J TURNER
RESEARCH
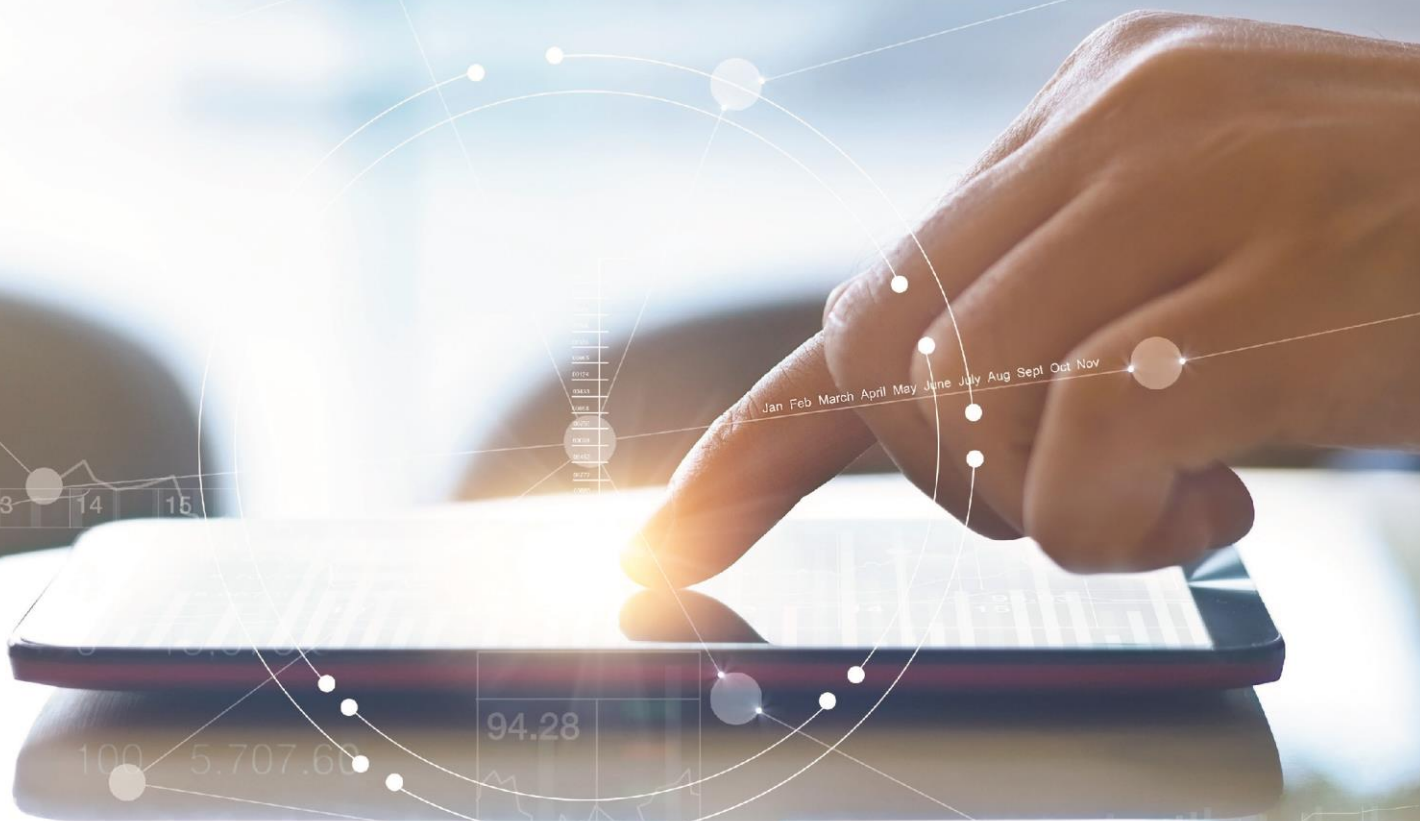
The Mechanics of
ONLINE REVIEW SITES
AND INTERNET LISTING SERVICES

THE UNTOLD STORY

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ABOUT J TURNER RESEARCH

J Turner Research is the leading market research firm exclusively serving the multifamily industry. Our data and research empowers management companies to drive revenue. We offer customer insights and an integrated online reputation management platform that enables companies to enhance resident satisfaction, increase closing ratios, and improve online reputation.

We extensively survey thousands of residents and prospects each month to offer actionable feedback to our clients. Our Online Reputation Assessment™ (ORA™) score serves as the industry standard for measuring a property's online reputation. This score is based on monthly online reputation monitoring of more than 64,000 properties nationwide, across various review sites. Companies can not only monitor and benchmark their ORA™ scores, but they can also manage and respond to online reviews all from one single platform.

As industry influencers, we have produced more than a dozen national research studies that unravel emerging trends, shifting demographics, industry best practices, and new market opportunities. Headquartered in Houston, we have been helping multifamily companies to advance their portfolios since 2003. Contact us at sales@jturnerresearch.com.

For more information, visit www.jturnerresearch.com.

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EXECUTIVE SUMMARY

PURPOSE

The purpose of this white paper—*The Mechanics of Online Review Sites and ILSs: The Untold Story*—is to give the multifamily industry the <u>first ever</u> quantitative perspective on review sites and Internet Listing Services (ILSs). To determine an effective online reputation management strategy, companies need facts. The in-depth facts and historical trends about review sites and ILSs outlined in this white paper have not been available previously.

The current ratings and review sites market is fragmented and lacks standardization, presenting a looming challenge to communities and management companies. Each site uses unique methods and strategies to increase traffic.

The significance of online ratings and reviews in a prospect's decision-making process is well-articulated by Brian Ericson, vice president of marketing insights at Cortland Partners: *"Online reviews validate the service experience and the actual living experience residents can expect at an apartment."*

Findings from our recent national research study[1] reinforce the increasingly persuasive role reviews play in apartment shopping. The majority of residents (75 percent) look at ratings and reviews multiple times in their apartment search process. The effect of ratings and reviews on a prospect's decision to visit a property has increased by 13 percent since November 2016. In The Internet Adventure Part I study it was rated at 6.48, while in the recent Part II study it was rated at 7.33. Residents also rate the importance of reputation of the management company in their decision to lease at a community at a high of 8.10 on a scale of 0-10 (with 10 being "very likely").

Jackie Rhone, , CPM, CAPS, executive director of real estate, AMO, Greystar Real Estate Partners, agrees that online reputation is a critical component of strengthening today's business model: *"There is an unquantifiable loss of traffic that you will never even know that you could have possibly had at your door, if you don't manage your online reputation,"* she says. *"We consider it as our new online curb appeal."*

RESEARCH

For the past five years, J Turner Research has extensively studied and documented the mechanics of online review sites and ILSs. We have monitored the online reputation of more than 64,000 properties (approximately 78 percent[2] of the total apartment units in the country) across various review sites on a monthly basis.

This process has provided J Turner Research with an unparalleled body of knowledge on the inner workings of the significant review sites. We have observed compelling trends in online review growth by property, review sites, sentiment, volume, and much more.

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[1] 2017 J Turner Research study: The Internet Adventure Part II

[2] According to the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA), there are 20.4 million apartment homes in the country. Learn more at: http://www.weareapartments.org/

As of April 2017, there are 4,320,543 ratings for the 64,319 properties we monitor. Close to 89 percent of these properties (57,104) have at least one review. For the purpose of this paper, all analysis is based on these 57,104 properties.

SCOPE

This white paper documents the nuts and bolts of major review sites based on market share relevant to multifamily; outlines the challenges associated with a few sites; identifies significant trends in the growth of online reviews over the past five years; highlights the impact of review gamification on online reputation monitoring; and features key findings from our recent national study, The Internet Adventure Part II.

Specifically, the purpose of this white paper is to educate the industry on:

- The methodology of the major review sites and ILSs.

    o Apartments.com, ApartmentGuide.com, ApartmentRatings.com, ForRent.com, Google, Rent.com, and Yelp.

- The market share of review sites and ILSs.

- The challenges associated with some of these sites.

- Trends and statistics associated with the growth of online reviews over the past five years.

- The impact of review gamification by Modern Message on monitoring and measuring online reputation.

- The results of The Internet Adventure Part II study.

Excerpts from this white paper were shared at the 2017 NAA Education Conference and Exposition in a session titled, *Prospects and Online Reviews: May the Force Be with You*.

KEY FINDINGS

- The effect of ratings and reviews on a prospect's decision to visit a property has increased by 13 percent since November 2016. In The Internet Adventure Part I study it was rated at 6.48, while in the recent Part II study it was rated at 7.33.

- Brand image: The importance of reputation of the management company in their decision to lease at a community has been rated at a high of 8.10 on a scale of 0-10 by the residents.

- Residents are increasingly taking to the internet to share their opinion. In Q1 2017, the total volume of reviews has grown by 19.3 percent since Q1 2016.

- The top five sites with regards to their market share (based on the number of properties with a review) are Google, ApartmentRatings.com, Facebook, Apartments.com, and Yelp.

- The top three sites with regards to their impact on a prospect's decision to rent at a property are Google, Apartments.com, and ApartmentRatings.com.

- Residents are more affected by reviews on independent review sites than reviews posted on property websites and Facebook.

- Modern Message, the pioneer of review gamification, has the highest volume of reviews per property.

- Sites (ApartmentGuide.com, Rent.com, and ApartmentRatings.com) which allow survey companies to feed reviews for their clients have the second-highest number of reviews per property.

- ForRent.com displays filtered reviews from other sites such Google, Facebook, and Yelp for its clients, hence it has the most positive sentiment of reviews.

- Modern Message has the second-highest positive sentiment – an effect of review gamification. For properties with reviews on Modern Message, the average rating is higher as compared to the average rating of the same properties on other sites.

- Apartments.com assigns a star rating to a property based on its proprietary CoStar Building Rating System^{SM}. The star rating is independent of the resident review; it does not reflect the opinion of residents. It has the third-highest sentiment of reviews.

- For ILSs that allow data feeds from surveys, the difference in the review sentiment is not as striking as other sites.

- The review sentiment on ApartmentRatings.com is the most negative as it has historically been used by residents to express dissatisfaction. However, over time, the sentiment is improving on this site.

- Online reviews are becoming more important than personal recommendations.

- A large majority (75 percent) of residents look at ratings and reviews multiple times in their apartment search.

- The reliance on online ratings to initiate apartment research has increased by 10 percent in the past two years - from 52 percent in 2015 to 62 percent in 2017.

- Social media is not a significant factor in the apartment search process.

THE DATABASE

For the past five years, J Turner Research has extensively monitored the online reputation of more than 64,000 properties each month (approximately 78 precent[3] of the total apartment units in the country). We track the online ratings and reviews of these properties across various review sites and ILSs.

As of April 2017, there are 4,320,543 ratings for the 64,319 properties we monitor. Close to 89 percent of these properties (57,104) have at least one review. For the purpose of this paper, all analysis is based on these 57,104 properties.

