

# Ratings and reviews for the business user



**Research study, initial findings**

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# Research objectives

- *"...no one disputes that the demand for social media tools for the B2B world is gaining speed. The trick [...] will be choosing those applications and technologies that make sense from a corporate strategy and culture standpoint".\* Gartner*
- One of these: online ratings and reviews
- B2C success = B2B success?
- Large difference between Consumer sales and B2B sales
- B2B Marketers and Web practitioners must understand how ratings and reviews work in the B2B context
- **Research study aims** to understand how and when business user use online ratings and reviews, and what the perceived benefits and barrier are

\*Gartner comment in article by Kho (2008, p.53)



# Research questions

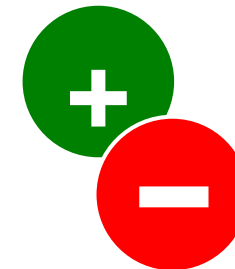
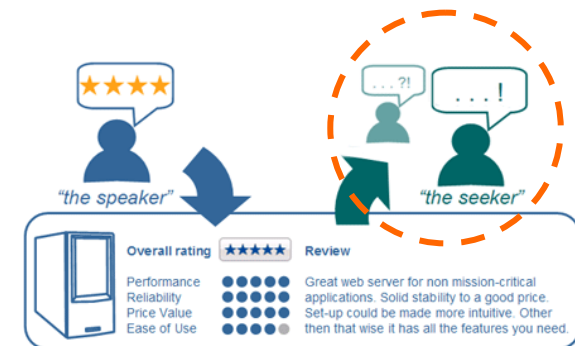
- *Web 2.0 and the B2B environment – An exploratory study on the usage of online ratings and reviews for the business user:*

- *When are online ratings and reviews used?*
- *What are the benefit and barriers, from a Seeker perspective?*

From a Seeker perspective, not Speaker

Both positive and negative ratings and reviews

Business user focus





# Literature review, key areas

## Organisational buying behaviour

*“a decision-making process carried out by individuals, in interaction with other people”\**

## Internet and purchasing

### Word of mouth

*“Age of advertisement consciousness”\*\**

*“This very assumption – that no material interest is involved in the recommendation – is the most basic motivation for the “listener” in accepting and acting on the recommendation.”\*\**

## Trust

*Characteristic-based\*\*\**

*Institutional-based\*\*\**

*Process-based\*\*\**

## Online ratings and reviews

B2C focused

Research and reports sponsored by major stakeholders

*“The risk is not with negative reviews... but with too few”\*\*\*\**

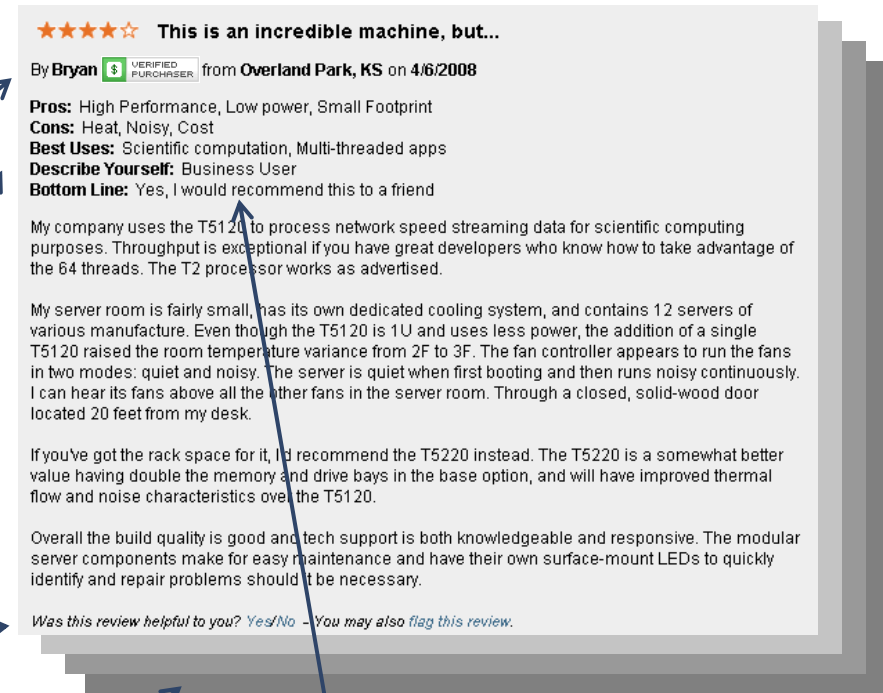
Need	Pre-purchase information stage				Purchase	Post-purchase
<b>Kotler and Keller (2006)</b> Problem recognition	Information search		Evaluation of alternatives		Purchase decision	Post-purchase behaviour
<b>Webster and Wind (1972)</b> Identification of need	Establishment of specification	Identification of alternatives	Evaluation of alternatives	Selection of suppliers	Buying decision	
<b>Robinson et al (1967)</b> Problem recognition	General need description	Product specification	Supplier search	Proposal solicitation	Supplier selection	Order-routine specification
						Performance review

\*Webster and Wind (1972, p.53) \*\*Dichter (1966) \*\*\*Zucker (1986) \*\*\*\*Voight (2007)



# How ratings and reviews (tries to) emulate missing features from the face2face relationship

Gap Emulate	Feature	Description
Competence	Confirmed buyer/user	I.e. the manufacturer confirms the Speaker has actually bought the product/service, helping to inform the Seeker of its competence behind the review.
Social bond, Competence	“Some one like me”	Through more personal and detailed information about the Speaker, the Seeker can learn that they have similarities, i.e. in the same industry or have similar job roles. Related to characteristic-based trust (Zucker 1986).
Reputation	“Was this review helpful?” Reputation systems	Seekers can rate the Speakers reviews which help build reputation. “Product review sites (such as www.epinions.com) offer rating services for product reviewers (the better the review, the more points the reviewer receives), Resnick et al (2000, p.46).
Competence	“Wisdom of Crowds”	Building a more secure knowledge and perspective of a product/services through many peoples opinions



“The one number you need to know” is “what your customers tell their friends about you”

Reichheld (2003, p.46), Harvard Business Review



# Methodology

- Research design
  - Exploratory research using an online questionnaire
- Sample
  - Self selection sampling
  - 75 valid survey responses
  - USA, Denmark, and Sweden
- Period
  - Survey responses were collected throughout March – May 2008
- Data collection points
  - [www.ibm.com/sandbox](http://www.ibm.com/sandbox) and Danish/Swedish GB Businesscenter portals
  - Google AdWords campaign (US)
  - Blogosphere (Mike Moran blog, [www.idg.se](http://www.idg.se), [www.computerworld.dk](http://www.computerworld.dk))
  - Discussion forums, articles
  - Sales rep distribution
  - Professional network



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## Research results

1. Respondent demographics
2. Ratings and reviews usage
3. The drivers for Seekers
4. Data on Speakers
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5. Research limitation and future research



