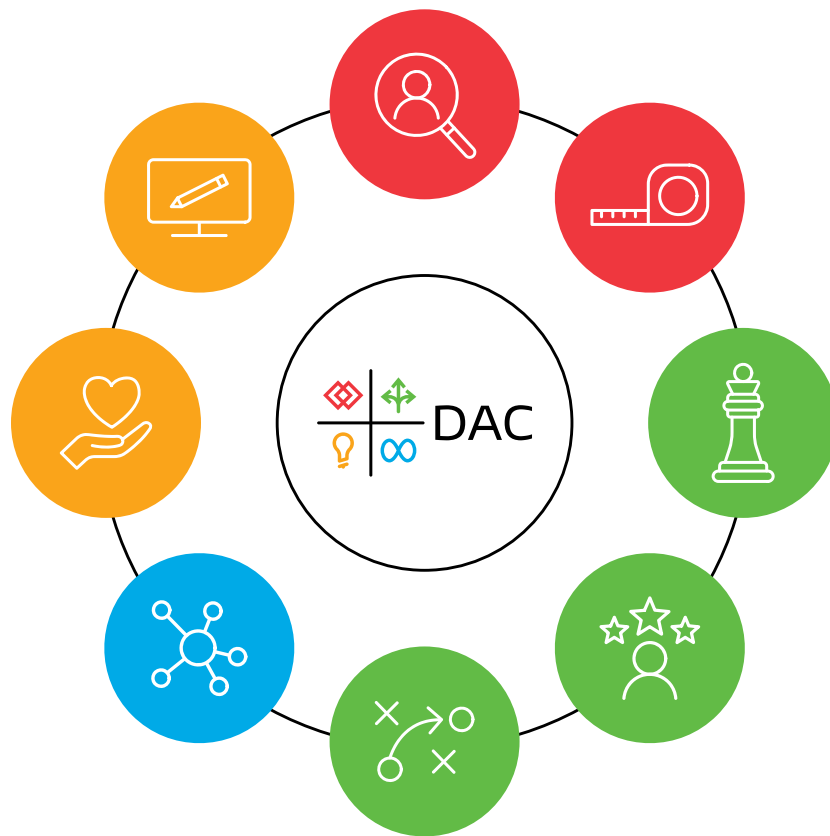
- **More positive reviews** lead to leveraging the voice of the consumer as a powerful sales tool
- **Richer review content** drives improved search engine visibility
- **Brand perception is elevated** when they are seen responding to all reviews
- **Personalized responses** for each customer provide a sense of belonging to the brand family and increased loyalty
- **Advanced analysis of review data** delivers profound business insights that drive improvements in product, service, partnerships, and marketing









Realizing the true potential and impact of the voice of the consumer requires a holistic reputation management program.



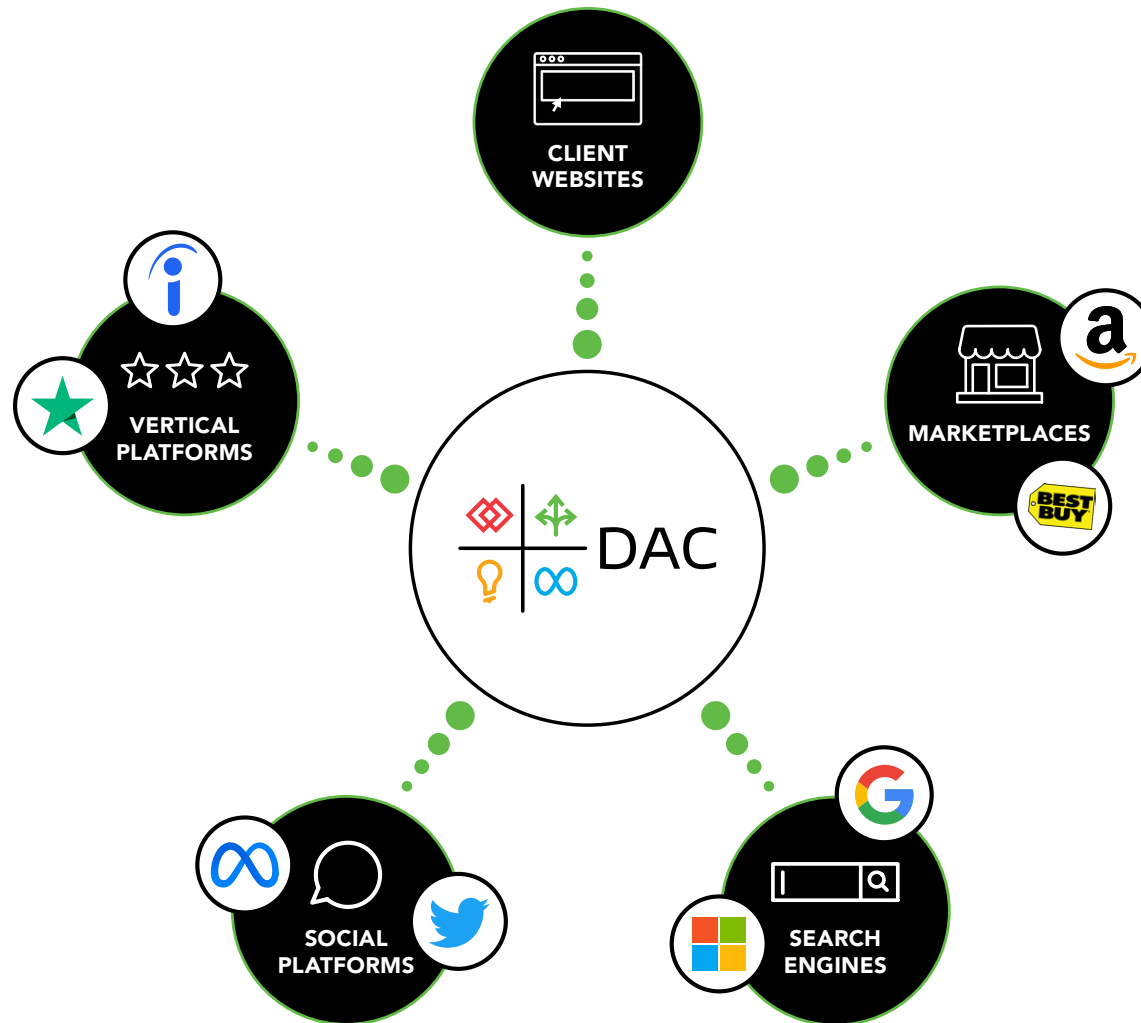
What are the elements of a holistic reputation management program?