DATABASE BY THE NUMBERS

4,320,543 Reviews

64,319 Properties	57,104 Properties have at least 1 review

AS OF APRIL 2017

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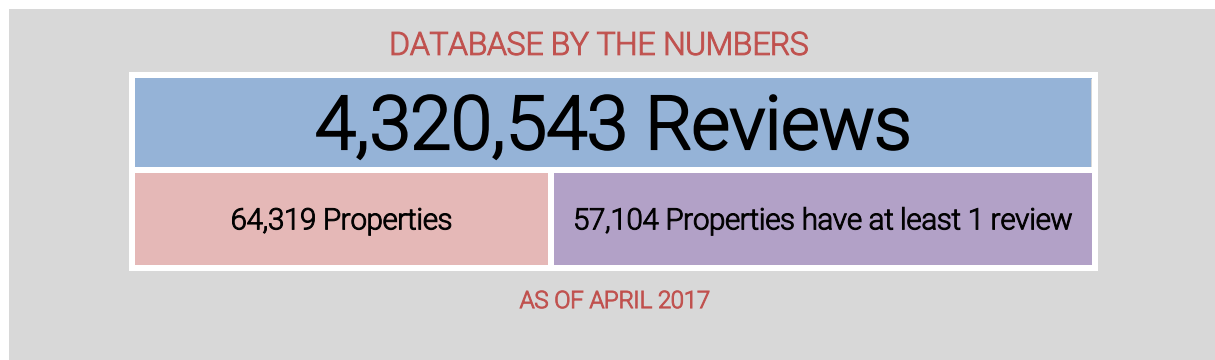
[3] According to a study by NMHC and NAA, there are 20.4 million apartment homes in the country. See the full NHMC/NAA study here: http://www.weareapartments.org/.

REVIEW SITES MARKET

We have compiled a list of the major review sites and ILSs relevant to the multifamily industry based on their market share. With a few players in 2012, today the market is populated with 20+ sites showing ratings and reviews relevant to multifamily properties.

Market share of various sites based on the numbers of properties with a star rating
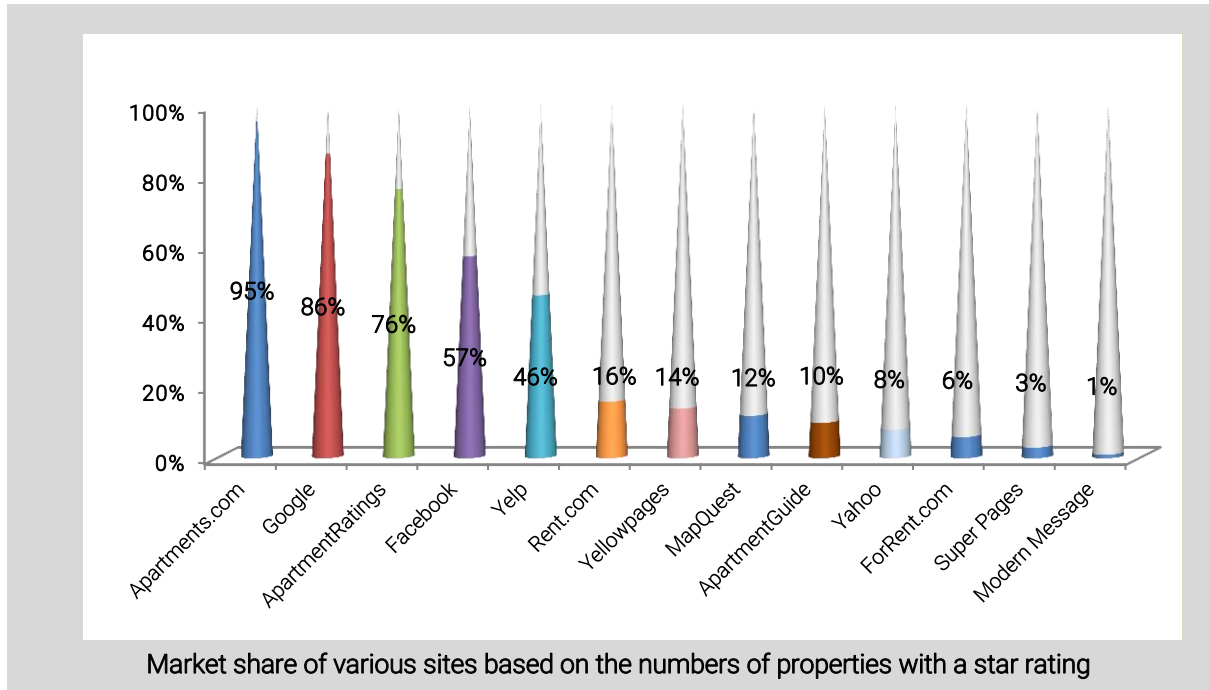
Sites with less than one percent market share (in alphabetical order)

1.	Abodo.com	4.	Kudzu.com
2.	Caring.com	5.	Rentersvoice.com
3.	Foursquare.com	6.	Rentlingo.com

Apartment Finder and Apartment Home Living are owned by CoStar along with Apartments.com. They display the same star ratings as Apartments.com but without any reviews. The star ratings do not appear on Internet search results for most properties for these two sites.

MapQuest displays reviews from Yelp.

At 95 percent, Apartments.com has the highest market share based on properties with a star rating, but it's important to keep in mind that not all of these properties have reviews by residents. The star rating is independent of the resident review.

Apartments.com assigns a star rating to a property based on their criterion called The CoStar Building Rating System[SM], which is defined on their website[4] as follows:
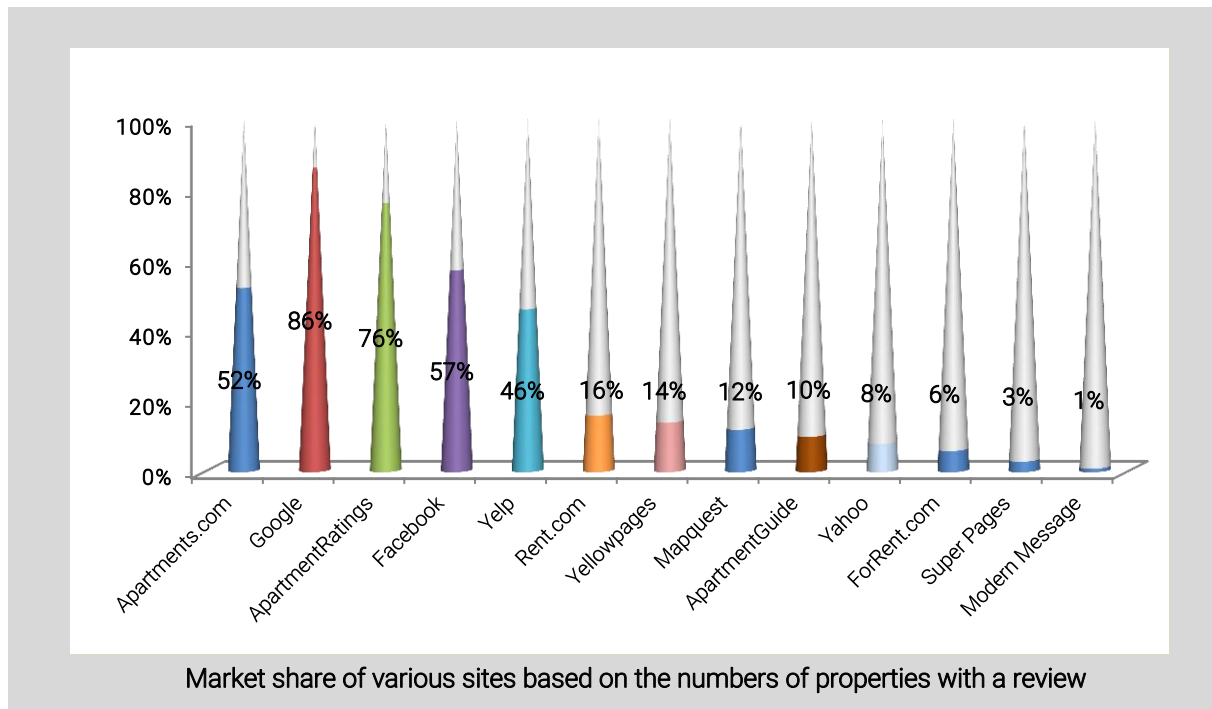
> The CoStar Building Rating System[SM] provides a national rating for commercial buildings. Properties are evaluated and rated using a universally recognized 5 Star scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third-party certifications and detailed property type specifics.

Here is an example of a property with a star rating and no resident reviews.

Autumn Park
325 N Groesbeck Hwy, Mount Clemens, MI 48043 ★★★★☆
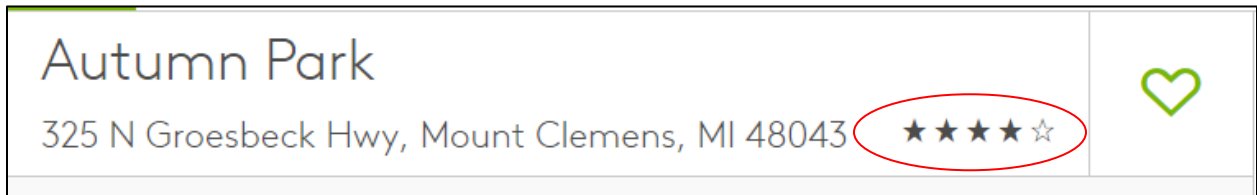
Resident reviews don't affect a property's star rating, which means that a three-, four-, or five-star rating doesn't represent the sentiment of reviews as expressed by residents.
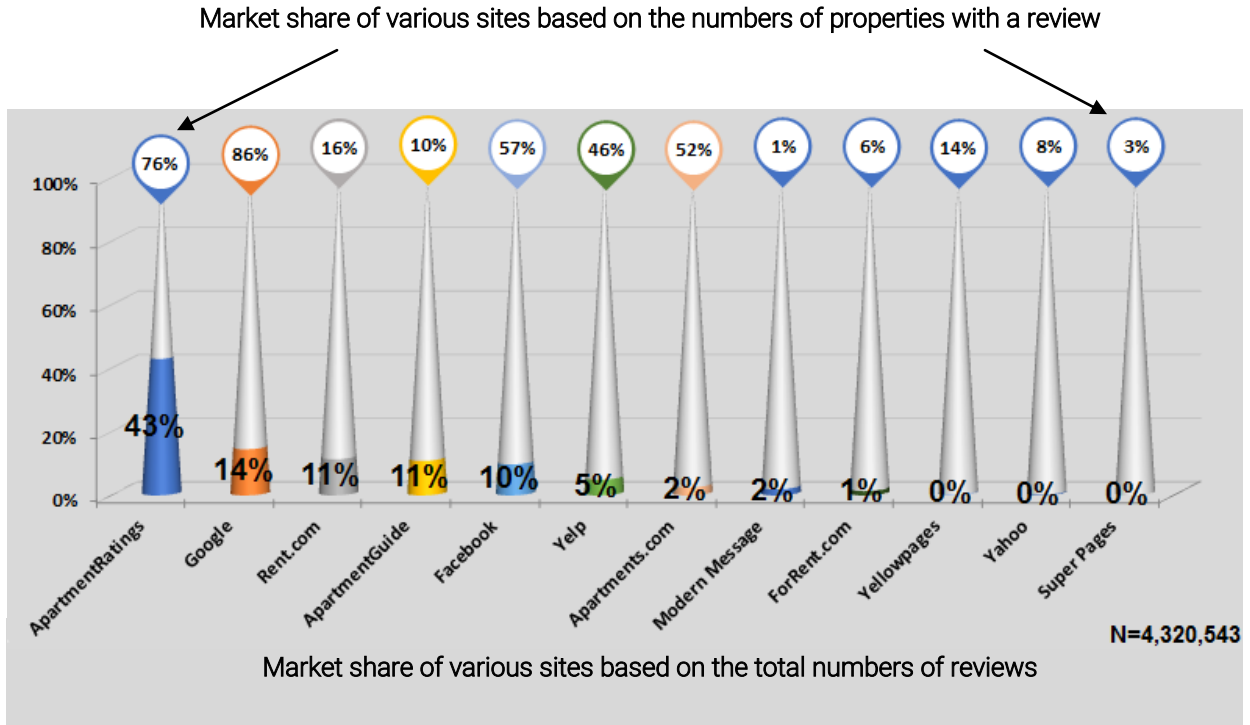
Although 95 percent of the properties listed on Apartments.com have a star rating, only 52 percent of the properties have resident reviews.

