



Small Business Insights

How to Handle Negative Online Reviews

Provided by: Evergreen Insurance LLC

How to Handle Negative Online Reviews

Small businesses don't typically garner a lot of reviews, especially compared to large corporations. Therefore, a few negative comments can significantly impact public perception of a small business. While 72% of consumers say positive reviews make them trust a business more, 86% of consumers hesitate to patronize a business with an abundance of negative reviews, according to a survey by Invesp.

These days, it's practically inevitable that a small business will encounter poor reviews as more consumers voice their complaints online. Negative reviews can be harmful to small businesses by:

- **Undermining their reputation**—Negative reviews can cause customers to lose trust in a business, effectively damaging its reputation among consumers.
- **Driving customers away**—Nearly 9 in 10 (88%) customers consult reviews when discovering a local business, according to Podium. A negative review can be the difference between a customer giving a small business a chance or taking their business elsewhere.
- **Lowering search engine ranking**—While one or two negative reviews

Over 60% of consumers have read an online review in the past week, and 94% of consumers have consulted online reviews in the past year, according to Podium.



won't make or break search engine rankings, several negative reviews may affect results. Search engine optimization guidelines typically favor quality businesses by putting them at the top of search results.

- **Losing revenue and profits**—According to a study by Womply Research, small businesses with a 1-to-1.5-star rating on Google earn 33% less in profits than the average business.

Whether a negative review is warranted or not, how a small business handles unhappy customers can significantly influence current and future business. The following are best practices for managing negative online reviews:

- **Respond quickly.** It's best to reply to negative reviews as soon as possible, as ignoring or delaying a response can worsen the situation. Responding quickly to both positive and negative reviews can help establish trust with customers.
- **Don't get angry or defensive.** If a negative review is true, it's important to face it head-on. Addressing the problem directly in a non-threatening, non-defensive way can help defuse the argument and de-escalate emotions.
- **Be open to legitimate feedback.** If there is a consistent pattern of criticism throughout reviews—such as slow service or poor selection—it should be used as an opportunity to improve business operations. In addition, admitting fault can be more beneficial to a business than arguing.

While negative reviews can hurt a small business, they can also give business owners the opportunity to gain valuable feedback and improve their operations. In addition, a small number of negative reviews can help legitimize the authenticity of a small business. In fact, half of consumers are suspicious of businesses with perfect ratings, according to a PowerReviews survey.

However, it's still best to take the following actions to minimize negative reviews:

- **Offer great customer service**—Even if a product or service isn't perfect, customers are more likely to overlook mistakes if the customer service is exceptional.
- **Listen to customers**—While it can be tempting to ignore or delete negative customer reviews, responding to them and taking corrective action can help build trust with customers since it shows openness and



transparency.

Ultimately, even the worst reviews can become a positive experience if handled correctly. However, as more customers share their experiences online, it's important for small business owners to provide the best customer service possible to minimize negative reviews from occurring in the first place.



For more small business insights and risk management guidance, contact us today.