Our reputation management offering includes:



-  Review Audience Analysis and Definition (Audience data)
-  Reputation Measurement (Audience data)
-  Reputation Management Strategy (Strategy & planning)
-  Review Acquisition Strategy (Strategy & planning)
-  Response Guidelines and Playbooks (Strategy & planning)
-  Review Management Technology (Technology)
-  Reputation Management and Moderation (Operations)
-  Content Creation (Operations)

Where we manage reputation:



Given this context, how are brand marketers faring when it comes to activating the voice of the consumer to drive business and revenue outcomes?

Are there elements of reputation management that cause difficulty?

What are the underlying reasons for any challenges?

Does this change from one part of the world to another?

These are the questions we set out to answer.

Methodology

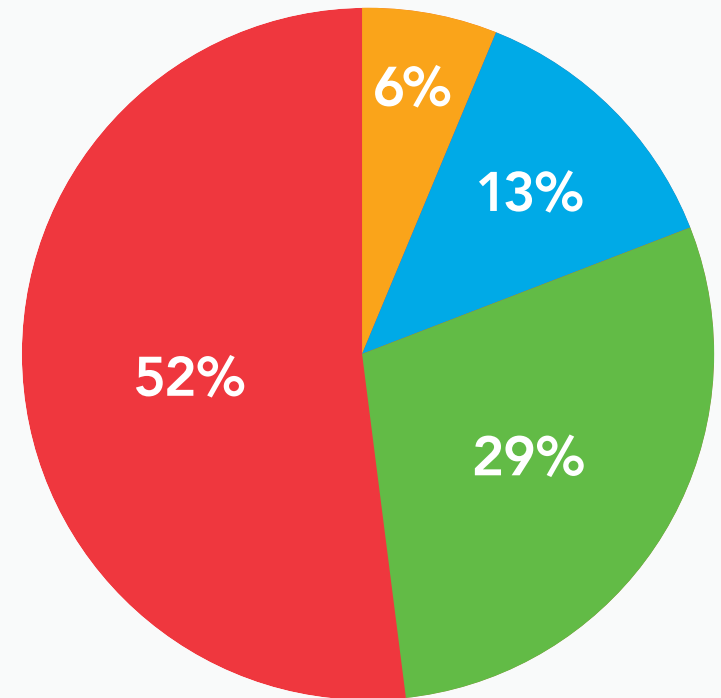
DAC commissioned Ad Age to conduct an international online research study.

The final survey findings are based on 886 total respondents who qualified after answering the screening questions and completed the full survey. The 886 included 584 from the US, 50 in the UK, 49 in Germany, 50 in France, 49 in Spain, 54 in Canada (outside of Quebec), and 50 specifically in Quebec, Canada.

Fieldwork on the survey began on March 3, 2022, and officially closed on April 1, 2022.