Market share of various sites based on the numbers of properties with a review

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[4] http://www.buildingratingsystem.com/

MARKET SHARE BASED ON VOLUME OF REVIEWS

Market share of various sites based on the numbers of properties with a review

Market share of various sites based on the total numbers of reviews

N=4,320,543

ApartmentRatings.com is by far the leader in the total volume of reviews out of all significant sites. This is largely due to the fact that it was established in 2000, making it the oldest site in the market with reviews. ApartmentRatings.com has more reviews than the top three sites—Rent.com, ApartmentGuide.com, and Apartments.com—and three times more reviews than Google.

The competition for reviews among Google, Rent.com, ApartmentGuide.com, and Facebook appears to be more intense.

Though Apartments.com has reviews on 52 percent of the properties, in terms of the total volume of reviews, it is on the lower end of the spectrum with only a two percent market share.

HISTORICAL TRENDS IN ONLINE REVIEWS

According to a 2016 BrightLocal study[5], 50 percent of consumers will leave a review for a business, **if asked**. This reinforces the need for virtually every business to proactively ask for reviews from their customers. The multifamily business is no different. The surge in the volume of reviews since Q1 2016 reflects the industry's dedicated efforts to solicit reviews from residents. It also mirrors the increase in residents' willingness to post reviews online. As compared to 2012[6], in 2016[7] residents' willingness to post reviews increased by 58 percent.

Q1 2016	Q1 2017	APRIL 2017
233,813 REVIEWS	278,944 REVIEWS	115,929 REVIEWS

An increase of 45,131 (19.3%)
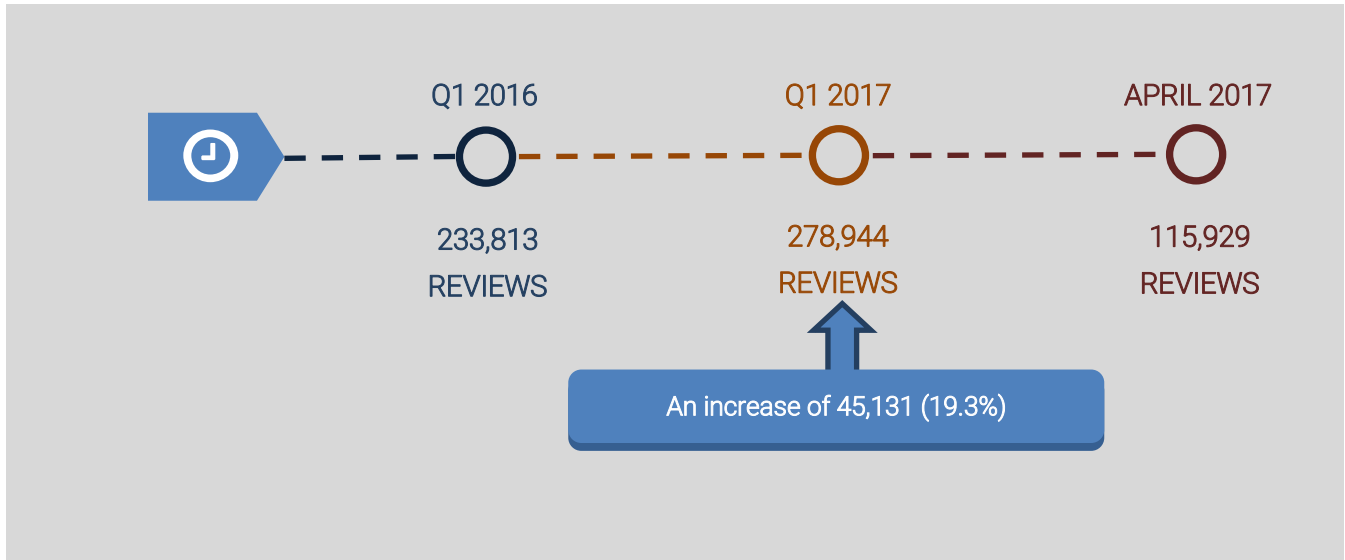
In our discussions with industry experts, they concur that the volume of reviews can dramatically improve if the management companies enthusiastically engage with residents to request online reviews.

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[5] 2016 BrightLocal Local Consumer Review Survey

[6] 2012 J Turner Research study – What Do Residents Want? Trends in Resident Technology & Communication Preferences

[7] 2016 J Turner Research Study – The Internet Adventure: The Influence of Online Ratings and Reviews on a Prospect's Decision Making

REVIEWS SOURCES - APRIL 2017

There were a total of 115,929 reviews added in April 2017. The majority of the reviews (30 percent) came from Google, followed by ApartmentRatings.com and ApartmentGuide.com, which both accounted for 16 percent of reviews each. At 13 percent, the third spot was taken by Rent.com.

Google	Apartment Ratings	Apartment Guide	Rent.com	Modern Message	Facebook	Yelp	Apartments.com	Other
30%	16%	16%	13%	11%	5%	5%	2%	2%

Source of Reviews – April 2017
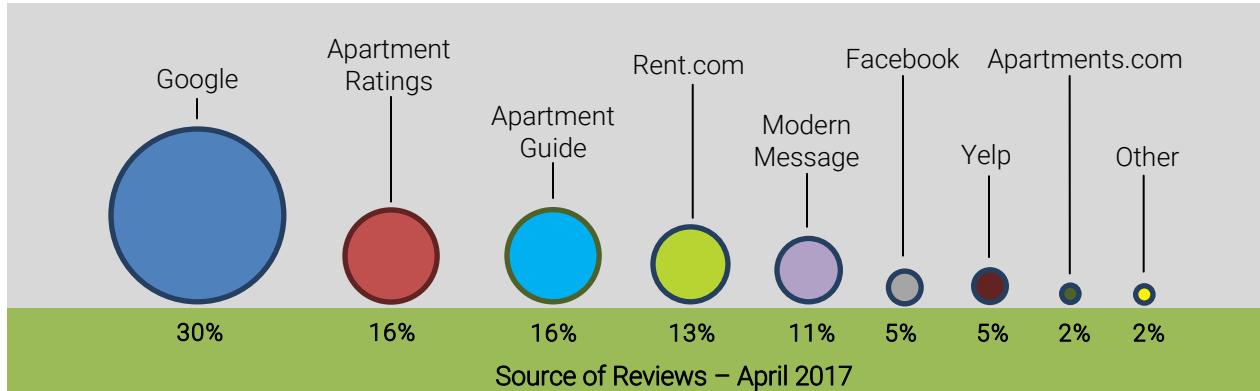
A key driver for Google reviews is the low barrier to entry for posting reviews on this platform. Google is more accepting of reviews and allows anyone with a Google account to post a review. Its confidence in the reviewer's credibility stems from the reviewer having a Google account. In contrast, other sites such as Yelp and ApartmentRatings.com follow a more stringent process of checking reviews to ensure their legitimacy.

According to our 2017 The Internet Adventure Part II study involving 25,200+ residents, Google, Apartments.com, and ApartmentRatings.com are the top three most impactful sites on a prospect's decision to rent at a property.

AVERAGE REVIEWS PER PROPERTY

A property has reviews on **4.02** sites

72.32 Average reviews per property

59.86 Average reviews per property*

*When excluding properties with over 500 reviews (809 properties).

How many reviews should a property have to be most credible to residents? We posed an open-ended question to more than 25,200 residents in our 2017 The Internet Adventure Part II study. The results suggest an average of 35.14 reviews per property.

However, when we surveyed respondents using the visual below, the results were quite different. The visual was created to keep all factors the same with the exception of the number of reviews. They were asked to pick an option of the number of reviews most credible to them for a property with 300 units. In a major contradiction, when prompted with a visual, more than 61 percent of respondents chose option 5 with 1,000+ reviews.

Assuming this property has 300 units, which one of these is most credible to you (The only difference is the number of reviews)?

1
Park West Village Rentals - Lancaster, CA | Lancaster Rentals
California › Lancaster
★★★★☆ Rating: 4 - reviews 23
— **5%**

2
Park West Village Rentals - Lancaster, CA | Lancaster Rentals
California › Lancaster
★★★★☆ Rating: 4 - 75 reviews
— **8%**

3
Park West Village Rentals - Lancaster, CA | Lancaster Rentals
California › Lancaster
★★★★☆ Rating: 4 - 159 reviews
— **16%**

4
Park West Village Rentals - Lancaster, CA | Lancaster Rentals
California › Lancaster
★★★★☆ Rating: 4 - 451 reviews
— **11%**

5
Park West Village Rentals - Lancaster, CA | Lancaster Rentals
California › Lancaster
★★★★☆ Rating: 4 - 1,023 reviews
— **61%**

As evident from the huge variation in the two choices by respondents, there is no conclusive evidence regarding the number of reviews a property should have for it to be credible to residents.

How does this compare with the review-to-credibility ratio of other types of businesses? According to a 2016 BrightLocal Local Consumer Review Survey, 90 percent of consumers read 10 reviews or less before they feel that they can trust a business; 68 percent of consumers form an opinion by reading one to six reviews.

Industry experts express that renting an apartment is a major financial decision for a consumer, as opposed to choosing a restaurant for a meal. This probably explains the striking difference in the number of reviews needed for credibility in apartment shopping, as opposed to other categories.