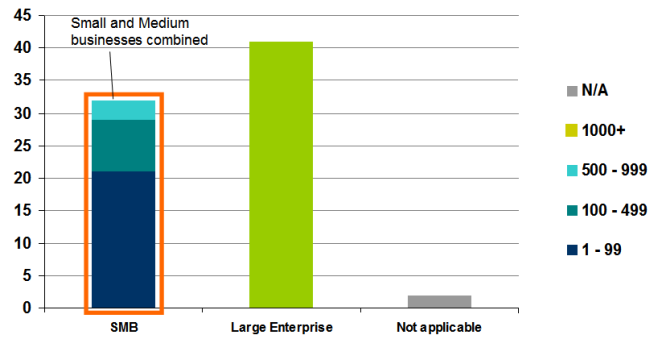
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# 1. Respondent demographics



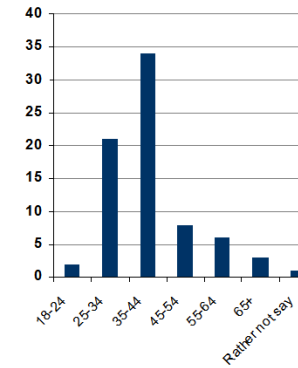
# Respondent demographics

Q32) "Company size (employees)"

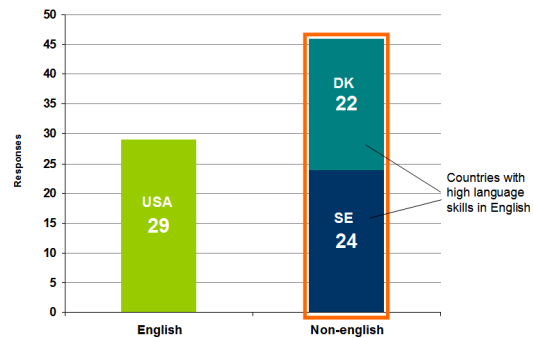


Based on 75 responses

Q28) Age groups

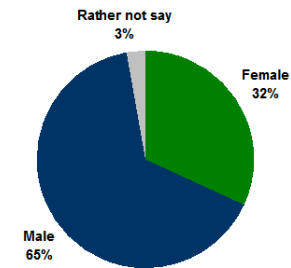


This was not a question, the results are based upon where the survey was placed (i.e. Swedish SMB sites produced Swedish responses and so on)



Based on 75 responses. This was not a question in the survey, instead it is based upon where the survey was published and responded to.

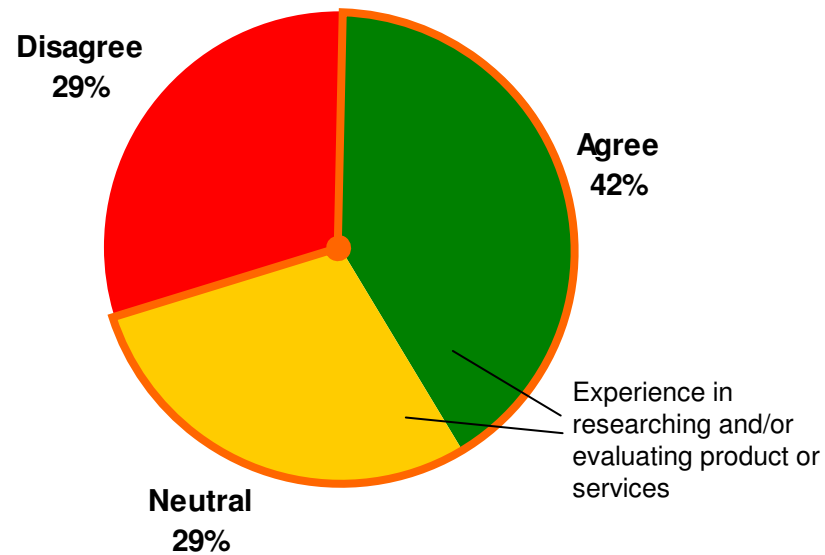
Q29) Gender





## Experience of researching or evaluating products/service

**Q33b) “Do you agree or disagree to the following: I am often involved in researching and evaluating new products, services, vendors, etc.”**





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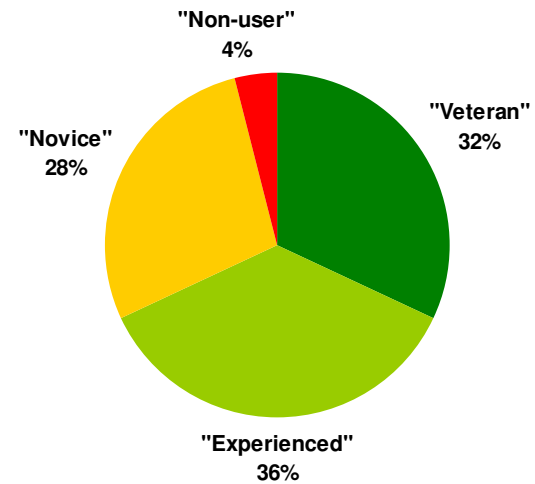
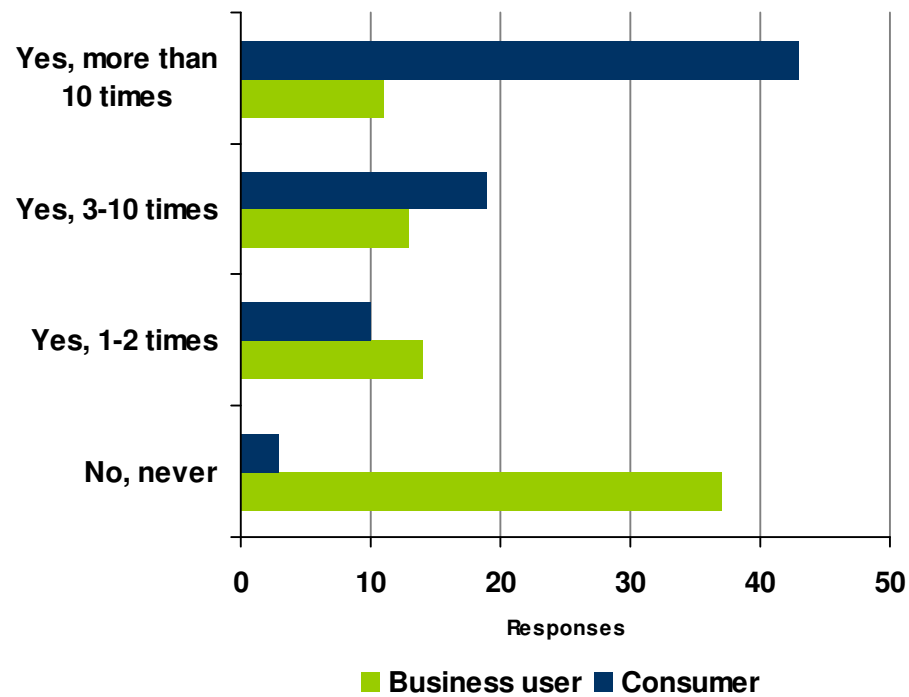
## 2. Ratings and reviews usage



# Experience of ratings and reviews

Q4) "As a consumer have you ever used on-line ratings or reviews?"

