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## A STUDY ON IMPORTANCE OF RATINGS AND REVIEWS ON SOCIAL MEDIA CHANNELS FOR INCREASING CUSTOMER BASE

**Saniya Farheen**  
Student, MBA  
Jyoti Nivas College  
Bengaluru

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### ABSTRACT

*Marketers are confronted with new challenges and opportunities to deliver new profitable models of advertising and also customers have changed their roles from being passive receivers of advertising messages who used to follow manufacturers and retailers recommendations to being active participants in the marketplace within this digital era as social networks has gained a significant consideration in the previous decade and as the progress arises, gaining access to social sites such as Instagram, Facebook, Twitter, YouTube, and LinkedIn have become very affordable. As a large population uses one or the other social networking site, it has become very appropriate for companies to promote the products or services into the market and reach customers through these channels and also for the customers it gives a voice to tell what they feel about the product or service. Hence having good and positive ratings and reviews of the products and services in the social sites is necessary for both companies and customers. The main intent of this study is to understand the importance of ratings and reviews on social media channels for increasing customer base and how ratings and reviews can be used as an immensely powerful tool for business.*

**Key words:** Ratings and Reviews, Social Media Channels, Online Marketing

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## **INTRODUCTION**

The social media and internet have given place to what is commonly recognized as the democratization of content and this phenomenon has completely transformed the way that consumers and companies interact. Business strategies are shifting from influencing consumers directly and induce sale to mediating the influence that internet users have on each other by using new forms of communication through a platform that is social media by posting the product reviews or rating the product. This process has changed individual consumer's market research practice, allowing the customers to make informed purchasing decisions. The marketing industry describes this phenomenon as word of mouth marketing.

Word of mouth is known as one of the oldest and most effective methods of marketing, and its influence is on the growth as traditional marketing becomes costly and less effective. Word of mouth communication was limited to person-to-person in the past. But today, the growing nature of internet permits the users to spread conversations rapidly around the world and also has an impact on millions of people. This fact, combined with an increasing distrust for traditional advertising, has made online ratings and reviews one of the most powerful tools in influencing consumer purchasing decisions. Online reviews are crucial to every business running online and who want to have control of its reputation over the internet. Customer reviews have changed and created innovative ways for companies to market to them. Reviews allow companies to understand what their customers feel about their products, service as well as about the company. It allows The Company to potentially create positive consumer interaction as well as long lasting relationships.

## **OBJECTIVES OF THE STUDY**

- To understand the importance of ratings and reviews.
- To understand the benefits and drawbacks of ratings and reviews.
- To provide a diverse variety of learning and knowledge of the ratings and reviews on social media channels.
- To recognize the impact of ratings and reviews on consumer behavior.
- It will help the researcher to show on ways to improve social media marketing.

## **RESEARCH METHODOLOGY**

The research methodology that has been taken to carry out this study is based on qualitative technique and in order to carry out this study data has been collected through secondary data that is through various sources which include text books, research projects, published articles and internet.

This information was used for critical evaluation of the subject and to identify the research gap in the area of study.

## **EFFECTS OF RATINGS AND REVIEWS ON SOCIAL MEDIA CHANNELS FOR INCREASING CUSTOMER BASE:**

### **➤ SPREADS “GOOD VIBES”-**

It emphasizes the value of company’s brand in every way possible. But nothing is quite credible than a stamp of approval from customers on it which spreads good vibes all over the social media and this amplifies the effect of the positive feedback. And cross promotion of online reviews is beneficial as it saves marketing resources of the company.

Online reviews have the potential to create active social communities where people can share their experiences online they’ve had with a product or service. Customers that leave reviews will usually come and see if others have commented on them or simply read what other customers have commented on them or simply read what other customers have commented about their experience with the product or service. This type of social engagement allows consumers to form a connection with online business.

### **➤ PROVIDES BUSINESS INSIGHTS -**

Reviews from customers can create a positive influence on the business as a whole. The comment isn’t just for a specific product or service that the company offers. It’s also about what potential customers can experience from the brand. Reviews on social media allow the customer to highlight a service that stands out. A simple tweet on Twitter that says “super-fast delivery” will make lot of change to the business. It goes a long way in emphasizing how the customer’s time is valued by the brand. Reviews on Social media focuses on the small things that a business itself may not notice, for example, how “friendly” the company replies to its customers email. These little things are significant to customers and can stand out on reviews online.