RANGE OF REVIEWS FOR PROPERTIES

	<1%	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%	16%	17%	18%	19%	20%
0 Reviews												11%									
1-5 Reviews																				19%	
6-10 Reviews									8%												
11-20 Reviews											10%										
21-30								7%													
31-40						5%															
41-50						5%															
51-75										9%											
76-100							6%														
101-200													12%								
201-300					4%																
301-400		1%																			
401-500		1%																			
501-750		1%																			
751-1000 (176 Properties)	<1%																				
1,001-2,000 (203)	<1%																				
2,001-3,000 (34)	<1%																				
Over 3,000 (11)	<1%																				
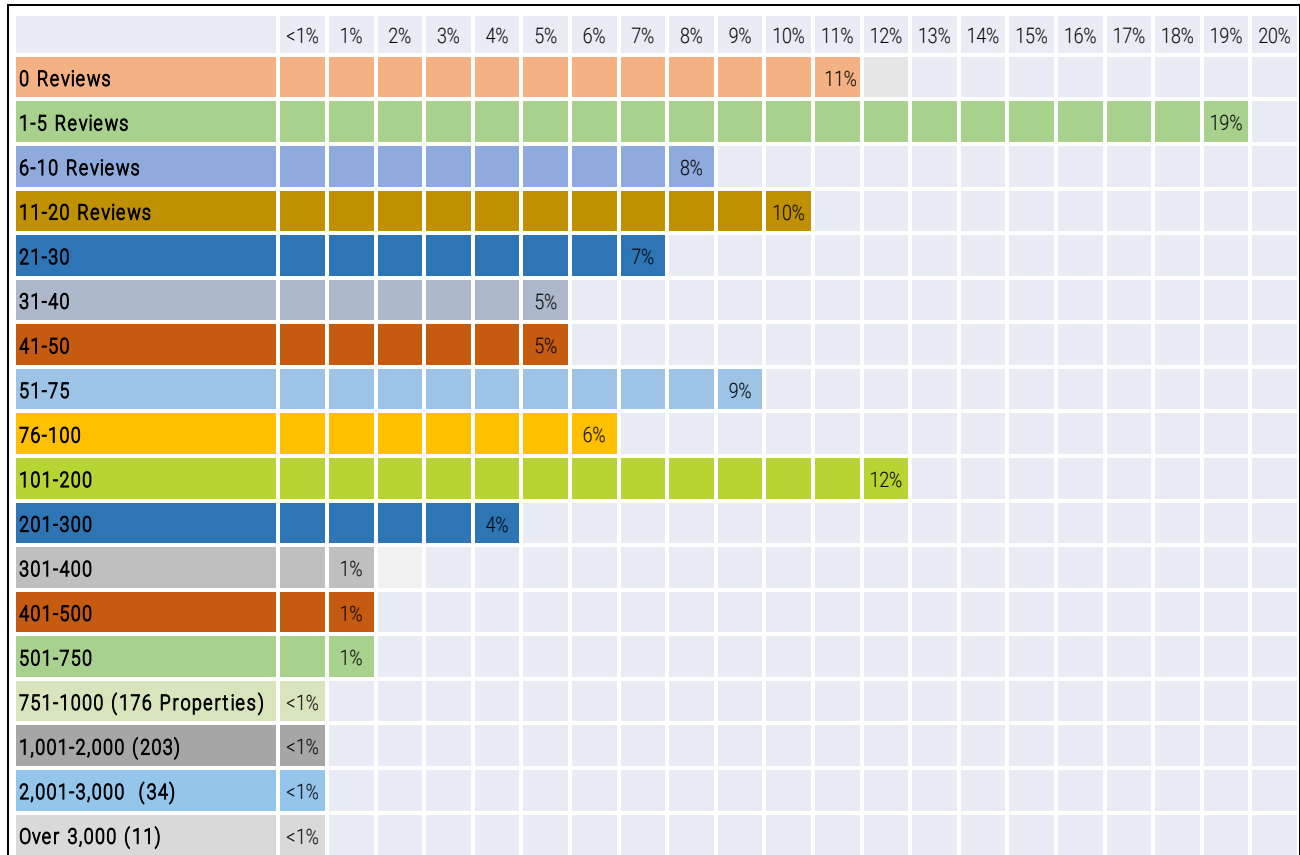
The above graph is an indication of the range of reviews per property.

The vast majority of properties (70 percent) have 10 or more reviews, and 20 percent of properties have 100 or more reviews.

RANGE OF REVIEWS BY SITE

	Modern Message	Apartment Ratings	Rent.com	Apt. Guide	Yelp	Google	Apartments.com	Facebook	Yellow Pages	Yahoo	For Rent
1-5 Reviews	3%	22%	29%	15%	65%	44%	83%	45%	95%	94%	26%
6-10 Reviews	3%	10%	19%	12%	16%	19%	13%	18%	4%	5%	25%
11-20 Reviews	6%	16%	15%	15%	11%	20%	3%	19%	1%	1%	27%
21-30	7%	11%	8%	11%	4%	8%	<1%	9%	<1%	<1%	11%
31-40	7%	8%	5%	9%	2%	4%		4%	<1%	<1%	5%
41-50	6%	6%	4%	6%	1%	2%		2%			2%
51-75	19%	10%	6%	9%	1%	2%		2%			2%
76-100	12%	6%	3%	4%	<1%	1%		1%			1%
101-200	23%	8%	5%	9%		<1%		1%			1%
201-300	10%	1%	3%	4%				<1%			<1%
301-400	2%	<1%	2%	2%							<1%
401-500	1%		1%	1%							
501-750	1%		1%	2%							
751-1000	<1%		<1%	1%							
1,001-2,000			<1%	<1%							
Over 2,000			<1%	<1%							

AVERAGE REVIEWS PER PROPERTY BY SITE

Site	Avg
Modern Message	109.53
ApartmentGuide.com	80.53
Rent.com	52.4
ApartmentRatings	40.57
ForRent.com	15.31
Facebook	12.54
Google	12.14
Yelp	7.84
Yahoo	2.23
Yellowpages	2.09
Apartments.com	1.9
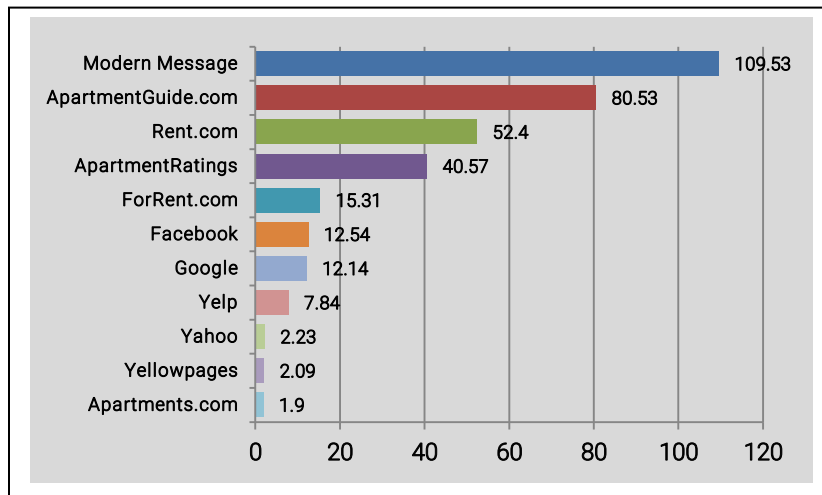
The data suggests that review gamification and review data feeds affect the volume of reviews per property. Modern Message, the pioneer of review gamification, has a very high volume of reviews for the properties it represents. As part of its community rewards program, the company rewards residents with points for reviewing their clients' properties—leading to a high volume of reviews per property. The residents can redeem the points earned for various prizes. Nearly 68 percent of properties on Modern Message have more than 50 reviews per property. On an average, a property has 109.3 reviews on Modern Message compared to the national average of 72.32 reviews per property.

Additionally, sites which allow survey companies to feed reviews for their clients have the second highest number of reviews. ApartmentGuide.com, Rent.com, and ApartmentRatings.com allow review data feed—resulting in a higher volume of reviews.

As compared to other sites, ForRent.com has a higher average of reviews because it displays filtered reviews from other sites such as Google, Yelp, and Facebook for its clients.

SENTIMENT BY SITE
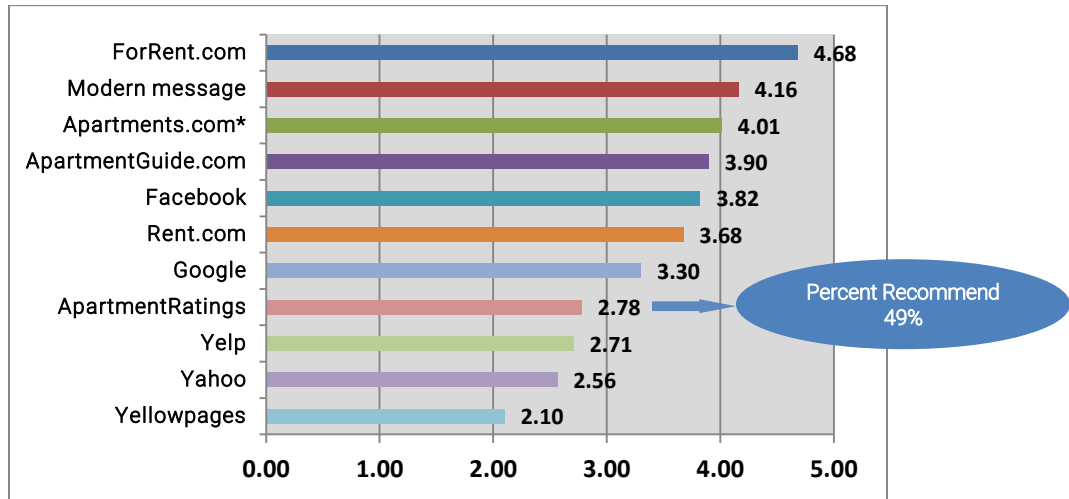
* The star rating on the site does not reflect the sentiment of reviews

The star ratings reflect the sentiment of a review. This graph analyzes the average sentiment on the major sites.

ForRent.com displays filtered reviews from other sites such as Google, Facebook, and Yelp for its clients; hence, it has the most positive sentiment of reviews.

As noted earlier, Apartments.com uses The CoStar Building Rating System^{SM} to assign a star rating to the properties listed on its site. The star rating is independent of the sentiment expressed in the resident reviews.

ApartmentRatings.com is the only site to explicitly highlight the percentage of residents recommending a property.