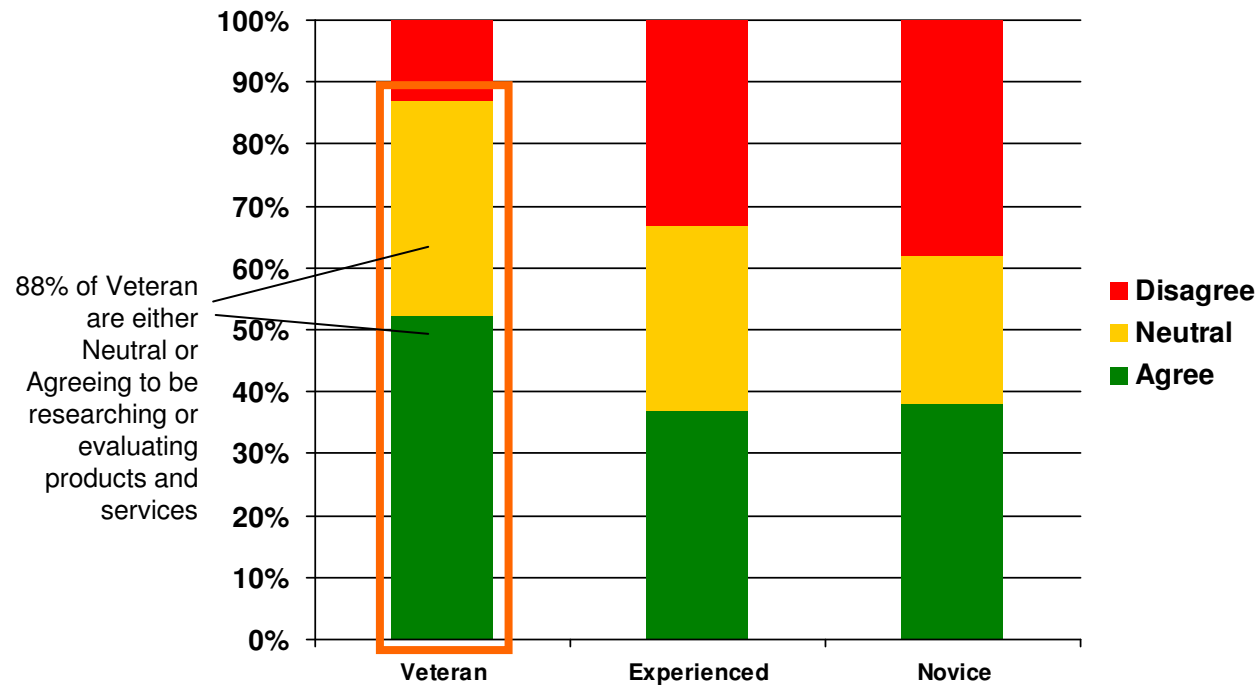
Q5) "As a business user have you ever used on-line ratings or reviews?"





# Experience of research/evaluating vs. Experience groups

Q33b and Experience groups

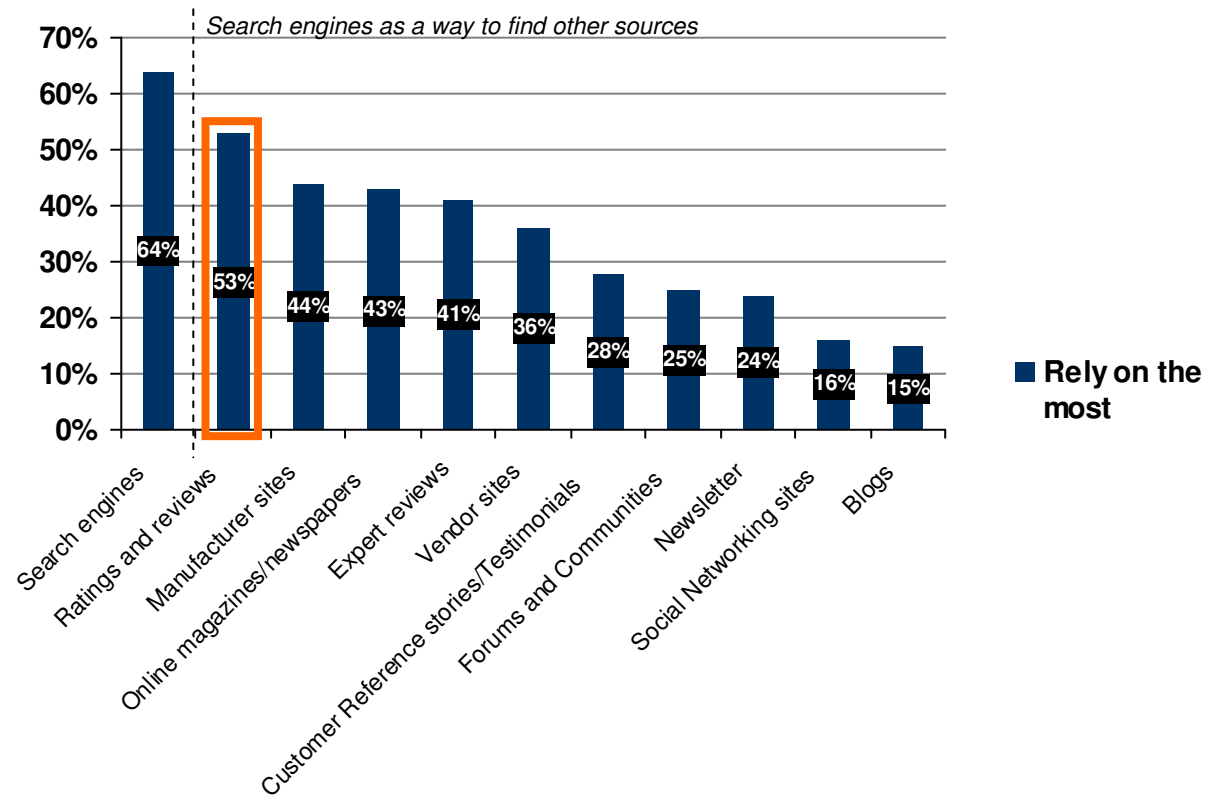


Based on 73 responses from question Experience groups (Q4 and Q5) and Q33b.



