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# The Value of an Online Review:

HOW MUCH DO NEGATIVE ONLINE REVIEWS IMPACT SMALL-TO-MEDIUM SIZED BUSINESSES?



Yelp and other online review sites have changed the playing field for small and medium businesses. They increase exposure, reward good work and aid in customer acquisition, but can also introduce a variety of liabilities.

Many studies have been performed for general SMBs, but as the leader in field service automation, we saw the need to analyze key trends and variables influencing customer reviews specifically for the mobile trades including plumbing, HVAC, electricians and general contractors.

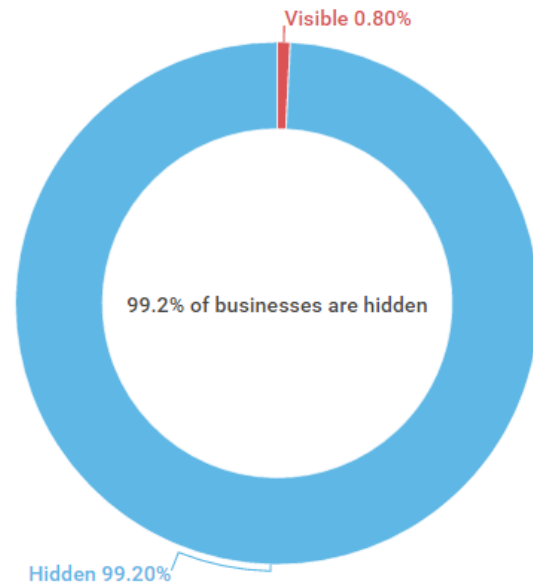
With a whopping 88% of consumers trusting online reviews as much as personal recommendations<sup>1</sup>, online reviews have the power to dramatically impact a company's bottom line.

In fact, research has shown that 5-star businesses earn up to 9% more revenue than 4-star businesses<sup>2</sup>.

Further, services like Yelp, Google Places and Angie's List play a huge role in a business' ability to be found by potential customers. With 85% of consumers using sites like Yelp to find local businesses<sup>3</sup>, the days of being "first in the phonebook" are quickly becoming a thing of the past.

Based on analysis of hundreds of Yelp reviews across four verticals and five regions, we've developed a series of key findings that promise to help mobile business operators reach peak performance.

**99.2% OF BUSINESSES ARE HIDDEN BY COMMONLY-USED SEARCH FUNCTIONS ON YELP.**



**Perhaps one of the most surprising findings of our research was the fact that on average, a whopping 99.2% of business are hidden from search results anytime a Yelp user sorts results by "Highest Rated" or "Most Reviewed".**

These frequently-used search options display the top 40 highest-rated businesses in any given category, or those that have received the highest number of reviews by Yelp users, obscuring the remainder of businesses from results.

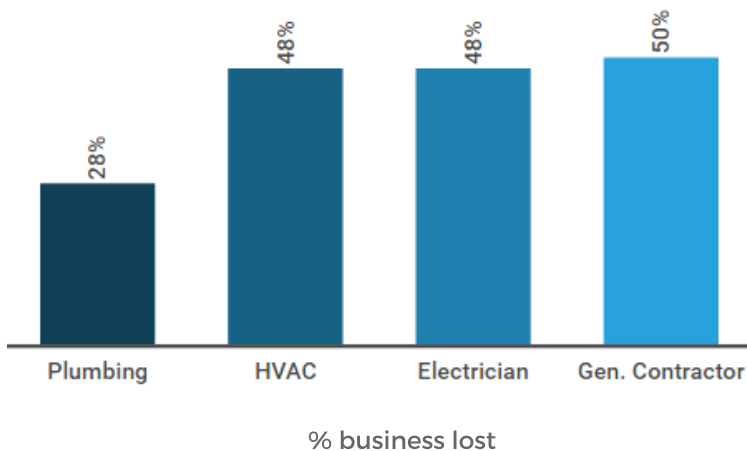
For businesses in large cities and highly-saturated categories, these search options - which are commonly-used by the majority of Yelpers - can make it incredibly difficult for them to be discovered organically by potential customers. The lower a business' review count, the more difficult it can be for them to be found by browsing customers.