RATINGS ANALYSIS

Site	Avg. Rating	Avg. Rating of these properties on other sites	Difference
Modern Message	4.16	3.28	27%
Apartments.com	4.01	3.19	26%
Facebook	3.82	3.34	14%
ApartmentGuide.com	3.90	3.58	9%
Rent.com	3.68	3.47	6%
ApartmentRatings	2.78	3.48	-20%

For properties that have reviews on Modern Message, the average rating is higher than the average rating of the same properties on other sites. This is an impact of review gamification—as the resident earns points for writing a review for a property, they evidently seem to write more positively.

As stated earlier, Apartments.com rates properties based on its own criterion (The CoStar Building Rating System[SM]) independent of the resident review. The star rating does not reflect the sentiment expressed by residents. The properties that have reviews on this ILS have a higher "sentiment" than the reviews of the same properties on other sites.

With regards to ILSs that allow companies to feed resident reviews through a dedicated survey program, the difference in the review sentiment is not as striking as the other sites. Reviews originating from resident surveys are a true reflection of the customer service at the property.

As the oldest player in the market with reviews, ApartmentRatings.com has a slight disadvantage when it comes to resident sentiment: Because it has traditionally been used by residents as a platform to express their dissatisfaction, the review sentiment is negative compared to the other sites. Over time, however, the overall sentiment on ApartmentRatings.com is improving.

HISTORICAL TREND OF SENTIMENT OF REVIEWS
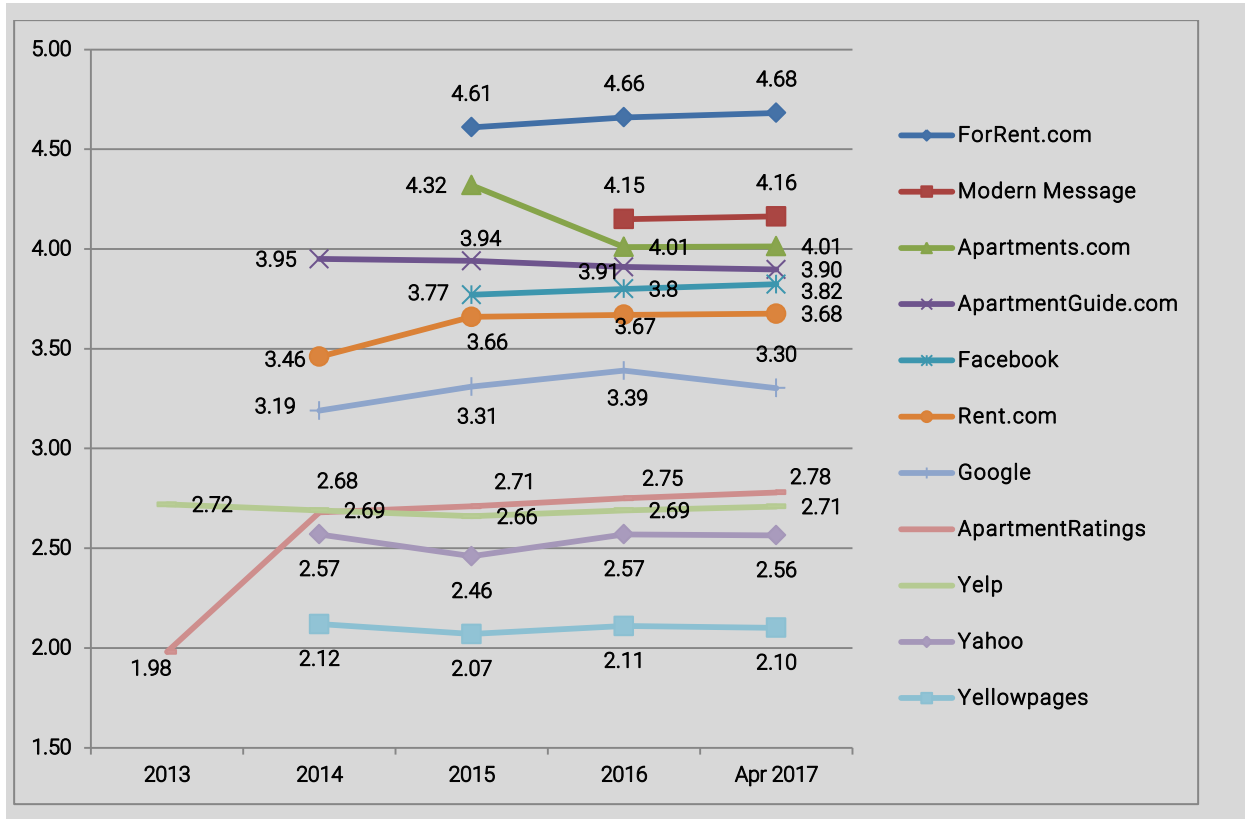
Average Reviews Per Property Over Time					
Site	Apr 2017	2016	2015	2014	2013
Apartments.com	1.90	1.88	2.92		
ApartmentGuide.com	80.53	77.58	97.62	131.83	
ApartmentRatings.com	40.57	39.48	36.22	32.19	23.60
Facebook	12.54	11.94	11.26		
ForRent.com	15.31	14.12	22.15		
Google	12.14	10.79	6.48	4.68	
Modern Message	109.53	101.9			
Rent.com	52.40	51.07	53.15	29.6	
Yahoo	2.23	2.29	2.34	3.67	
Yellowpages.com	2.09	2.10	2.03	1.91	
Yelp	7.84	7.53	6.28	4.55	2.99

A historical analysis of the volume and sentiment of reviews shows that the volume of reviews per property has increased substantially over the years, across all sites. However, the sentiment of reviews based on star ratings, with the exception of Apartmentratings.com, has not changed much.

As the oldest player in the market with reviews, ApartmentRatings.com had an average star rating of 1.98 in 2013. The sentiment of reviews increased 73 percent to 2.71 in Q1 2017. With regards to volume of reviews per property, in 2013, there was an average of 23.60 reviews per property on ApartmentRatings.com. This has almost doubled to an average of almost 41 reviews per property in Q1 2017.

Other than ApartmentRatings.com, the sentiment across other sites has not changed significantly over time.

However, reviews per property have seen a steady growth across almost all sites. Google has grown 159 percent, from 4.68 reviews per property in 2013 to 12.14 reviews per property in Q1 2017.

ILSs vs. MAJOR REVIEW SITES

The current ratings and review sites market is fragmented and lacks standardization, presenting a looming challenge to communities and management companies. Each site uses unique methods and strategies to incorporate ratings and reviews in an effort to increase their SEO ranking.

The five major ILSs based on market share are Apartments.com, ApartmentGuide.com, ApartmentRatings.com, ForRent.com, and Rent.com. These players compete intensely with each other to gather information and feature the most reviews as it affects their SEO ranking. A higher SEO ranking means more leads for their client, which in turn translates into more business. All of these ILSs, with the exception of ApartmentRatings.com, will stop featuring a property's ratings and reviews if the management company ends their contract with them.

In this section, we take an in-depth look at the major sites.

Apartment Site	Pay to Manage	Respond to Reviews	Character minimum requirement to write a review
Apartments.com	✔	✔	50
ApartmentGuide.com	✔	✔	None
ApartmentRatings.com	✔	✔	200
Facebook	✘	✔	None
ForRent.com	✔	✘	None
Google	✘	✔	None
Rent.com	✔	✔	None
Yelp	✔	✔	25

ILSs: NUTS AND BOLTS

About Apartments.com

From http://www.apartments.com/advertise/about/company

Apartments.com is the leading online apartment listing website, offering renters access to information on more than 500,000 available units for rent. Powered by CoStar, the Apartments.com network of home rental sites includes Apartments.com, ApartmentFinder.com, and ApartmentHomeLiving.com.

Our Analysis

Review Guidelines

Apartments.com follows its own criterion - The CoStar Building Rating System[SM] described as[8]:

The CoStar Building Rating System[SM] provides a national rating for commercial buildings. Properties are evaluated and rated using a universally recognized 5 Star scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, site and landscaping treatments, third-party certifications and detailed property type specifics.

- A property's star rating is independent of the resident review. Hence the star rating does not reflect the sentiment of reviews as expressed by a resident.
- "Rent for Life" was their sweepstakes program to kick-start review-gathering. Residents had to write a review of their property on the site to be eligible to win rent for a year and a grand prize cash prize of their rent for life (https://www.apartments.com/free-rent-for-life/).
- Residents must create an account to write a review.
- There is 50-character minimum requirement for the review and a star rating.

Responding to Reviews

A paid account is required to respond to reviews.

Impact

Our latest national research, The Internet Adventure Part II, indicates that Apartments.com is the second-most impactful site on a prospect's decision to rent at a property (the first is Google).

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[8] http://www.buildingratingsystem.com/

Apartment guide®

About ApartmentGuide.com

From https://www.rentpath.com/about-us/:

> The premier site for multifamily communities connecting qualified renters with their ideal apartment home… and connecting our clients with results far beyond the lead.

Our Analysis

Review Guidelines

- Both ApartmentGuide.com and Rent.com belong to the RentPath network of sites. Most resident reviews appear on both platforms.

- All reviews are submitted through RentPath's Certified Resident Program.

- All reviews and responses are curated before being posted online.

- An open-ended review is not necessary to rate the property.

Responding to Reviews

A paid account is required to respond to reviews.

ApartmentRatings

About ApartmentRatings.com

From https://www.apartmentratings.com/about/

ApartmentRatings.com was founded in 2000 and is located in beautiful El Segundo, CA. ApartmentRatings.com is part of the Internet Brands Inc. family of sites.

ApartmentRatings.com is the largest online rating community for rental housing, reaching approximately 30% of apartment hunters nationwide, and is among the Top 5 most-visited apartment hunting sites in the world.

Our Analysis

- The oldest player in the market.

- The only site to explicitly highlight the percentage of residents recommending a property.

How is an Apartment's "Recommended By" Percentage Calculated?

From https://www.apartmentratings.com/faq/

Based on feedback from our users, we have changed the calculation of apartments "% Recommended" score to weight more-recent reviews more heavily.

Reviews aged between 0 and 4 years are weighted based on the age of the review. For example, a review received today is weighted approximately 4 times more than a review that is 4 years old. Reviews that are 4+ years or older receive no weight, unless they are the only reviews available for a property, in which case they count equally.

We believe this change neither systematically helps nor harms scores, but merely gives greater weight to newer reviews. Both users and apartment managers requested this change to ensure that reviews posted 4+ years ago (and likely posted regarding conditions that have since changed at the property), not unduly influence the "% Recommended" scores of apartments.

Review Guidelines

- Allows survey companies to feed reviews through their "Verified Resident Program".

- When posting a review directly on this site, a user needs to register for an account.

- Requires a minimum 200-character review for a property.

- Asks a user to rate a property on the following factors:

    o Overall rating
    o Noise
    o Grounds
    o Safety
    o Neighborhood
    o Maintenance
    o Staff

- The number of bedrooms, bathrooms, and rent are mandatory fields for a user.

- Pet policy and laundry facilities are optional.

- Users have the option to upload pictures to accompany their reviews.