# Sources relied upon the most

Q1a) “When searching online for product or service information, what sources do you... rely on the most? (Check all that apply)”

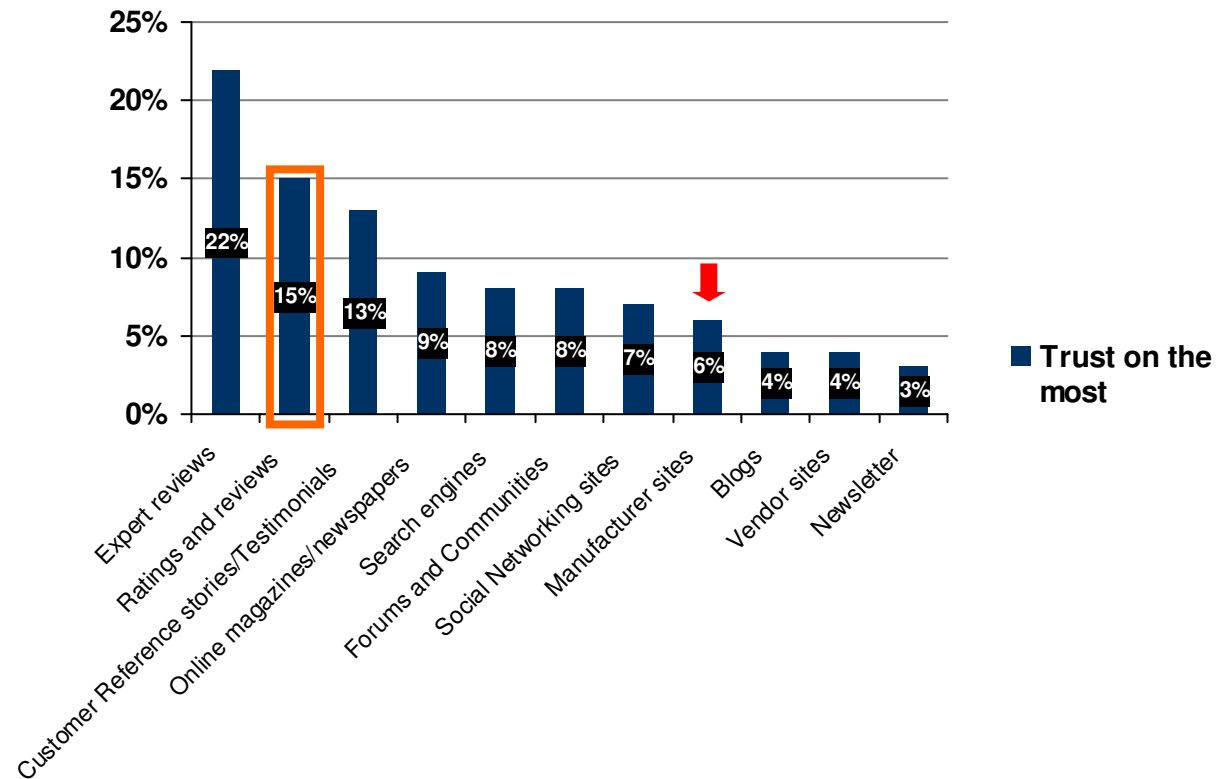


Based on 75 responses



# Sources trusted upon the most

Q1b) “When searching online for product or service information, what sources do you... trust on the most? (Check all that apply)”

