

Study: Responding to reviews can improve paid-search conversion rates

Digital marketing agency Location3 has released a new study that argues more review stars translates into higher paid-search conversion rates. While this finding makes intuitive sense, the study documented it with 16 months of SEM campaign data.

The data come from campaigns for national brands with local stores. In this context, “conversions” means post-click

consumer actions on landing pages and brand websites. They include form fills, email inquiries, requests for quotes and other actions.

Location3 found that better overall ratings were correlated with improved performance. As stars increased, so did conversions:

- Businesses in the lowest grouping had an average 3.31 stars, translating into an average conversion rate of 10.42 percent.
- The best-rated segment had an average of 4.96 stars, translating into a 12.83 percent conversion rate.

Location3 concluded that if the lower-rated locations could

convert at levels comparable to the top-performing segment, it would effectively mean 13,000 additional leads.

Somewhat less intuitive is the finding that business review-response rates also improve paid-search performance. In other words, those businesses that responded more often to reviews also saw higher conversion rates:

- Businesses with the highest response rate (8.13 percent) saw an average conversion rate of 13.86 percent.
- Businesses with the lowest response rate (5.73 percent) saw an average conversion rate of 10.42 percent.

The report concludes that “engaging with customer reviews as a business owner has a positive correlation with improved conversion rates for paid search advertising.”

There should be no review skeptics out there. It’s clear that reviews are incredibly important for multiple reasons. They impact local rankings. But, more importantly, they can significantly affect consumer buying behavior, as this and other studies demonstrate.

About The Author

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