Respondents' role in reputation management at their company/brand broke out as follows:

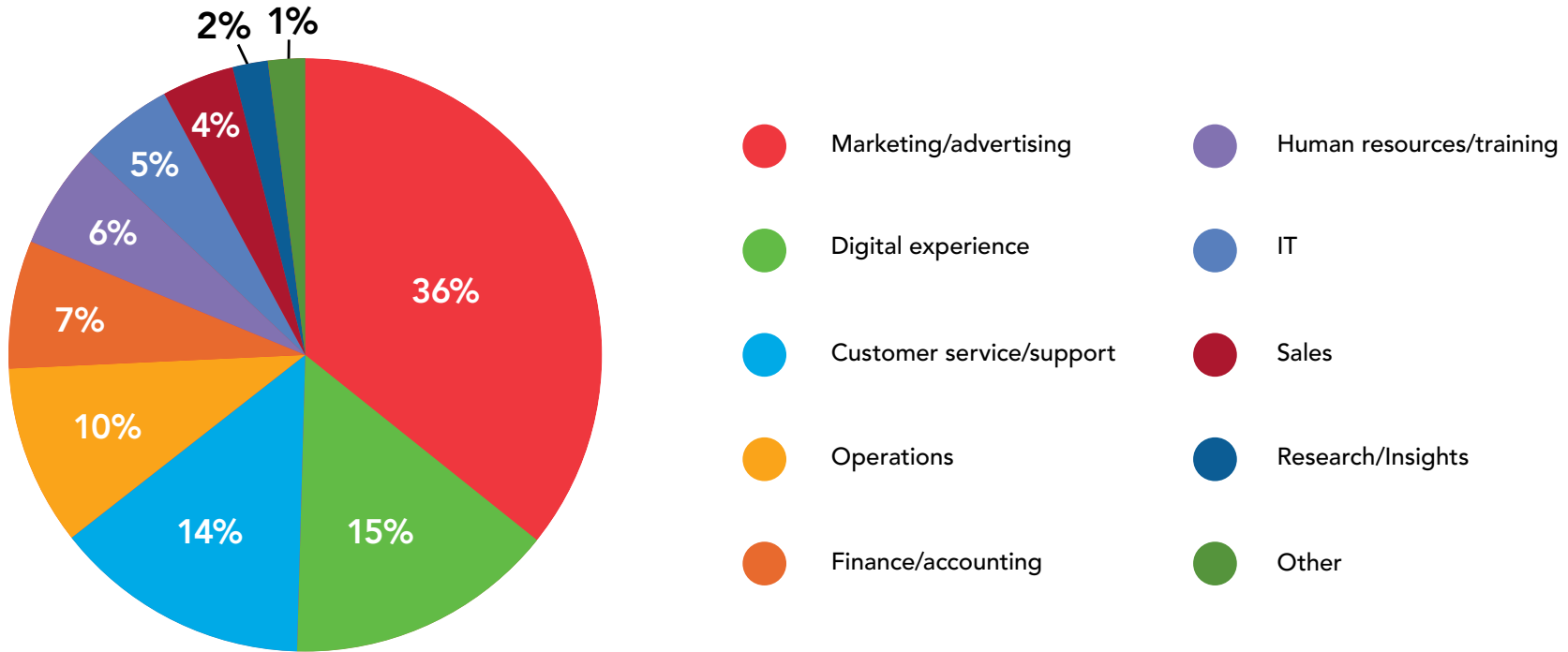
Reputation Management role at your company



- Final decision-maker
- Part of a team making decisions
- Decision influencer
- Involved in execution, but not decision making

Our respondent pool supports what we have observed anecdotally in that the function of reputation management falls under a wide variety of functions within an organization.

Position/department of Reputation Management



The respondents were from both B2C and B2B organizations, as follows:

- 21% Business-to-business (B2B)
- 33% Business-to-consumer (B2C)
- 21% Business-to-business-to-consumer (B2B2C)
- 25% Both business and consumer (B2B and B2C)

The margin of error for the total of 886 respondents of the survey, at a 95% confidence level, is +/- 3.4% percentage points.

Findings









The results of the survey indicate that reputation management as a discipline is in its infancy. **While 71% of respondents are concerned with managing the reputation of their brand in today's digital advertising and social media environment**, but 50% of brands aren't actively executing a reputation management program. And this extends into the workforce challenges seen in today's environment: 67% of respondents find it challenging to identify and hire people with reputation management experience.

What are the elements that marketers are most challenged by, and why?

For all the elements of a holistic reputation management strategy, respondents **were most challenged across the board by the inability to measure impact (average of 20%) and found themselves lacking the necessary flexibility/agility (average of 18%)** to properly execute reputation management. Beyond these challenges, marketers are most challenged by the following as well.