**KEY TAKEAWAY:**

The days of being "first in the phonebook" are behind us. Incentivize happy customers to leave online reviews to help increase your business' chances of being found on Yelp.

## 43% OF COMPLAINTS DIRECTLY RESULT IN LOST BUSINESS.

After having a negative interaction with a business, a hefty 43% of unhappy Yelpers decided to hire the competition instead. For many businesses, this can result in a huge loss of potential revenue.

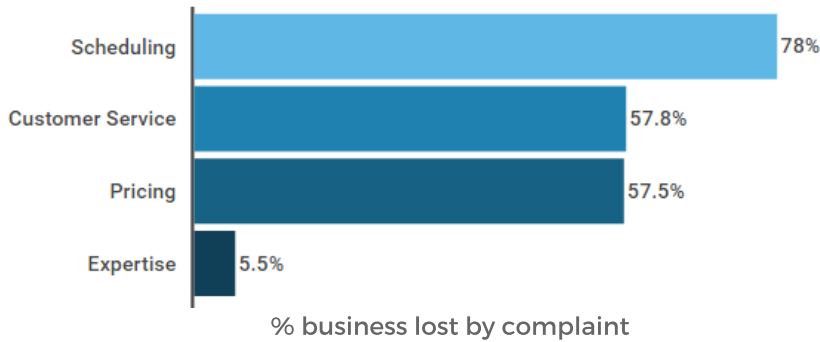


- **General contractors** lost the most business due to unresolved complaints, with 50% of their unhappy customers choosing to hire another contractor.
- **HVAC and Electricians** followed closely behind, with 48% of complaints resulting in lost business.
- **Plumbers** fared the best, with only 28% of unhappy customers switching to a competitor.

### KEY TAKEAWAY:

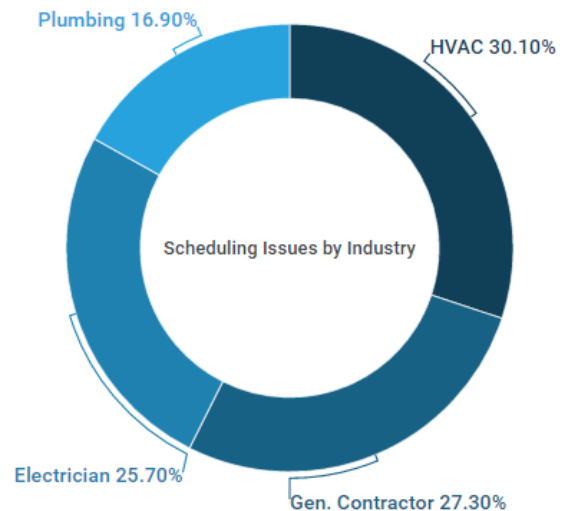
Communication is key. It's important to be responsive to customer complaints and actively work to resolve them before they turn into negative online reviews. In order to ensure both you and your employees are on the same page, consider developing protocol for managing customer service issues.

## SCHEDULING PROBLEMS ARE THE #1 CAUSE OF LOST BUSINESS IN THE U.S.



Poorly communicated schedule changes are costing small businesses big time. Scheduling problems are the **#1 driver of negative Yelp reviews**, and 78% of scheduling problems result in lost business for home repair professionals.

- **Solopreneurs + small businesses** are most affected by scheduling problems due to small team size, lack of scheduling apps and tighter schedules.
- **LA + NYC** have the highest number of negative Yelp reviews relating to scheduling problems. Traffic delays<sup>4</sup> are likely a huge hindrance.
- **Plumbers** hold the best on-time record compared to other industries surveyed - only 18% of their negative reviews relate to scheduling problems.