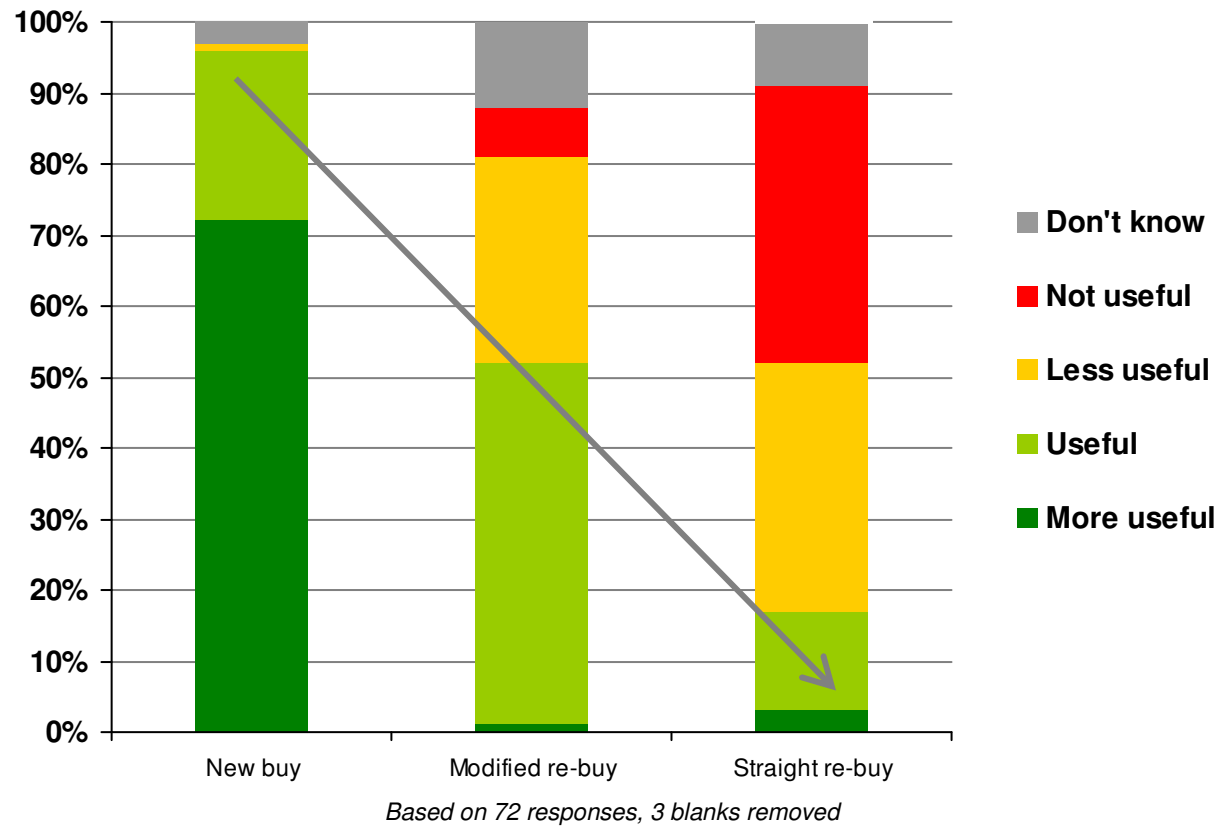


Based on 75 responses



# Usefulness depending on type of purchase

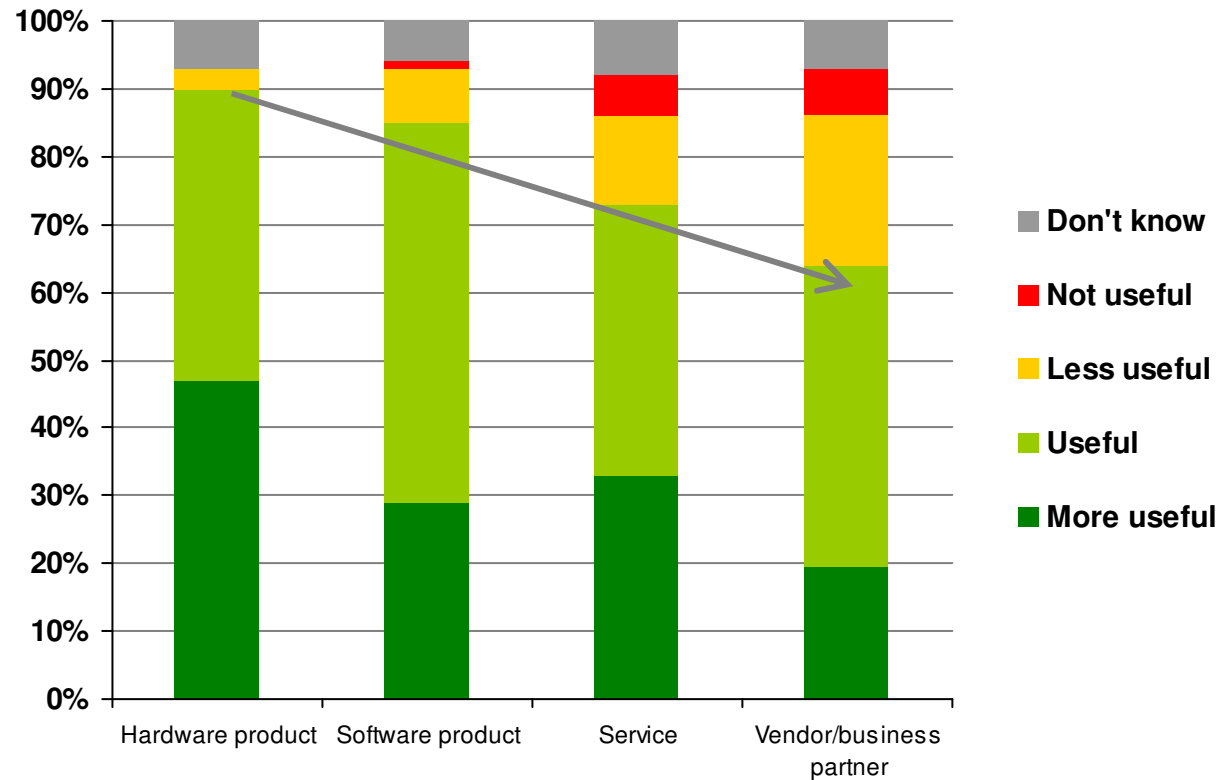
Q14) “Is it your opinion that ratings and reviews are more or less useful when it is... a new buy; modified re-buy; straight re-buy?”





# Usefulness depending on type of product/service/vendor

**Q15) “Is ratings and reviews more or less useful when it is... a hardware product; a software product; a service; a choice of a vendor/business partner?”**

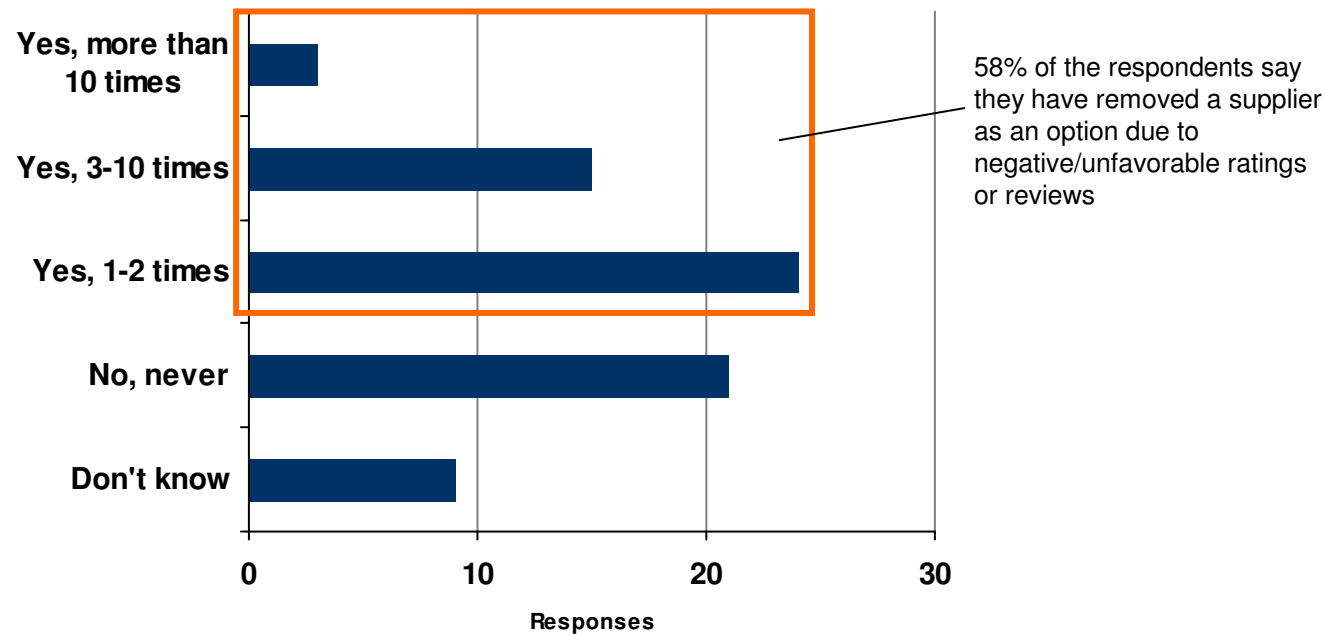


*Based on 72 responses, 3 blanks removed*



# Using reviews to remove suppliers

**Q17f) “Looking at the influence of positive/favorable or negative/unfavorable ratings and reviews... have you ever removed a supplier as a purchase option due to negative/unfavorable ratings or reviews?”**