The top two most important elements globally:

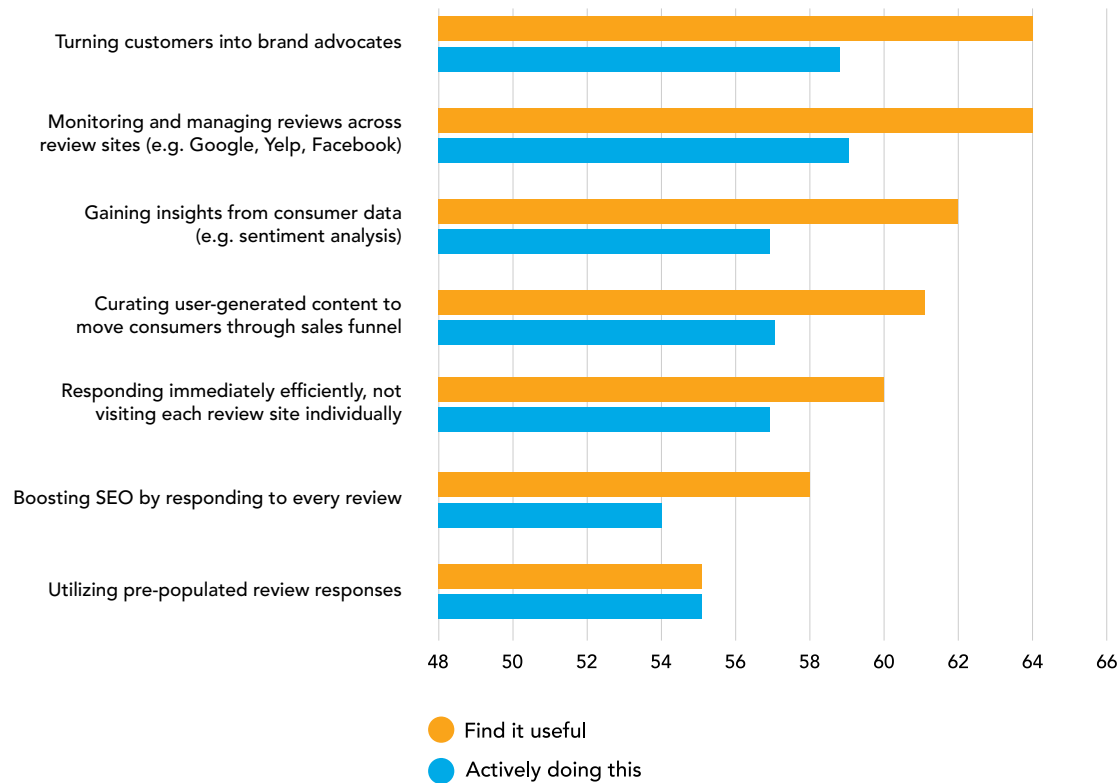
-  Reputation Management Strategy
-  Reputation Measurement

	44% are unsuccessful at Review Audience Analysis + Definition , due to a lack of resources (14%) and the difficulty of monitoring and activating/managing across platforms (14%).
	42% are unsuccessful at Reputation Measurement , due to the difficulty of monitoring and activating/managing across platforms (15%) and the lack of a single point of responsibility (decision-marker) (15%).
	40% are unsuccessful at developing a Reputation Management Strategy , due the lack of a single point of responsibility (decision-maker) (16%), and the difficulty of monitor and activating/managing across platforms (15%).
	44% are unsuccessful at developing a Review Acquisition Strategy , as they lack a single point of responsibility (decision-maker) (16%), as well as lacking executive buy-in (13%).
	44% are unsuccessful at developing Review Response Guidelines + Playbooks as they lack executive buy-in (15%) and a single point of responsibility (decision-marker) (15%).
	45% are unsuccessful at implementing Review Management Technology at the local level, due to a lack of resources (14%), the lack of a single point of responsibility (decision-maker) (14%) and the difficulty of monitoring and activating/managing across platforms (14%).
	42% are unsuccessful at Active Reputation Management + Moderation , with top reasons being the difficulty to monitor and activate/manage across platforms (16%) an the lack of executive buy-in (14%).
	46% are unsuccessful at Review Moderation + Acquisition Content Creation , with top pain points being the lack of a single point of responsibility (decision-maker) (14%) and the difficulty of monitoring and activating/managing across platforms (13%).

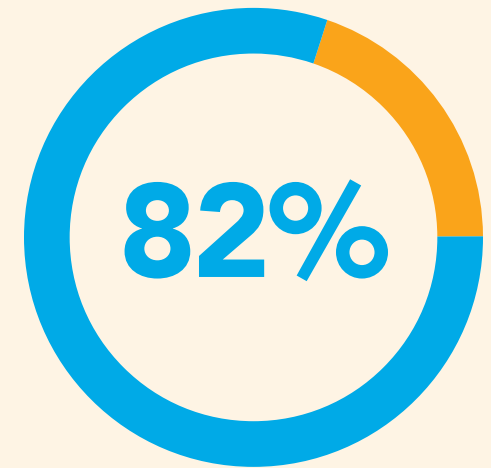
Outcomes of a reputation management program

These challenges show up in capability and executional gaps as they relate to the utilization of technology platforms built to support reputation management. **For example, while 64% say that it would be very useful for them to monitor and manage reviews across all major online review sites, only 59% do so.** This gap between functional aspiration and execution is consistent on most elements of reputation management:

Aspirational uses for reputation management versus execution



In an omni-channel strategy, online reputation heavily impacts upper funnel visibility and last-mile purchase decisions for brick-and-mortar businesses.