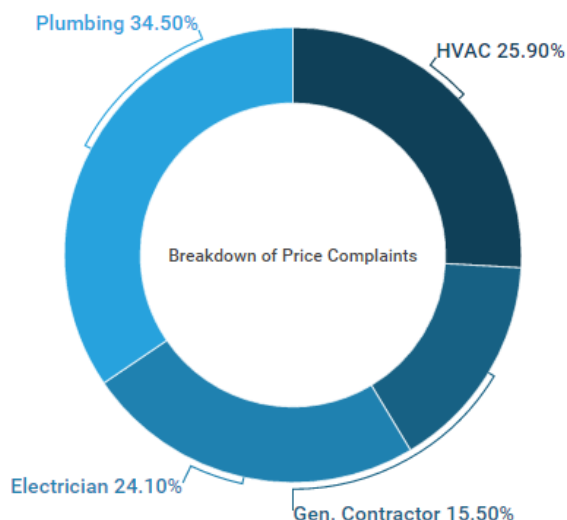


### KEY TAKEAWAY:

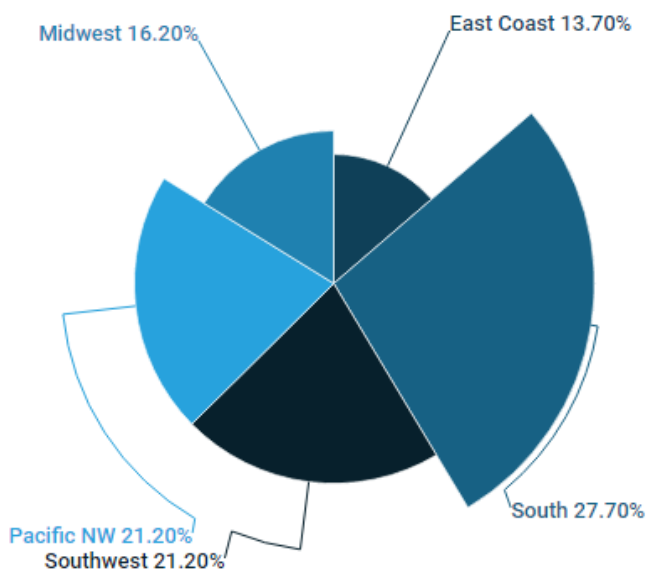
When it comes to scheduling issues, communication is key. If you're short-staffed, GPS-based automation tools can be a huge asset, automatically texting customers appointment updates and ETA. Some can automatically alert you to potential issues, helping you identify and fix scheduling problems before they occur.

## 13% OF PRICE COMPLAINTS LED TO “SCAM” ALLEGATIONS

Being publicly accused of “scamming” customers can be detrimental to any home service business’ reputation. Unfortunately, 13% of price-related misunderstandings led reviewers to accuse the business in question of “scamming”. A whopping **57% of complaints** regarding pricing estimates resulted in lost business.



- **Plumbers** account for 34.5% of price complaints across all verticals - more than any other industry.
- **Large companies** are most likely to be accused of price gouging or “scams”. Based on general sentiment, homeowners appear to be less trusting of big operations.
- **Southerners** are most sensitive to high prices. One-third of negative Yelp reviews in the South stem from pricing issues.

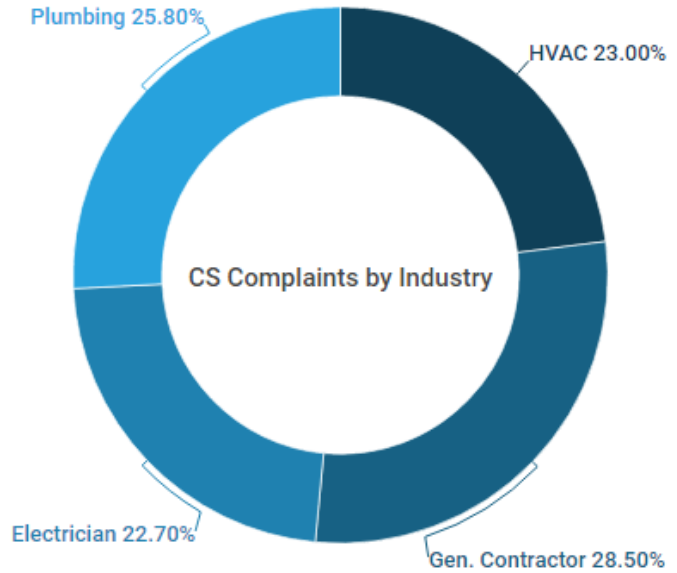


Breakdown of Price Complaints by Region

**KEY TAKEAWAY:**

Provide detailed estimates and invoices, and take the time to explain charges. Providing customers with these details can greatly reduce confusion over pricing.

