



## **Location3 Case Study**

Positive Google Reviews Improve Paid Search Conversion Rates  
2018

---





Location3 is the digital marketing agency that delivers **enterprise-level strategy** with **local market activation**.

**Founded in 1999 | Denver, CO**

# Our Hypothesis

After reading Harvard's Business Review's article titled *Replying to Customer Reviews Results in Better Ratings*, **Principal Data Architect, Matt Donahue** was interested in testing the hypothesis that Review Ratings should impact Paid Search performance.



# Our Data Set



- 16 months of historical AdWords campaign data
- 93 million impressions



- 32 months of historical user review data
- 72,000+ reviews



- 7,009 total business locations

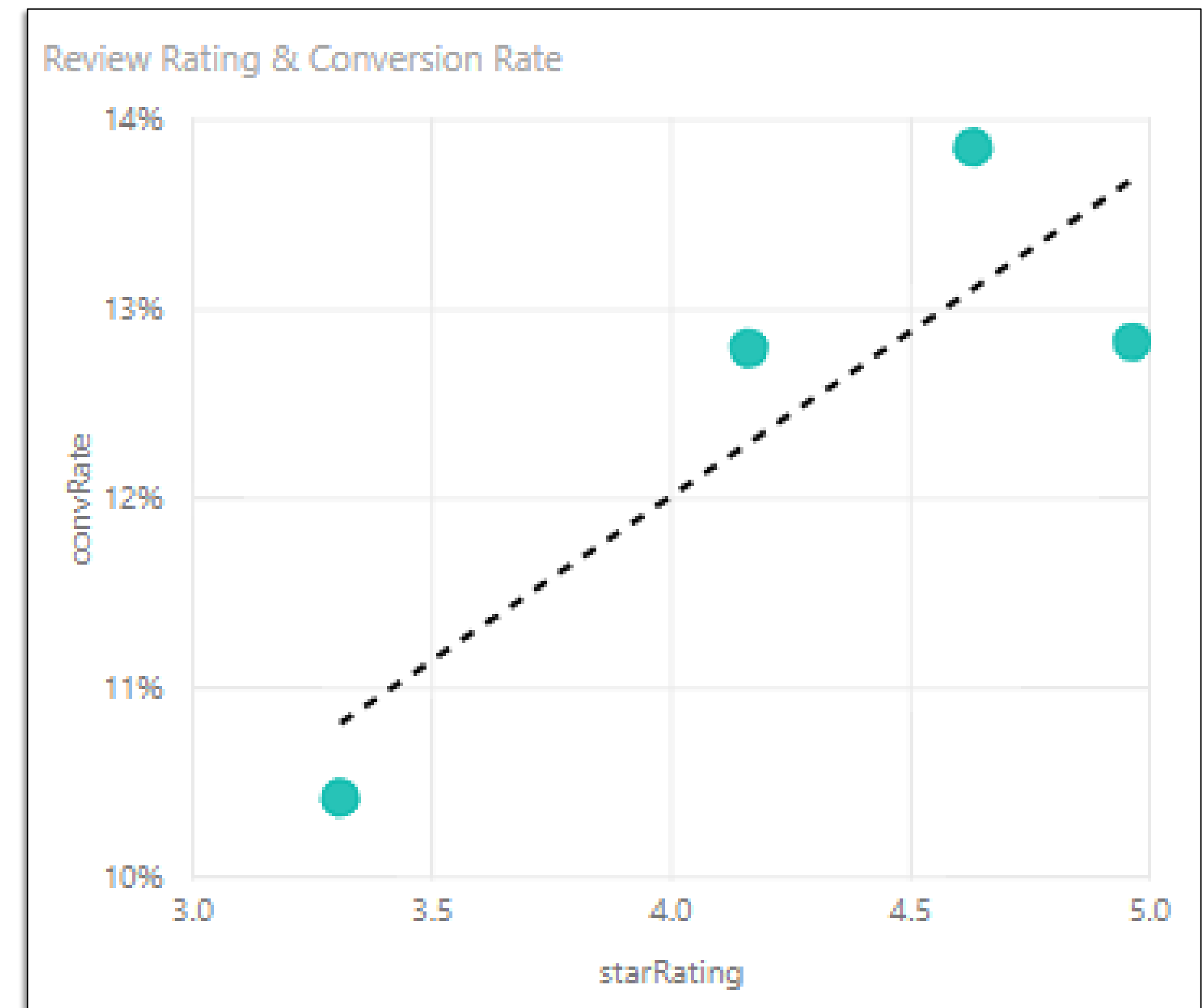
# Our Findings

## Does quality of user reviews correlate to paid search performance?

Yes, we found a strong relationship between user review ratings and paid search conversion rate.

- Reviews in the **lowest** rated segment averaged **3.31 stars** and a **conversion rate of 10.42%**.
- Reviews in the **highest** rated segment averaged **4.96 stars** and a **conversion rate of 12.83%**.

If a brand could convert for the lowest-rated locations at the same rate as the highest-rated, then they would have seen an **increase of over 13,000 additional leads (+23% gain in leads)**.