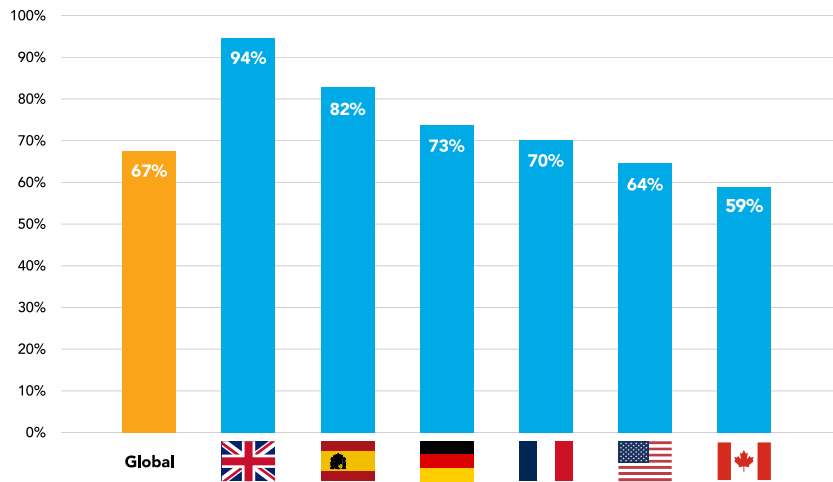


Respondents who indicate it is important to market their physical locations over the next three years.

Hiring the right team

Talent acquisition to do the job of reputation management varies widely depending on the region—from 94% of those in the UK finding it challenging to identify and hire people with reputation management experience to only 64% finding it challenging to do so in the US.

Percentage that find it challenging to identify and hire people with reputation management experience that meet today's needs



Why are organizations so challenged globally?

The top two reasons:

1. Inability to measure impact
2. Lacking flexibility and agility

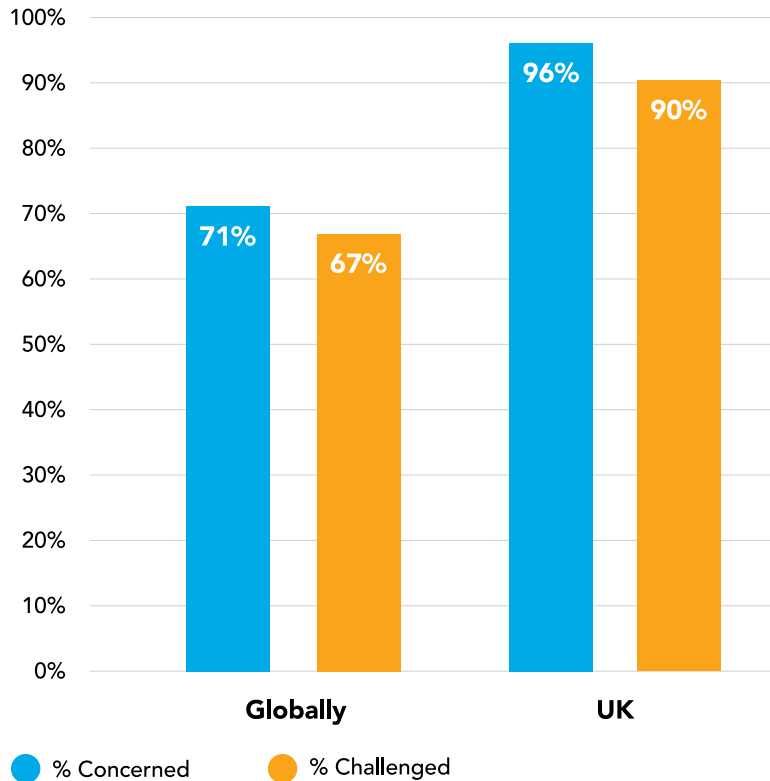


Regional findings: How do you compare?

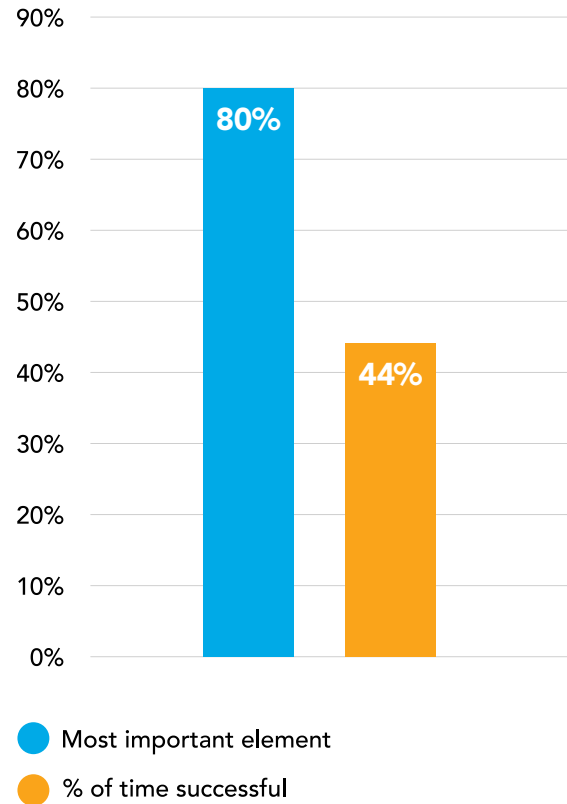


Executives in the UK are more concerned and challenged than global executives with managing their brand's reputation.