**58% OF CUSTOMER SERVICE ISSUES RESULTED IN LOST BUSINESS**



**Just over one-fifth of negative Yelp reviews stemmed from a bad customer service experience, with the vast majority relating to negative interactions with a service technician.**

Perhaps unsurprisingly, **58% of reviewers** who complained of bad customer service opted to take their business elsewhere.

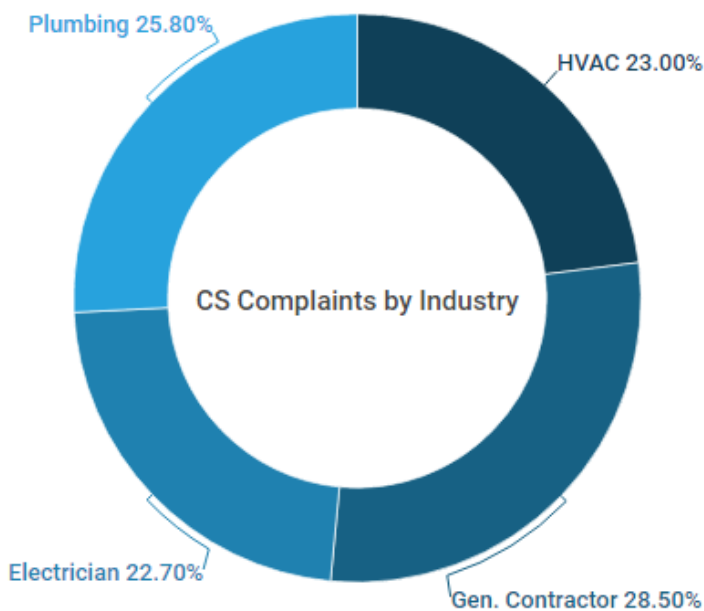
**Chicago and New York** had the highest number of customer service-related negative reviews. Combined, both cities account for a whopping 59% of all customer service complaints included in our study.

**KEY TAKEAWAY:**

When it comes to working with repeat customers, train your employees to leverage customer information, notes, and job history to provide a more personalized experience and higher level of service. By building a relationship with your customers, you'll ensure both repeat business and recommendations.

## 20% OF NEGATIVE REVIEWS RELATE TO WORK QUALITY

Surprisingly, only one in five negative Yelp reviews stemmed from poor quality of work or perceived lack of expertise.

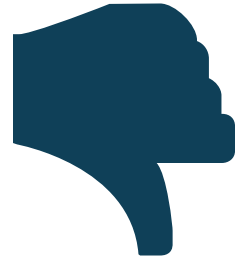


- **Pacific Northwest** homeowners are most critical of home repair business' expertise, with 25% of all complaints in this region relating to perceived poor quality of work.
- **General Contractors** account for 29% of all negative reviews relating to quality - likely due to the aesthetic nature of their work.
- **Electricians** account for 28% of negative Yelp reviews relating to quality of work. However, most reviews were primarily focused on the aesthetics of their work: holes in the wall left unpatched, failure to replace outlets, etc.

### KEY TAKEAWAY:

To homeowners, aesthetics play a huge role in overall quality of work. Consider having your technicians take before and after photos of jobs and upload them to your customer database. Not only will this help you ensure that your employees are completing a job well done, but job photos can also be helpful should a customer complaint arise.