- This site has a strict policy prohibiting incentivized reviews, as shown in the screenshot below (the site shows a consumer alert on the ratings page for a property):

Image source: https://www.apartmentratings.com/
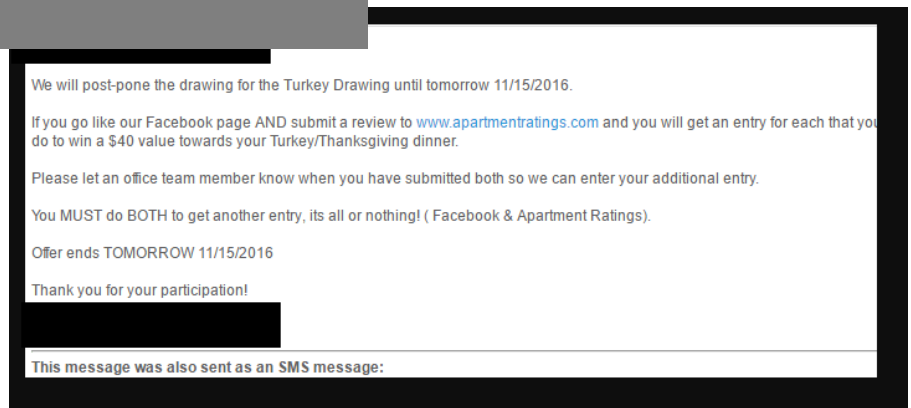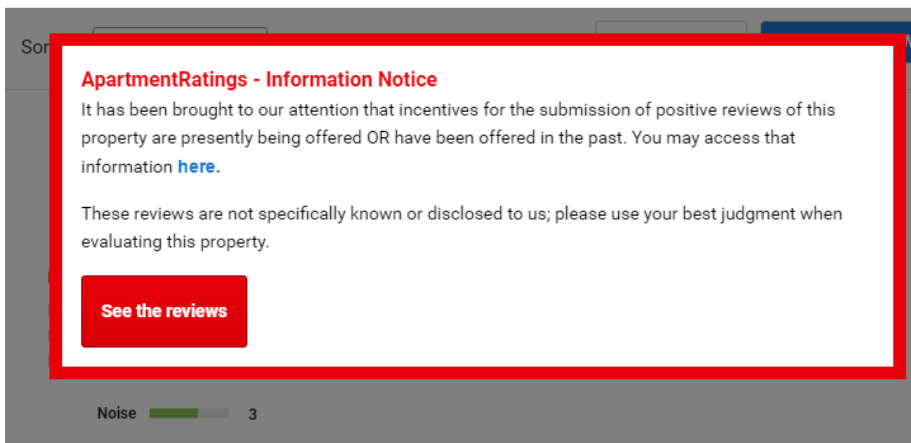
How Does ApartmentRatings.com Identify Incentives?

From the website: http://www.apartmentratings.com

Currently, all incentive programs are brought to our attention by our user community. The very individuals being offered incentives to leave reviews are the same ones informing us of the incentive. This further solidifies for us the importance of unfiltered, valid content.

Responding to Reviews

- A paid account is required to respond to reviews.

About Modern Message

From https://modernmsg.com/blog/gables-residential-partners-with-modern-message:

> Modern Message is the creator of "Community Rewards" - a resident advocacy program that helps identify property's resident advocates and encourages them to spread the word about their apartment community across their social networks. The program integrates multiple marketing and operational efforts into one solution that rewards consumer engagement with their apartment community. Modern Message was founded in 2012 and is based in Dallas, TX. For more information, visit http://www.modernmsg.com.

Our Analysis

Review Guidelines

- Residents can earn reward points for sharing any combination of tasks online about their community, including creating and posting content on social media; taking online surveys; renewing their lease; generating referrals; communication; and following properties' social media pages – all of which can be traded for various prizes.

- The company works with property management companies of all sizes across the United States in both multifamily and student housing.

- A disclaimer is included on the footer of all reviews sites: "Content created from resident brand advocates participating in a resident advocacy program."

Impact of Review Gamification

- Modern Message is the only major site to offer review gamification through its community rewards programs.

- Residents get points for reviewing the property, leading to a high volume of reviews per property. A resident can leave a review again after a certain time period controlled by the management company (the default is 90 days).

- This review gamification increases the volume of reviews substantially. Modern Message has reviews on 719 properties averaging 109 reviews per property, while the industry average is 72.32 per property.

- For properties with reviews on Modern Message, the average rating is higher as compared to average rating of the same properties on other sites. This is another impact of gamification: Since residents are given points for writing a review of a property, they appear to write more positive reviews.

- An apartment manager can control the reviews displayed on Modern Message's website for a property. However, the overall star rating of a property takes into account all reviews.

![rent.com logo]

About Rent.com

From https://www.rentpath.com/about-us/:

> Rent.com targets first-time renters, especially millennials, connecting them to all different types of rental properties.

Our Analysis

Review Guidelines

- Both ApartmentGuide.com and Rent.com belong to the RentPath network of sites. Most resident reviews appear on both platforms.

- The reviews are submitted through RentPath's Certified Resident Program via surveys.

- All reviews and responses are curated before being posted online.

- An open-ended review is not necessary to rate the property.

Responding to Reviews

A paid account is required to respond to reviews.

REVIEW SITES: NUTS AND BOLTS

ForRent.com®

About ForRent.com

From https://www.forrent.com/about-us:

As one of the nation's leading online home search destinations, ForRent.com® inspires renters to discover their next apartment, loft, townhouse, or condo. ForRent.com features rental listings in a user-friendly format, making finding your next home an easy exploration. Visitors to the ForRent.com blog will discover relevant information and can join the conversation surrounding home decorating style, apartment hunting tips and more. ForRent.com serves as the complete resource for renters in every part of their living experience.

Our Analysis

Review Guidelines

- ForRent.com displays filtered reviews from other sites (Facebook, Google, and Yelp).

- Because ForRent.com displays the most positive reviews from other sites, it has the most positive sentiment of reviews.

Responding to Reviews

Since it displays reviews from other sites, the responses need to be posted on those respective sites.

About Google Reviews

From: https://support.google.com/business/answer/3474122?hl=en:

> Reviews on Google provide valuable information about your business to both you and your customers. Business reviews appear next to your listing in Maps and Search, and can help your business stand out on Google.

Our Analysis

Review Guidelines

- Google reviews for a property show up on the right side of search results for that property. The barriers to entry to leave a review on Google are relatively low, compared to other sites:

    o The only requirement is a Google account. It could be a Gmail or a Google Business account.

    o A user needs to be logged into any of their Google accounts to leave a review.

    o There are no minimum character restrictions. A user can leave a star rating without writing an open-ended review.

- Overall star rating for a property is not updated in real time. It typically takes three to five days for the overall star rating to be updated.

- If a property gets a large number of reviews in a day, Google will delay showing the reviews.

- Google has recently dropped the Bayesian method to display the overall rating of a business with less than 10 reviews. It now shows the simple average if a business has less than 10 reviews.[9]

- In addition, Google has recently lowered the threshold for showing review stars in the search results from five to three total reviews—with this development, even if a business has just one bad review, it will affect its online reputation.[10]

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[9] https://www.getfivestars.com/blog/google-drops-review-star-threshold-2-stops-using-bayesian-average/

[10] https://www.getfivestars.com/blog/google-lowers-local-pack-review-star-threshold-3/

Responding to reviews

Google allows properties to respond to reviews. To respond, a property needs to create and verify its business listing on Google.

Impact

Our latest national research, The Internet Adventure Part II, indicates that **Google is the most impactful site** on a prospect's decision to rent at a property.

About Yelp

From https://www.yelp.com/about:

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10 Things You Should Know About Yelp

1. Yelp was founded in 2004 to help people find great local businesses like dentists, hair stylists, and mechanics.

2. Yelp had a monthly average of 26 million unique visitors who visited Yelp via the Yelp app and 73 million unique visitors who visited Yelp via mobile web in Q1 2017 (Source: "Users" as measured by Google Analytics)

3. Yelpers have written more than 127 million reviews by the end of Q1 2017

4. In addition to reviews, you can use Yelp to find events, lists and to talk with other Yelpers.

5. Every business owner (or manager) can setup a free account to post photos and message their customers.

6. Yelp makes money by **selling ads** to local businesses—you'll see these clearly labeled "Yelp Ads" around the site.

7. Paying advertisers can never change or re-order their reviews.

8. Yelp uses automated software to recommend the most helpful and reliable reviews for the Yelp community among the millions we get. The software looks at dozens of different signals, including various measures of quality, reliability, and activity on Yelp. The process has nothing to do with whether a business advertises on Yelp or not. Learn more here.

9. You can access Yelp via iPhone, Android, and more—see the full list of mobile apps here.

10. The Local Yelp brings locals updates on the latest and greatest business openings & other happenings.

Our Analysis

Review Guidelines

- A user needs to have a Yelp account to post a review for a property.

- When writing a review, users must answer an open-ended question and provide a star rating.

- The site uses a proprietary algorithm to determine each review's authenticity (see a video explaining the process: https://www.youtube.com/watch?v=PniMEnM89iY).

- The main factors mentioned in the video are Quality, Reliability, and User Activity.

- If the review does not meet Yelp's criterion, it might disappear the next day. The review could be positive or negative.

- Reviews that do not meet Yelp's guidelines for approval will appear in the site's "not recommended" section. This section is grayed out and listed at the bottom of the page.

Responding to Reviews

- Business managers are required to have a profile picture to respond to a review.

- Managers are prohibited from providing duplicate responses to multiple reviews.

Impact

Our latest national research, The Internet Adventure Part II, suggests that Yelp is the sixth most impactful site on a prospect's decision to rent at a property.

REVIEW SITES IN THE PROSPECTS' WORLD

RESULTS OF THE INTERNET ADVENTURE PART II STUDY

As the frontrunners in online reputation monitoring and management for the multifamily industry, J Turner Research has extensively researched the persuasive role of online ratings and reviews in a prospect's apartment shopping process. Since 2016, we have surveyed more than **39,000** residents and prospects in both conventional and student housing to closely examine the "Internet journey" they embark on to navigate their way to a property. Specifically, we have analyzed the influence of online ratings and reviews in guiding their apartment research and renting behavior.

In this white paper, we include the following findings:

- Renter interaction with reviews

- Review sites' usage in the rental lifecycle

- Effectiveness of various review sources

- Social media usage in searching for an apartment

- Site preferences

Demographic Profile

The Part II study drew participation from more than 25,200 residents across 670 properties, representing 10 companies nationwide.

The majority (61 percent) of the respondents were females, with 39 percent males. The average age was 36.96 years.

Participating Companies

We are grateful to the following companies for their participation in this study.

The complete study will be available for download from our website in the fourth quarter of 2017.

RENTER INTERACTION WITH REVIEWS

75%

Residents look at ratings and reviews multiple times in their apartment search.