Concern vs. Challenge in Brand Reputation Management



In France, nearly 8 in 10 respondents found having **Review Response Guidelines + Playbooks** the most important, yet were only successful in executing against these 44% of the time.

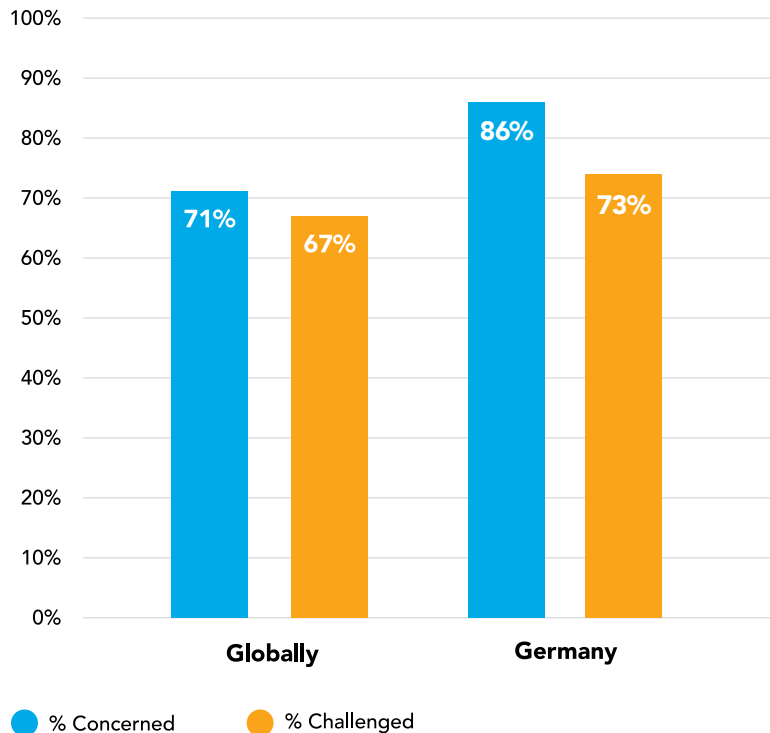


Of all the countries, France struggles the most across having success with the eight elements of reputation management.



Only 51% of respondents in Germany report success with reputation management.

Almost the same % of respondents said that reputation management sits with IT as it does Marketing/Advertising, this could be why it had **higher than globally average concerns and challenges with reputation management.**



The widening gap in the United States

70%

The average **importance of the eight elements** of a reputation management strategy.

(4 pts lower than global average)



56%

The average number of companies that say **they have success with each of the elements.**

(3 pts lower than the global average)





A great disparity for **Canadians** was the perceived usefulness of **turning customers into brand advocates**, versus agreeing that they strive to do this.