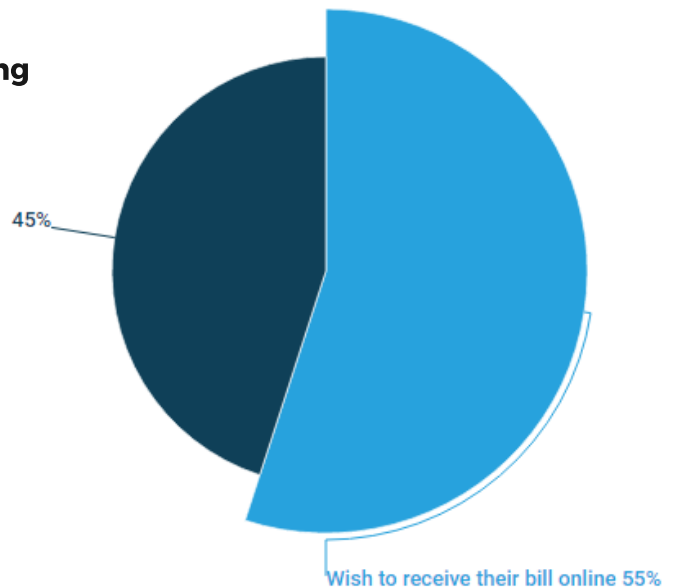
## YOUR BUSINESS' INVOICING AND BILLING PROCESS CAN HAVE A BIG IMPACT



Home repair professionals could nix nearly one in ten of their negative Yelp reviews simply by improving their process for writing up estimates, providing bills and processing payments. A whopping 55% of consumers think it's important to receive a bill online<sup>5</sup>, and that number is poised to grow as Millennials become the majority.

### The most commonly cited complaints relating to invoicing and billing:

- Delays in receiving a written estimate
- Confusing payment process
- Lost payments
- Inability to provide a detailed estimate or bill

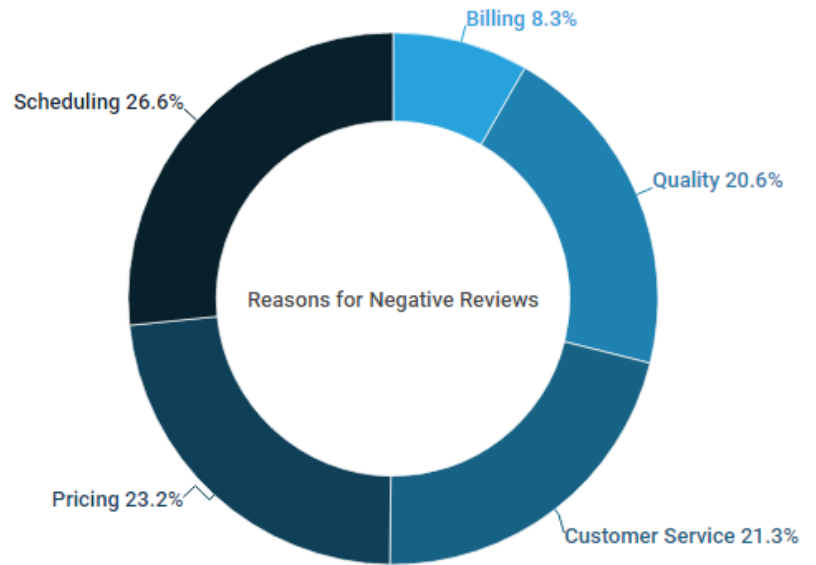


### KEY TAKEAWAY:

Potential customers don't want to wait more than 24 hours for a written estimate - particularly when they're in need of urgent repairs. Use software that allows you to create written estimates directly from the field.



# BREAKDOWN OF ALL NEGATIVE REVIEWS ANALYZED



Interestingly, while average star rating remained fairly consistent across all verticals, it varied greatly when calculated by region.

## AVG. STAR RATING BY INDUSTRY



On average, Yelpers in the South rate home service businesses nearly **one full star lower** than homeowners in the Southwest.

## AVG. STAR RATING BY REGION



# Methodology



Insights were collected by reviewing and analyzing 600 negative Yelp reviews, breaking down to 150 negative Yelp reviews analyzed per industry, and 120 per region. While negative reviews were chosen at random, reviews lacking detail and retaliation-style reviews that may have been written by former employees or competitors were not included, nor were “gig economy” companies like Handy.

## ABOUT BREEZEWORKS

Breezeworks is the leading mobile service automation platform. Through cloud-integrated mobile and web apps, Breezeworks centralizes and automates booking, dispatching, customer communication, billing, and payments for service businesses, empowering small and medium teams to build stronger customer relationships and drive greater profit margins. It transforms your smartphone into a digital power-tool with enterprise-level functionality, for less than the price of a new drill.

[LEARN MORE: BREEZEWORKS.COM/BLOG](https://www.breezeworks.com/blog)

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Additional Sources:

<sup>1</sup> Yelp

<sup>2</sup> BrightLocal, 2014

<sup>3</sup> M. Luca, Harvard

<sup>4</sup> TomTom Traffic Index: Measuring Traffic Worldwide

<sup>5</sup> eSource Residential Utility Customer Survey, 2014

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