*Based upon 72 valid responses*



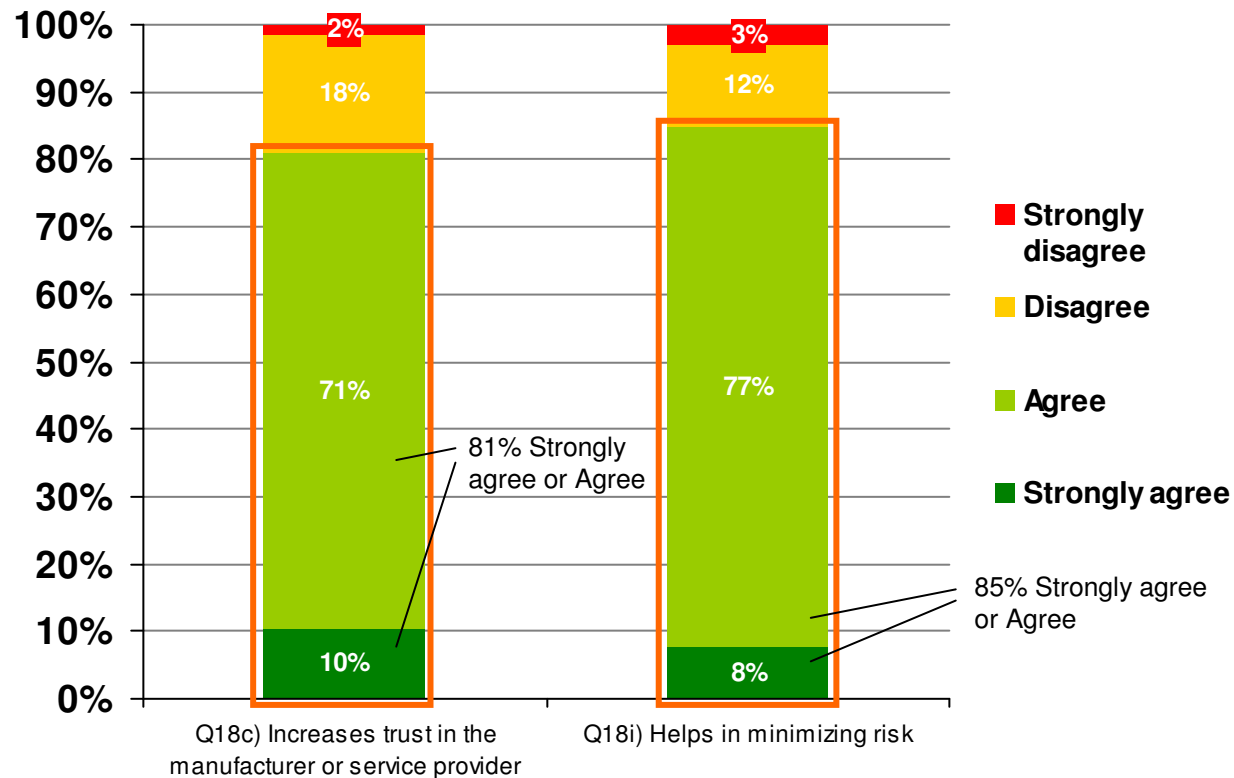
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## 3. The drivers for Seekers



# Trust in manufacturer / Risk mitigation

**Q18c) "Ratings and reviews increases trust in the manufacturer or service provider"; Q18i) "Ratings and reviews helps in minimizing risk"**

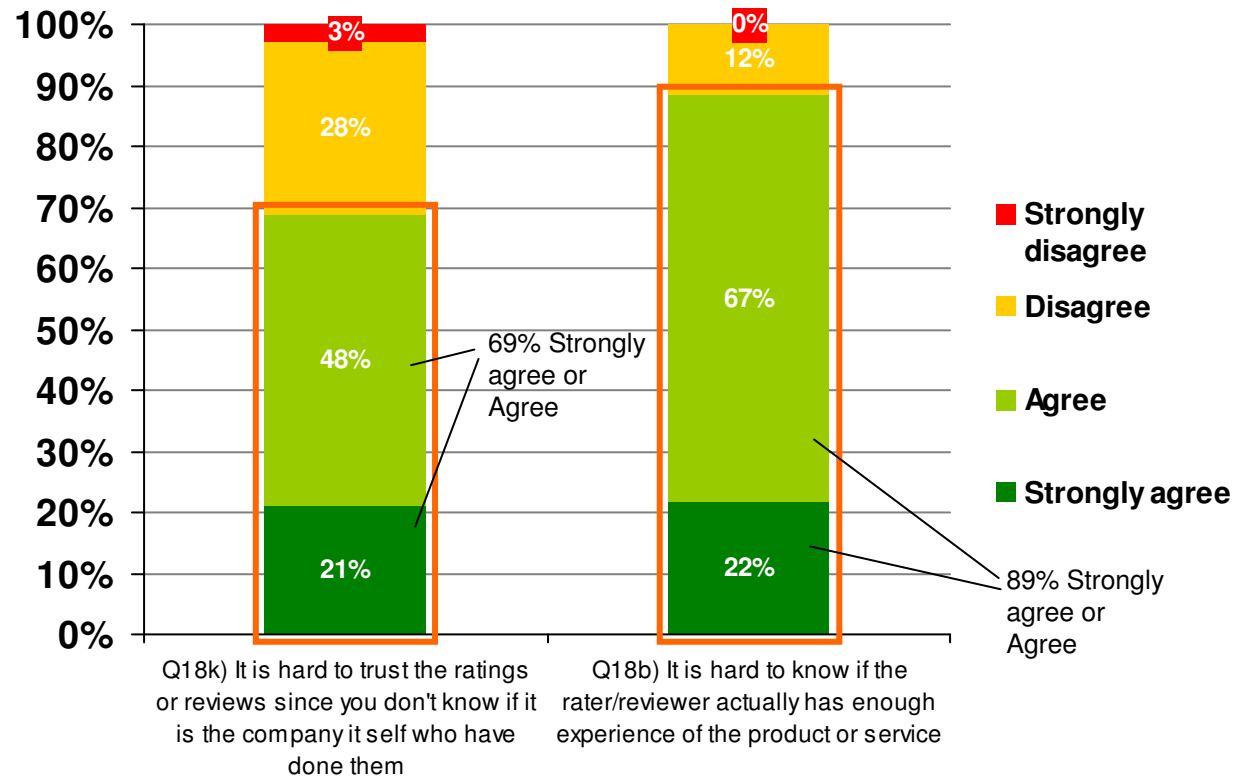


Q18c based on 68 responses, and Q18i based on 66 responses ("Don't know" and blanks have been removed)



# Hard to trust reviews / Hard to trust the competence

**Q18k) "It is hard to trust the ratings and reviews since you don't know if it is the company it self who have done them"; Q18b) "It is hard to know if the rater/reviewer actually has enough experience of the product or service"**



Q18b is based on 69 responses, and Q18k on 67 responses ("Don't know" and blanks have been removed)



# Benefit and barrier statements on ratings and reviews

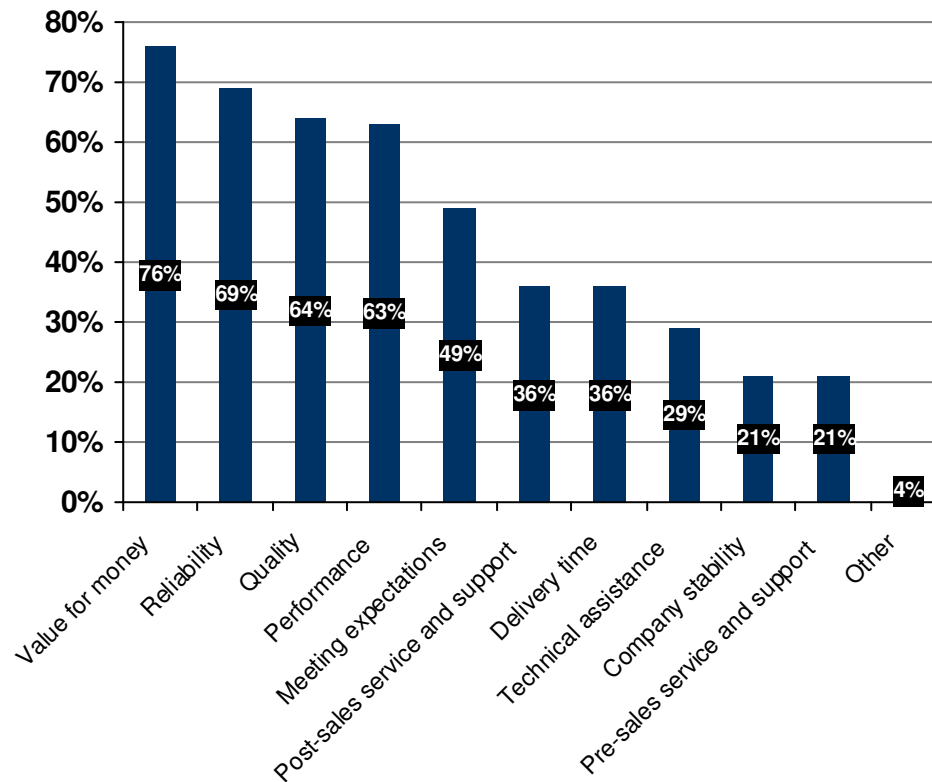
## Q18) Do you agree to the following about ratings and reviews?





