Online reviews are the new social proof

Psychology, Behaviorism

Consumers are influenced by other people more than they realize (or are willing to admit).

According to the , social norms influence consumption behavior and even private interests, including one's taste inmusic. This is what makes the concept of social proof a powerful one.

What is social proof?

Sciencedescribes social proof as a psychological phenomenon in which people follow the actions of others in an effort to reflect what is considered correct behavior for any given situation -- including online experiences. Simply put, social proof influences people's decisions on how they should behave.

We've traditionally turned to a variety of useful sources as social proof. These include credible experts, thought leaders, celebrities, friends and the wisdom of the crowd. But today's diners rarely go to a restaurant without first visiting Yelp, and shoppers seldom make a meaningful purchase without first reading what verified buyers have to say. Online reviews have significant effects on purchasing behaviors. Predictably, they've emerged as one of the most potent forms of social proof.

When customers read reviews on sites such as Yelp, Google, Amazon or TripAdvisor, they depend on star ratings to determine the quality of a product or service. They read others' comments and ask increasingly specific questions.

- " Will this bank location help solve my problem the way it solved others' problems?"

- " Is thefoodas good as advertised? What do previous diners really think?"

- " How long will I have to wait before I see thedoctor? How long did others have to wait?"

- " Based on others' experiences, what potential issues or problems might I have to face when I decide to buy this product?"

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Do reviews really guide purchase decisions?

According to, 78 percent of consumers in the United States read reviews before making a purchase decision. YouGov's report reinforces findings in a previous study that found that 87 percent of consumers trust online reviews as much as they trust friends andfamily. On the other end of the spectrum, four out of five consumers reverse their purchase decisions based on negative reviews.

People take positive reviews and high ratings as social proof a product or service is worth the purchase. They reason, " This has great reviews, so I'm buying it."

How do reviews shape perception and future feedback?

According to , the average rating for a hotel with 11 to 20 reviews is 3. 5 out of 5 stars, with " terrible" reviews (a rating of 1 star) at close to 12 percent. Interesting, as a hotel sees 101 reviews or more, its average star rating

increases to 3. 9. The feedback pattern, therefore, favors quantity. The more your business is reviewed, the likelier you are to receive higher ratings.

Apart from providing social proof for customers looking to make a purchase decision, reviews also provide social proof in other ways. These online testimonials shape how people perceive brands. And reviews also influence what people think they should say, when it's time to add their own voice to the conversation.

A customer's opinion about a Yelp-listed restaurant with 100 reviews and an average rating of 4. 5 stars is less likely to go against the grain and offer a counterpoint to all the positive feedback. The consumer thinks, " This has great reviews, so I'm going to say the same about it."

How should you manage and respond to reviews?

To stay competitive, you must be able to effectively manage your online reputation. Track and monitor your reviews. Know when and where your customers are talking about your brand. Respond to customer feedback, both positive and negative. Dive deeper into the comments to look for useful insights and information that will help you improve the customer experience.

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Here are a few tips on responding to negative reviews:

- If you or your staff made a mistake, apologize. Even if you didn't make a mistake, apologize and thank the reviewer for taking time to tell you what he or she thinks. Social proof is most potent when you're able to

turn unhappy customers into loyal fans. If someone wrote a harshly unfair comment and gave your business a low rating, keep your head up, say sorry, and tell them you hope they'll come back so you can offer a better experience.

- Address all parts of the review. For example, if the reviewer writes the bank teller was rude or your bank's app is buggy, acknowledge the issues and address them individually in your response.

- Ask the customer to reach out to you directly. Explore whether there's anything you can do to make up for the customer's bad experience. There's a caveat, though: Never offer bribes or incentives for customers to change their review's sentiment.

Of course, harnessing the potential of reviews as social proof isn't only about righting wrongs or recovering critics and detractors. It's also about activating happy customers and promoters. Keeping that in mind, here are some equally important tips on maximizing the social proof inherent in positive reviews:

- Say thank you. If a customer took the time to present social proof for other prospective customers to see, expressing your gratitude is the very least you can do.

- Reinforce what customers love most about their experiences. In your response, explain that the delicious cupcakes actually are homemade. Let them in on how you grow your own arugula, or tell them others also have commented on the amazing views from your resort's cliffsideswimmingpool.

- Respond in a reasonable amount of time. is an ideal time frame to start.

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Customers who are vocal online can influence others' attitudes, beliefs and behaviors. While there's no way to control what people say about your business online or offline, you do have the power to change the conversation. Managing customer feedback and leveraging the right kind of social proof ensures you account for the positive opinions shared by your happiest customers.