81%

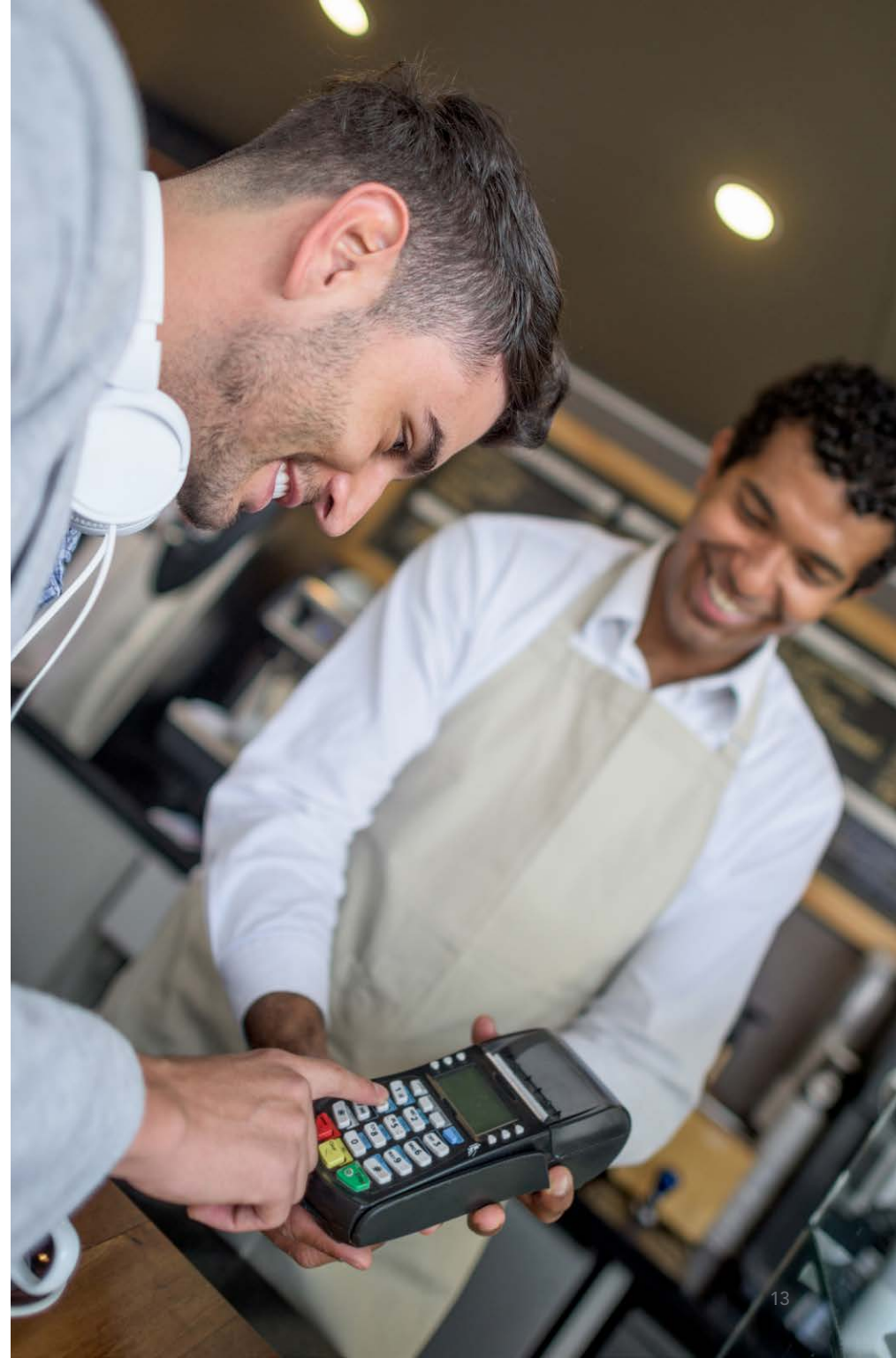
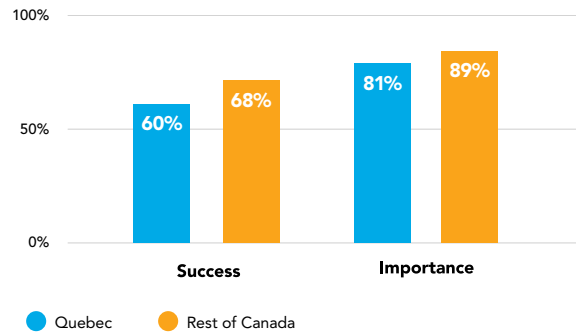
would find it useful

63%

strive to do this

Does region make a difference?

There was a lower average for respondents in Quebec for those who felt very strongly across all of the holistic elements of reputation management (81%) and those who find success in doing so (60%), both 8 points lower than other parts of Canada.



Conclusion

The importance that consumers place on online brand reputation is not lost on marketers. **The data illustrates that regardless of region, marketers know that this is a highly important issue.** The data also indicates that those same marketers are struggling with effectively managing it, let alone turning it into a positive driver for the business.

It is also clear from the data that marketers struggle with every aspect of reputation management, from staffing and strategy, to process, technology, and measurement. A clue as to why this is the case is in the composition of the responsibilities of the respondents. These span the entire organization, from marketing and experience to customer support, operations, and HR.

Reputation management is a truly multi-disciplinary function, and for it to work well, it requires not only strategy and technology, but also true collaboration across the entire organization.