5.54

Likelihood (10 → Very Likely) to rent in an apartment community that is strongly recommended by a friend but has negative online reviews.
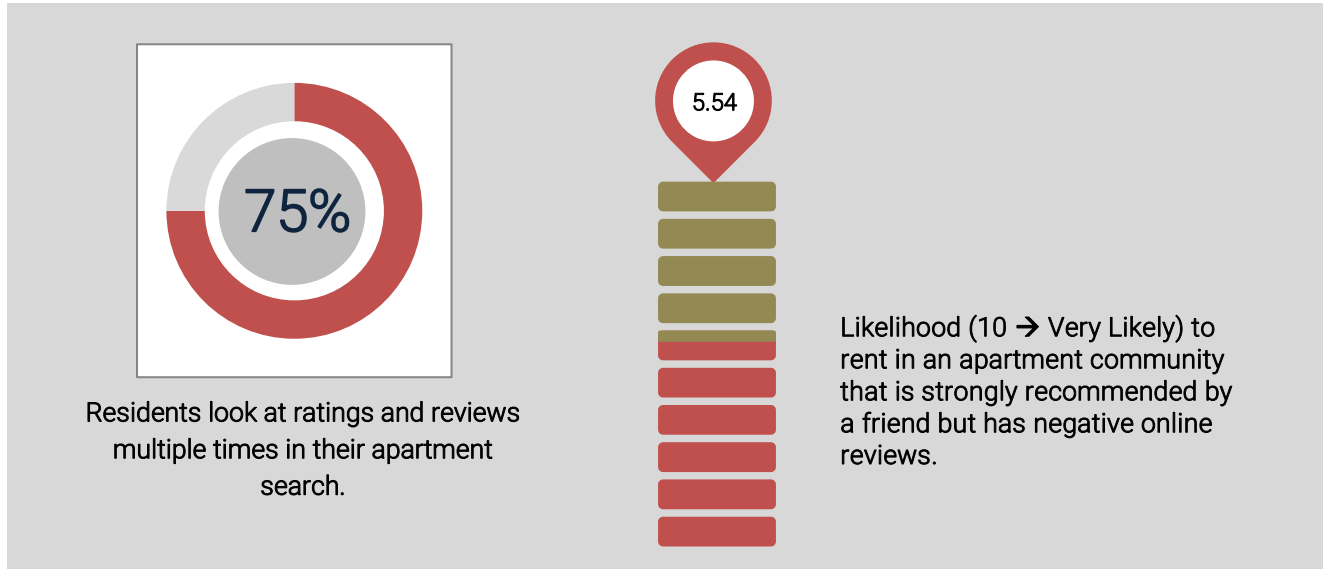
When it comes to finding an apartment, online reviews are becoming more important than personal recommendations. When asked to rate the likelihood of renting a property which has been personally recommended by friend, but has negative reviews – respondents rated it moderately at 5.54 (with 10 being "very likely").

Online ratings and reviews are increasingly taking a front-and-center position in the apartment search process, with 75 percent of residents looking at ratings and reviews multiple times in their apartment search.

REVIEW SITES USAGE IN THE RENTAL LIFECYCLE

At what point did you utilize online ratings and reviews to gather information about the apartment communities you were interested in?
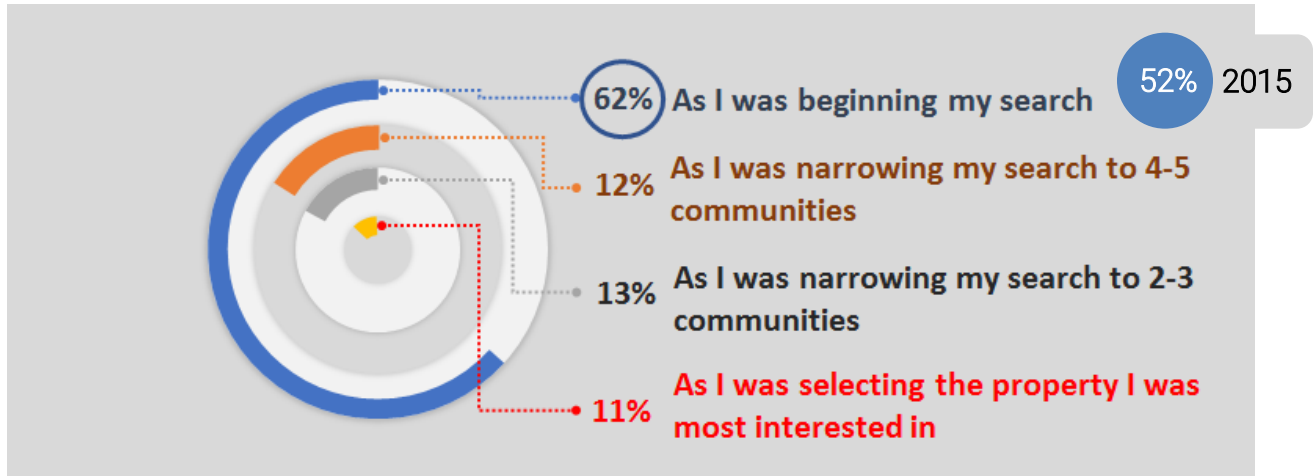
Our 2015 national study, Marketing to Different Generations[11] indicated that for 52 percent of respondents, other than location and price, online ratings and reviews are among the first determining factors in searching for an apartment.

This reliance on online ratings to initiate apartment research has increased by 10 percent in the past 2 years to 62 percent in 2017.

Prospects are increasingly relying on online ratings to filter communities of interest to visit rather than utilizing them at the tail end. Your "digital curb appeal" matters!

[11] 2015 J Turner Research study: Marketing to Different Generations: Emerging Online, Lifestyle and Language Trends

EFFECTIVENESS OF VARIOUS MEDIUMS
How influential are reviews on the following sources?

10 → Very Influential

0 → Not Influential at all
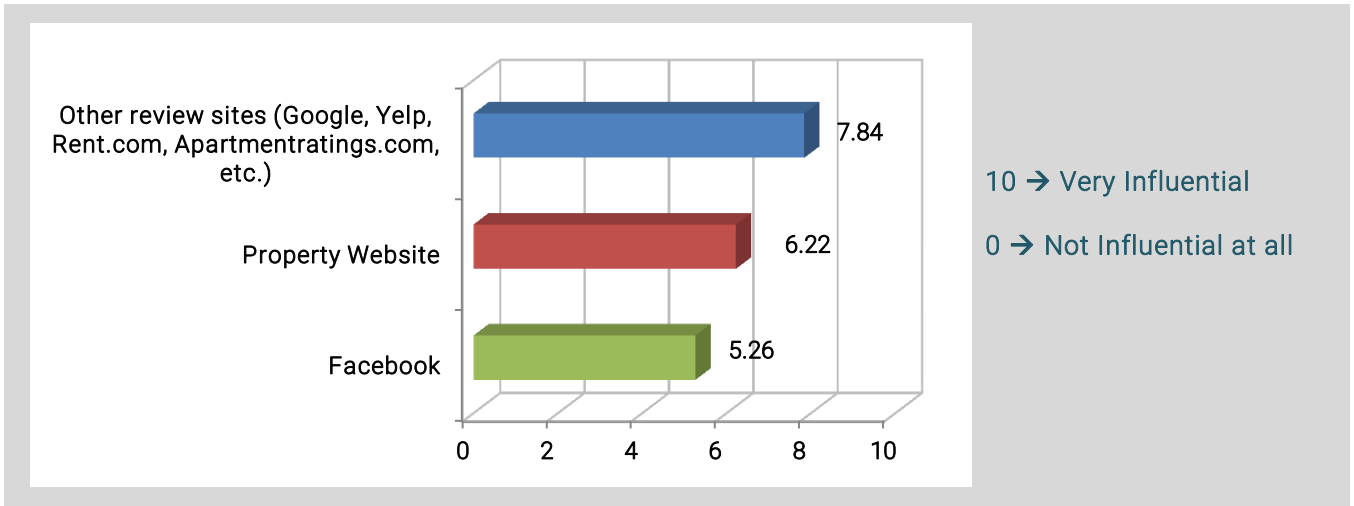
Respondents are more affected by reviews on independent review sites as opposed to reviews posted on property websites and Facebook.

Facebook received a moderate rating of 5.26 on a scale of 0-10 with (with 10 being "very influential"). This correlates with another finding in this study – only 11 percent of respondents reportedly use Facebook for their apartment search.

SITE PREFERENCE

Without doubt, a higher number of prospects are turning to ratings and review sites to aid them in their apartment search process. But which site has the most impact on their decision to rent at a property?

We asked the residents the following question: *Assuming you were considering this apartment as a possible place to rent, please rank the sites in order of impact (highest to lowest) each one will have on your decision to rent there. (The star ratings and the number of reviews that were displayed by each site were changed to be the same).*

In terms of impact of review sites on the prospects' decision to rent at a property, Google outshines all other ratings sites.

Apartments.com, a relatively new entrant to the ratings and reviews game, is the second most influential site, followed by ApartmentRatings.com at the third spot. Property website is a close fourth.

Site	Rank
Google	1
Apartments.com	2
ApartmentRatings.com	3
Property's website	4
Rent.com	5
Yelp	6
Facebook	7

SOCIAL MEDIA USAGE

There is an enhanced discourse in the industry regarding the ROI of social media in apartment marketing. We set out to learn what social media channels are most frequently used by residents.
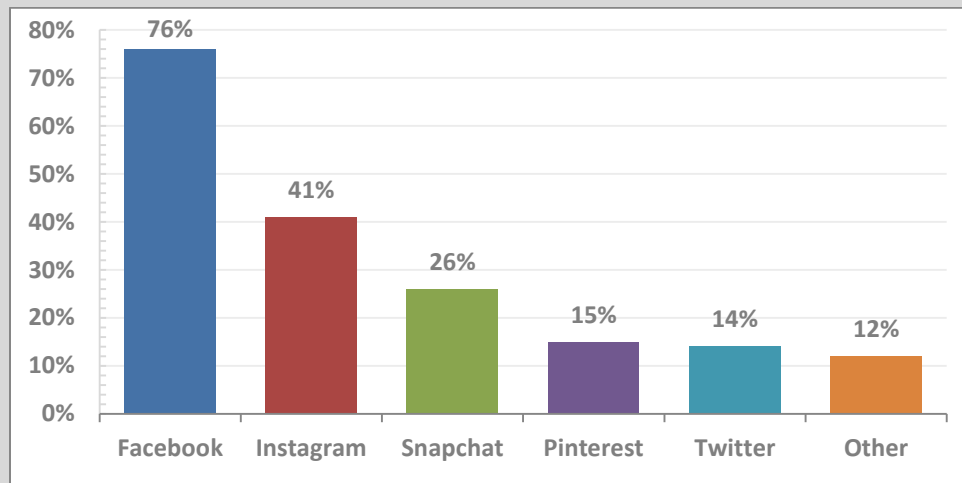
Social media sites used most frequently by residents

The social media usage in context of the multifamily industry mirrors how Americans use social media in general. Facebook is the most popular channel among respondents, with 76 percent reportedly using Facebook most frequently. According to Pew Research Social Media Update 2016[12] nearly 8 in 10 online Americans (79 percent) use Facebook.