### **➤ COMMUNICATES THE BRAND’S PERSONALITY -**

Consumers value and like a brand that interacts with them. How the company react and answer to online reviews will enlighten company’s personality. Company’s response has as much of an impact as the comment itself. This is mostly true on some social networks. Instagram, for example, has moral restrictions. How company answer feedback conveys the brand’s personality to the public. This is also magnified on

unfavourable comments. If the company expresses gratitude for the positive comments, it will say that company's brand is appreciative. If the company pay attention and take care of negative or unhappy comments, it will show that company value what its customers think and feel about their brand.

And reviews are a point of interaction between a brand and its clients, very often brands talk to customers through reviews channels, starting a conversation with them. And it is proven that when customers feel heard; their feeling about the brand improves.

➤ **SOLIDIFIES TRUST -**

One of the interesting findings of recent research is just how powerful reviews are at building company's online identity. Many shoppers distrust businesses that have ratings below (or even above) four stars or even if the company has a wealth of good feedback, but no negative comments, people find that suspicious hence it's normal to have a disgruntled customer or two. If the company gets a negative review or rating, it should not make a fuss about it rather it should politely respond to the reviewer. The combination of several good reviews and a few bad ones will add elements of transparency to the brand image. The combination helps solidify customer trust. From the firm stream of positive reviews company's brand can build significant trust and credibility. And companies with better average ratings are significantly more likely to see views converted to traffic and sales as customers that actively participate in writing reviews, tend to develop a loyalty to the business. It allows customers to feel that they have an ability to speak and are allowed to provide their valuable feedback about their experience with the product and help the company improve its product or service.

➤ **IMPROVES SEARCH RANKING-**

➤ Online reviews from outside is a big-time deal with Google. If third-party sites show more of positive reviews of the brand, it will have a better SERP ranking. Online reviews currently are more than just the testimonials on company's website. With a social media review plug-in, customers can view responses from different platforms. This interconnectivity will help the company in improving the organic search result of the brand. Reviews help create a steady supply of keyword content that help online presence. It helps improve website ranking the more people you have to talk about your brand, search engines like Google, yahoo, and Bing consider that extremely important as reviews mention product name several times, and some important

keywords used by customers to search for a product. This text improves the relevance of a webpage, and search engines will see it positively when ranking this e-commerce page since they help brands to better rank on search engines.

#### ➤ **DRIVE SALES-**

A study by Bright Local found that 74% of consumers stated that after seeing customer reviews about a product on a landing page, they were willing to take the next step in the customer journey. Adding value to the customer journey will keep customers satisfied and coming back for more. Not only does providing an excellent experience to retain customers, but happy customers are more likely to share their positive experiences with others through word-of-mouth. If the customers are satisfied with the experience and encouraged to leave feedback, the companies have a great opportunity to take advantage of the situation to develop new customers and earn more revenue.

There are adequate of studies that support this affirmation. In actual fact, 95% of customers read reviews online before purchasing something, and more than 80% have their purchase decisions taken by what they read in reviews. On average, customers trust reviews posted online as much as they trust the reviews they collect from family and friends. Reviews are not only valuable and helpful for the goods that are sold but also for the e-commerce. Another study identifies the results of adding reviews to an e-commerce store in which 42% of the site administrators reported growth in average order value, and only 6% that report a decline with the inclusion of reviews. So it's a win-win situation for the product, and for the channel.

#### **CONCLUSION**

While exploratory in nature, this study suggests numerous useful understandings into the viewpoints of customers about the new technologies, and the influence of these technologies on product choice. Specifically this study first ensures the growing usage and significance of social media by customers, indicated by the high usage percentages to win or share information through social media or reviews about products or companies.

Secondly, this study provides a preliminary understanding of the impact of social media. The majority of the survey's indicated that they are influenced or very influenced by the information available on social media sites in making a product choice, in which negative information is much more pivotal than positive information to make a choice. Therefore it is

very important to avoid negative word-of-mouth, as a company. So, it is important to handle complaints on a good manner and improve the service to prevent that customers are going to talk negatively about you.

Thirdly, this study provides an understanding on how the internet revolution has taken word of mouth marketing to the next level. Consumers now have the ability to share their know-how and views about the product with their online peers, in a way that is very important and influential. Online ratings and reviews give customers a voice to put forward their views about the product, increases consumer confidence about the brand, enhances product visibility in the market, and dramatically increases company's sales. Thus, using social media reviews as part of company's marketing strategy is a smart thing to do and when it comes down to it, online ratings and reviews plays an significant role in providing value and benefits that companies cannot afford to ignore.

Therefore, good ratings and reviews is a win for the business.

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