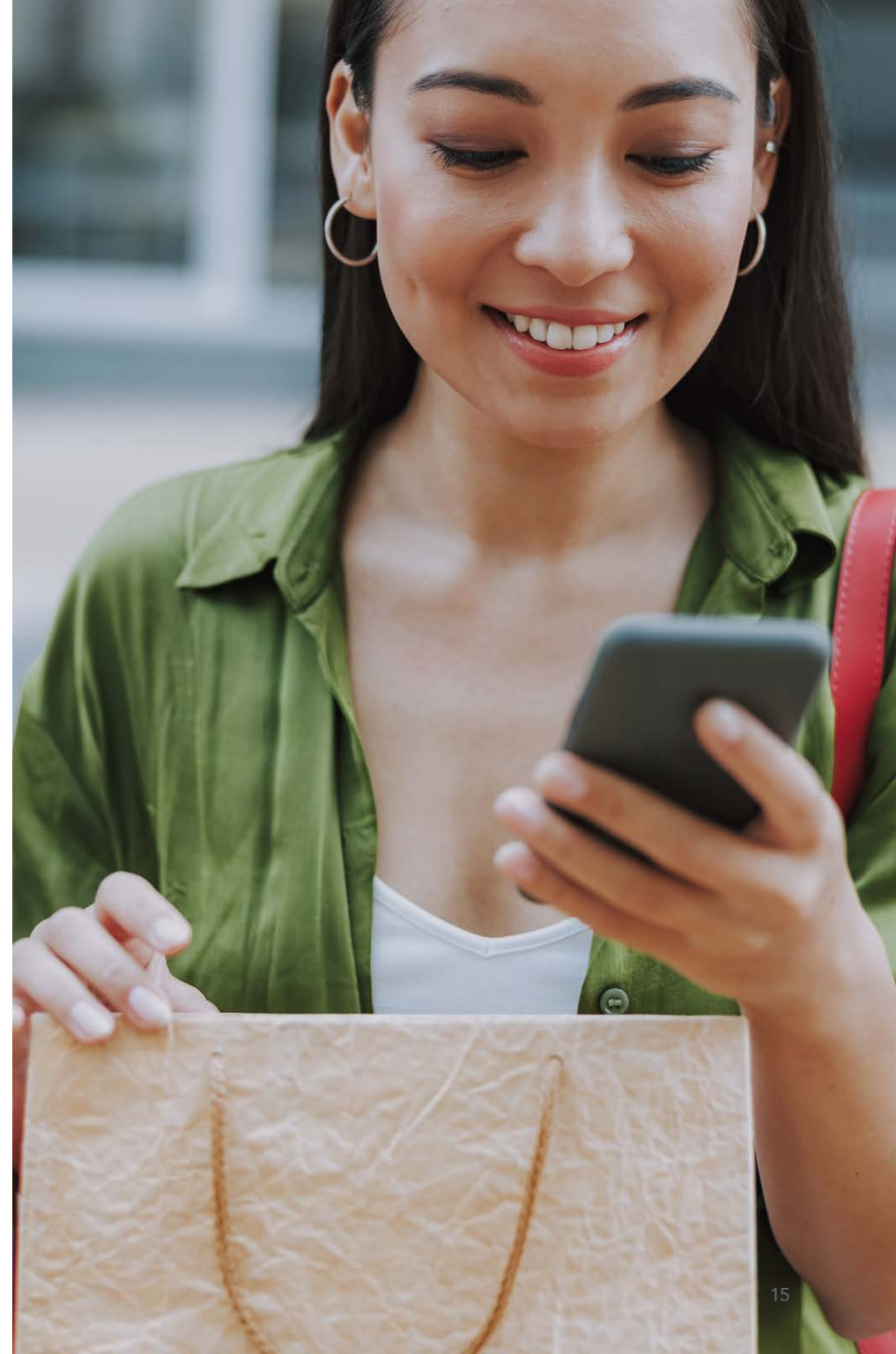
The complexity illustrated earlier of the holistic reputation management solution, coupled with the variety of platforms across which reputation needs to be managed, is compounded by the challenge of organizational alignment and collaboration necessary to make this work.

Given these challenges, why should organizations bother? We return to the beginning of this report, with the insight that **98% of consumers say reviews and ratings are the most influential factor in making a purchase,** surpassing things like pricing and free shipping. People instinctively understand that since ratings and reviews are windows into the truth behind the brand promise, they are willing to reward those organizations that truly fulfill on this and are seen to do so. To leave it unaddressed and unmanaged adds considerable risk to significant revenue during the discovery process.

So what should marketers do?

- **Don't try to do everything at once:** Identify the most significant gaps and address those incrementally. Is there a lack of process? Perhaps the issue is that there is no defined strategy. There might be a strategy in place, but it is ineffective since it is generic and not tailored to your audience. Invest the time and resources it will take to understand the audience, to build the strategy (both for moderation and acquisition of reviews) and the governance documentation necessary for success.
- **Invest in technology:** With the ever-increasing number of platforms relying on ratings and reviews, this is only adding complexity to the reputation management function. To effectively and efficiently scale, this will require investments in technology specifically built to manage this function.
- **Invest in data:** The sustainability of this practice relies on the ability to understand the impact of the investments made in this space, and to continuously optimize to improve the outcomes. The multi-disciplinary nature of the function requires an approach to data that is able to draw upon and harmonize disparate source inputs.

Taken together, any one of these steps (or combination of them) will move the brand towards not only mitigating risk, but ultimately support the establishment of reputation management as a driver for the business.








About DAC

DAC is a leading global marketing agency helping brands connect with customers from the enterprise level right down to hyper-local moments since 1972.

Recognized by Forrester as one of the world's most significant performance marketing agencies, DAC is passionate about helping businesses build, maintain, and optimize their online presence, leveraging internal expertise in everything from content strategy, UX, and creative storytelling to paid media, SEO, and analytic insight to drive performance and nurture loyalty.

DAC's mission is to drive transformational client growth by amplifying brands to audiences on their digital customer journeys, no matter where they are.

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