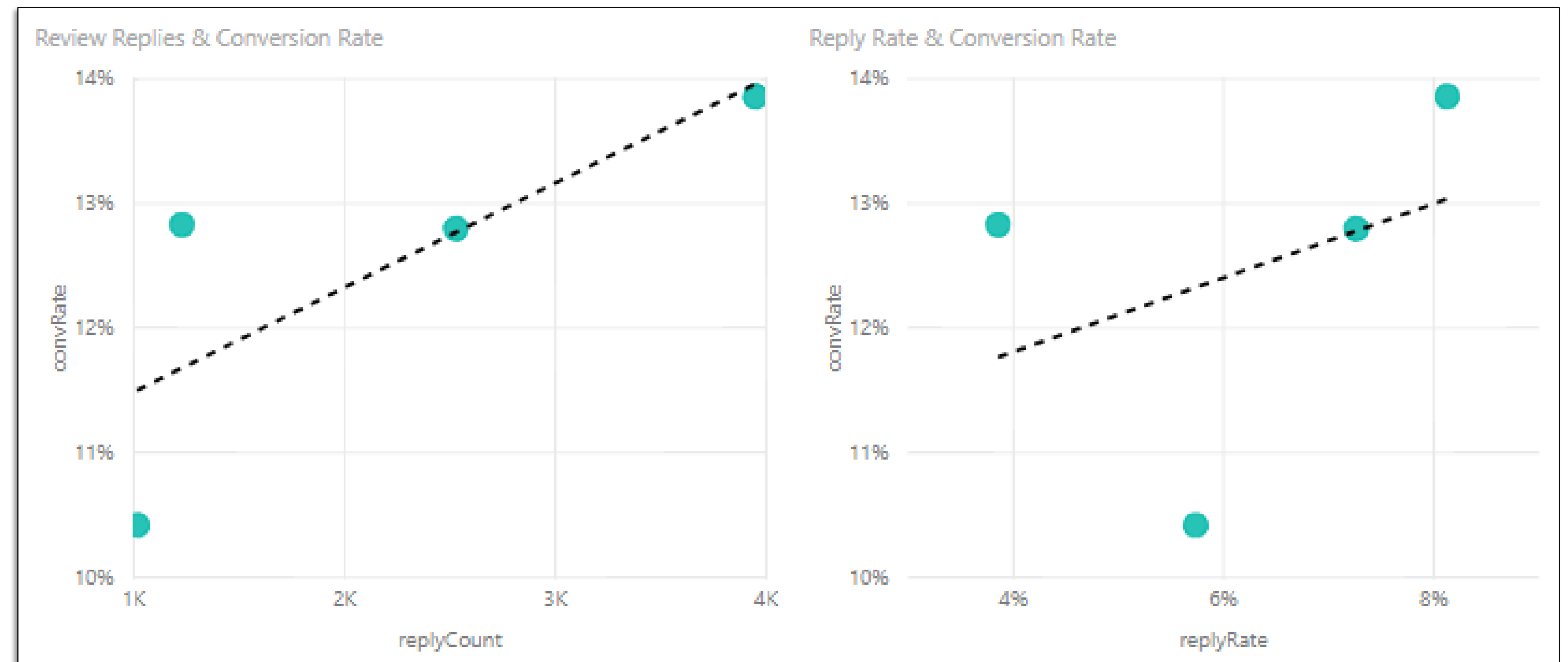
# Our Findings

## Does frequency of review replies correlate to paid search performance?

Yes, we found a strong relationship between review replies and the paid search conversion rate.

Locations with a higher volume of replies and reply rate corresponded with higher conversion rates. The highest rated segment of reviews didn't have the highest reply rate due to most already being 5-star reviews.

- Locations with the **highest** reply rate of **8.13%** averaged a **conversion rate of 13.86%**
- Locations with the **lowest** reply rate of **5.73%** averaged a **conversion rate of 10.42%**



# In Conclusion

While we've long known that responding to customer reviews as a business owner (both positive reviews *and* negative reviews) can potentially improve the overall user experience and highlight your dedication to quality service, **our test shows that engaging with customer reviews as a business owner has a positive correlation with improved conversion rates for paid search advertising.**

# Award-Winning Performance



## BEST INTEGRATED CAMPAIGN

We developed and executed an integrated digital marketing strategy for one of our higher education clients, and took home the **top prize at the U.S. Search Awards** as a result.



## BEST LOCAL CAMPAIGN

We developed and executed a localized digital marketing strategy for HoneyBaked Ham, and took home the **top prize at the Local Search Association Awards** as a result.



## TOP ADVERTISING AGENCY

We're recognized as one of the **Top Advertising Agencies** by the Denver Business Journal.



# What Our Peers Are Saying...

**EPR RETAIL NEWS**

[Location3's LOCALACT Platform Meets Growing Need for Franchises to Maximize Customer Traffic and Dominate Their Local Markets](#)

**MARTECHSERIES**  
Marketing Technology Insights

[LOCALACT Takes Local Search and Franchise Digital Marketing to The Next Level Following User Growth and Demand](#)

**Franchising USA**  
THE MAGAZINE FOR FRANCHISEES

[Local Search Marketing for Franchises: How You Can Generate More Customers in 2018](#)

**MediaPost**

[HoneyBaked Ham, Location3 Show How Multi-Location Online To Offline Works](#)

**Forbes**

[Why Facebook Is The Next Big Player In Local Search](#)

**TotalRetail**

[Why 2018 Will Be the Year of Brick-and-Mortar Retail](#)



**Matt Donahue**  
Principal Data Architect

---

**For more information, please contact:** Joshua Allen | Director of Marketing | [jallen@location3.com](mailto:jallen@location3.com)