# Compared to traditional marketing information

**Q16) “Compared to traditional product marketing information, are ratings and reviews more helpful in finding out about... (Check all that apply)”**

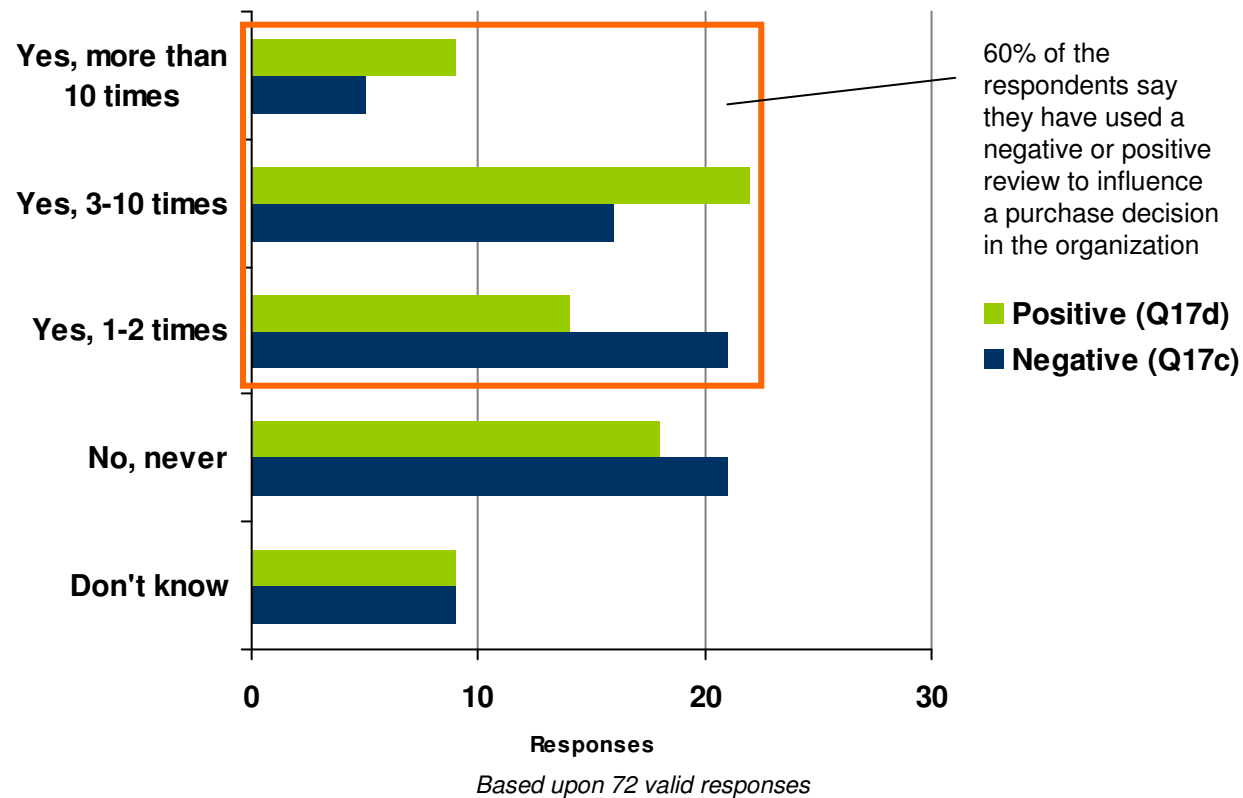


Based on 75 responses



# Influencing the purchase decision

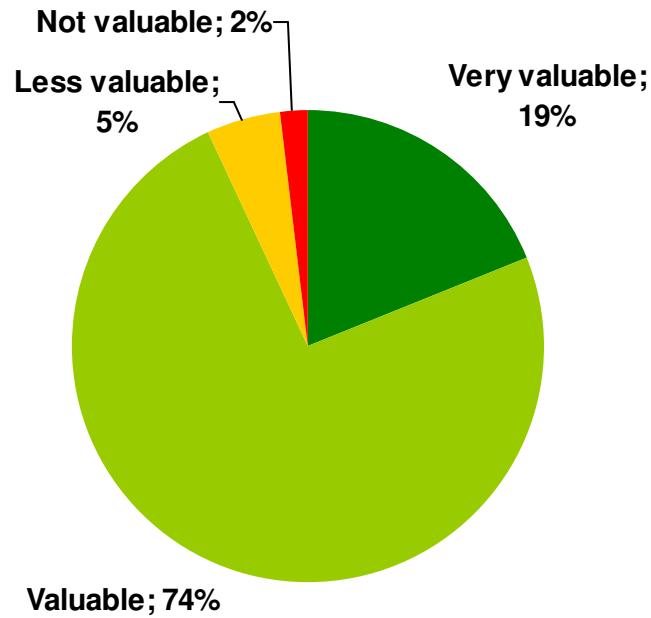
**Q17c and Q17d) “Looking at the influence of positive/favorable or negative/unfavorable ratings and reviews... have you in your organization used a negative/unfavorable (Q17c) or positive/favorable (Q17d) rating or review to influence a purchase decision?”**





# Overall opinion

**Q26) “When everything is taken in to account and considered, what is your overall opinion on ratings and reviews for the business user?”**



*Based on 57 responses*



# Search terms

## *Online search terms for ratings and reviews*

#	Search term	Impressions
1	reviews	33860
2	ratings	3763
3	review	3051
4	rating	1212
5	read user reviews	572
6	software reviews	280
7	business reviews	279
8	hp reviews	273
9	user reviews	103
10	online reviews	95

#	Search term	Impressions
11	product research	85
12	ratings and reviews	52
13	sun reviews	40
14	dell reviews	36
15	software review	35
16	hardware reviews	33
17	ibm reviews	29
18	server reviews	24
19	rating and review	18
20	ibm review	17

*Top 20 search words/terms out of 33 provided*



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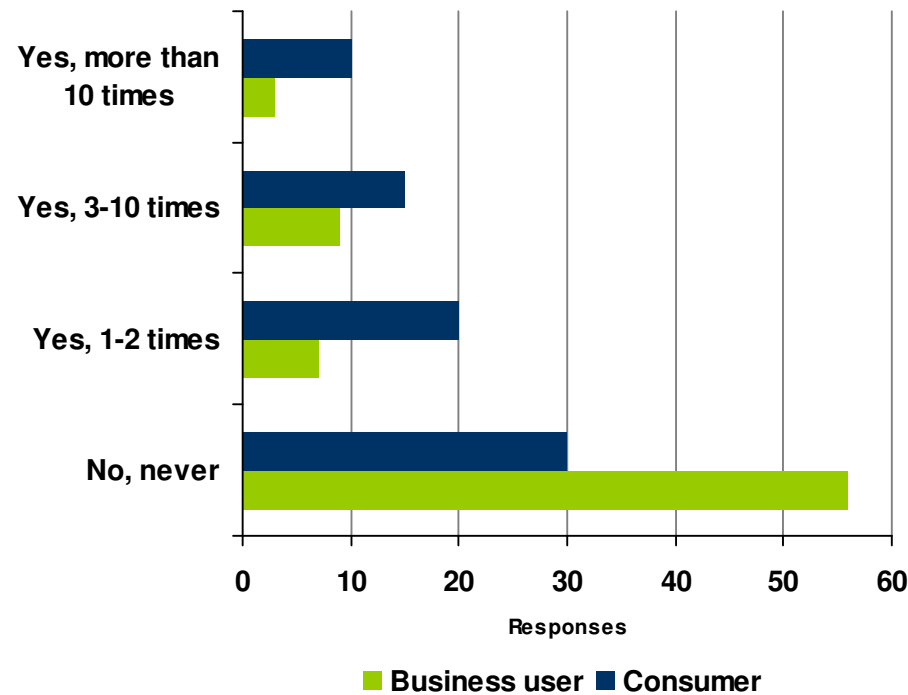
## 4. Data on Speakers



# Experience in rating and reviewing (Speakers)

21) “As a consumer have you ever rated or reviewed any products or services?”

22) “As a business user have you ever rated or reviewed any products or services?”



Based on 75 responses



# As a business user, why do you rate or review?

## The experience

- Often positive reactions against a provider or product or if someone delivers utterly poor products/services.
- If I've made a really good buy or a bad buy.
- Interest, only when being positively surprised/impressed
- Strong opinions pro or con
- A very strong positive or negative experience
- Exceptionally good or bad service
- An extremely good or bad experience.

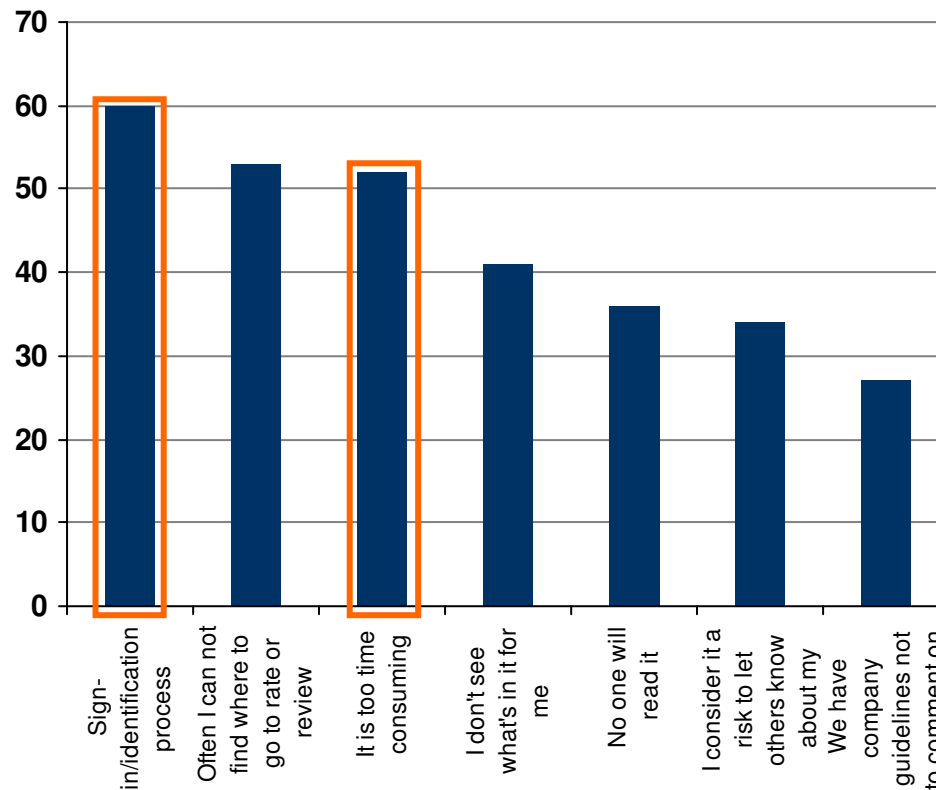
## Other reasons

- The companies I use
- A way to give something back to the community
- When requested
- I have an obligation to contribute to more reliable ratings, especially if I have had a bad experience with a product.
- Knowledge and experience sharing, as a "consumer" it is vital to cut through the Marketing jargon and really share the tenability of the product, service or task
- Most any experience since I know the importance of receiving feedback



# Speakers opinion on inhibitors to rate or review

**24) Are there any major factors that you consider as inhibitors to rate or review?**



Based on 19 responses



# 5. Research limitation and future research



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## Research limitations

- 3 countries: generalization for other countries is limited
- Complexity of purchase/products: questions on this should have been included better
- Sample size: 50 was minimum for the MBA dissertation purpose (set by Henley Management College) although a higher number of responses would be needed for more secure results
- Questionnaire: length, type of questions, type of language
- Response alternatives: better usage of Likert-style rating scale (5 to 7 alternatives, no “Don’t know”)



# Future research

- Future research could zoom in on some of the issues drawn out from this study. For instance, a majority of the respondents are saying they do not trust if the rating or review is made by the company it self, or if the reviewer actually has the required competence. How much of a problem is this in a business context? Are there “fakers” out there, and if so, what measures can be taken to limit this? And what is specifically that business users see as most trustworthy in reviewers and reviews?
- It would also be interesting to know more about what extent a business user actually relies upon knowledge by many (or Wisdom of the Crowds) when it comes to researching and evaluating products and services (the study did not look at this, although from the literature it was noticed to be an important factor of ratings and reviews).
- Q17c and Q17d showed that respondents actually are using ratings and reviews to influence purchase decisions in the organization. How does this actually “play-out” in real actions and behaviours? To what level of extent is influences from ratings and reviews compare with other influencers during the purchase process?
- If there are no Speakers, there will not be any Seekers. More research in how business user Speakers act and behave is of importance. What is it that drives them? Do busy professionals actually have the time to write competent reviews? And what is the critical mass of ratings and reviews in a B2B situation?