The second most widely used channel is Instagram, which is used by 41 percent of respondents. This is in sync with the overall usage of this platform – According to Pew Research, Instagram ranked second with 32 percent of Americans using it.

Snapchat ranks third with 26 percent of residents indicating using it. With 100 million active users[13], this does not come as a surprise.

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[12] http://www.pewinternet.org/2016/11/11/social-media-update-2016/

[13] https://blog.hootsuite.com/snapchat-statistics-for-business/

Despite the widespread use of social media sites, this study indicates that social media is not a significant factor in the apartment search process.

As shown in the graph below, only 11 percent of respondents said they use Facebook to search for an apartment. The use of other social media channels in apartment research is significantly less.
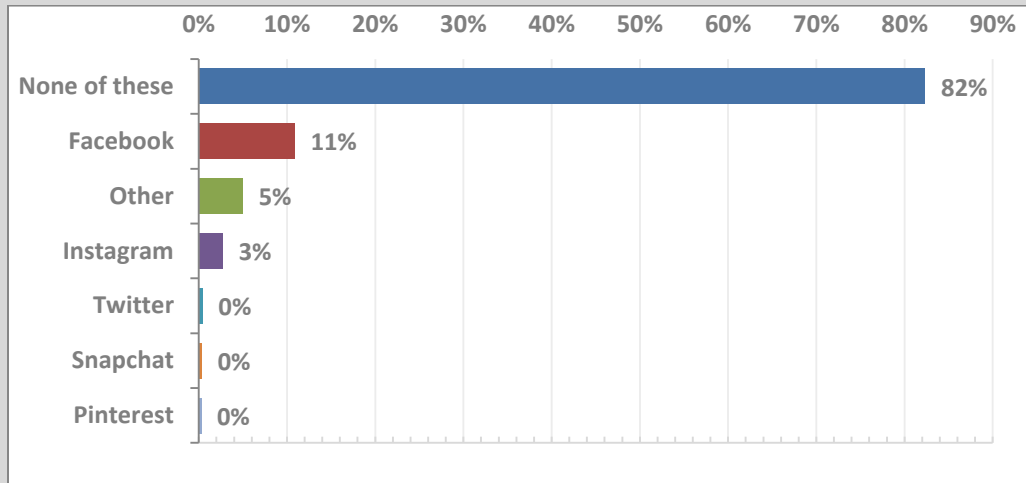
Social media sites used in the apartment search process by residents

QUANTIFYING ONLINE REPUTATION

THE IMPORTANCE OF ONLINE REPUTATION

In our 2016 Internet Adventure Part I study, 70 percent of prospects chose to visit a property with a better online reputation.

The effect of ratings and reviews on a prospect's decision to visit a property has increased by 13 percent since November 2016. In The Internet Adventure Part I study it was rated at 6.48, while in the recent Part II study it was rated at 7.33. The importance of online reputation is further reinforced in Part II of the study. Respondents gave a high rating of 8.10 out of 10 to the importance of the reputation of the management company in their decision to lease at a community. This indicates the importance of the brand of a management company.
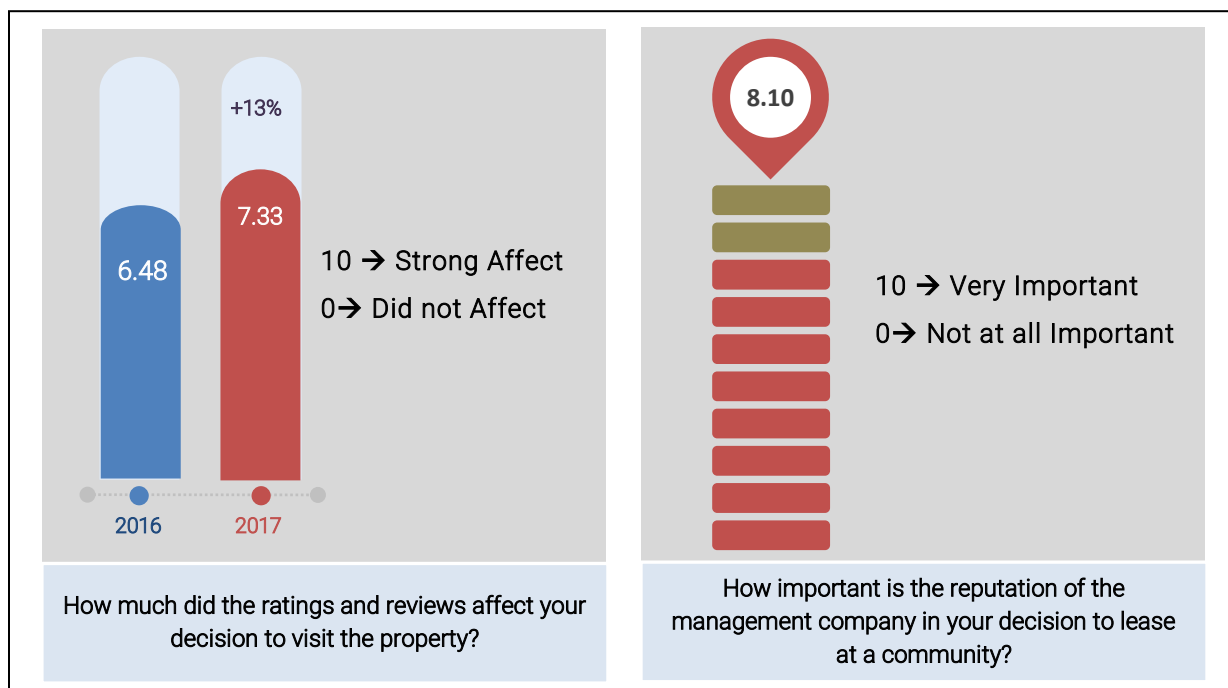
HOW TO MEASURE AND QUANTIFY ONLINE REPUTATION

The online reputation of a company is measured and quantified by its Online Reputation Assessment (ORA™) score.

J Turner Research has pioneered a statistical model to quantify online reputation. This model measures a property's online reputation using multiple review sites and establishes a single ORA™ score. This score is based on monthly online reputation monitoring of more than 64,000 properties nationwide, across various review sites. This accounts for approximately 78 percent[14] of the total apartment units in the country.

The ORA ™ score is an aggregate compilation of a property's ratings across various review sites. This score serves as the industry standard to compare and contrast a company's individual properties and portfolios nationally, regionally, and with competition[15].

For three years, in association with our media partner Multifamily Executive (MFE), J Turner Research has featured rankings of apartment properties and management companies based on their ORA™ scores.

Each month, MFE publishes ORA™ Power Rankings, which ranks properties and/or management companies based on their ORA™ scores. The different rankings published include:

- Annual top one percent properties by online reputation in the nation.
- Top 10 companies by online reputation of the NMHC top 50 managers.
- Top properties in each state and D.C.
- Top properties in major MSAs[16].

[14] According to research by NMHC and NAA there are 20.4 million apartment homes in the country. For more information, visit http://www.weareapartments.org/.

[15] To learn more about the ORA™ methodology, visit https://www.jturnerresearch.com/about/what-is-ora-score.

[16] To view all the rankings, visit https://www.jturnerresearch.com/ora-power-rankings.

THE EFFECT OF ORA™ ON LIKELIHOOD TO VISIT A PROPERTY

To determine the influence of online ratings and reviews of a property on a prospect's likelihood to visit it, in our 2016[17] study, we selected three sets of properties (each set compared two communities) with varying ORA™ scores. The score was not revealed to the respondents.

Each prospect was presented with screenshots of Google search results for each set of communities. Each set of screenshots compared search results for two communities. We asked prospects to rate how likely they were to visit each community, strictly based on reviews.

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[17] 2016 J Turner Research study: The Internet Adventure: The Influence of Online Ratings and Reviews on a Prospect's Decision Making

Strictly based on reviews, which community are you more likely to visit?

Strictly based on reviews, which community are you more likely to visit?

Strictly based on reviews, which community are you more likely to visit?

APARTMENT 5

APARTMENT 6

Apartment 6
9%

Neither
5%

Apartment 5
86%

Results for Question 1: Strictly based on reviews, which of the communities are you more likely to visit?

Community	Likelihood to Visit	ORA™ Score
SET 1		
Apartment 1	74 %	70
Apartment 2	19 %	60
SET 2		
Apartment 3	50%	80
Apartment 4	40%	70
SET 3		
Apartment 5	86%	90
Apartment 6	9%	80

Seventy percent of prospects chose to visit a property with a better online reputation. The online reputation of the selected property across multiple review sites is measured and quantified by its individual ORA™ score.

THE EFFECT OF ORA™ ON BUSINESS

GREYSTAR®

Greystar shared the impact of ORA™ score on traffic to their properties, lead conversion, and application conversion.

ORA™ Score and Traffic

- Top 25 properties need half as many leads as bottom 25 properties

- Properties with higher ORA™ scores produced 15 percent more leases

ORA™ Score and Lead Conversion

High ORA™ score properties convert at seven percent

Vs.

Lower ORA™ scores at three percent

ORA™ Score and Application Conversion

70 percent at high ORA™ scores

Vs.

50 percent at low ORA™ scores

"Basically what our data is showing us is that our top-ranked properties with the highest ORA^{TM} scores need half as much traffic to close leads as compared to our bottom-performing ORA^{TM} score properties. Properties with higher ORA^{TM} scores produce 15 percent more leases. High ORA^{TM} score properties convert to leases at seven percent vs. lower-score ORA^{TM} properties. Our normal conversion rate is about three percent. So in case of high ORA^{TM} score properties, it's more than double.

Last year, we had about 36,000 reviews; this year, we will have more than 50,000, so it's a big and important job that takes everybody and every team member to manage. Our data shows that the top 25 properties with the highest ORA^{TM} scores have to work half as hard to get just as many leases as the bottom 25. So at the end of the day, we are trying to get our team members to work efficiently—to work smarter and not harder."

Jackie Rhone, CPM, CAPS, Executive Director of Real Estate, AMO, Greystar Real Estate Partners

INDUSTRY OUTLOOK ON ONLINE REPUTATION MANAGEMENT

ANNUAL LEADERS SURVEY

In our annual Leaders Survey, we poll more than 200 senior executives in the industry to understand their attitudes regarding different aspects of multifamily operations. We focus on key issues affecting management decisions, such as rent growth, the economy, and availability of financing, among others. We have been conducting this survey for nine years.

Dealing with online ratings and reviews has been rated among the top three concerns by leaders since 2015 and the number one concern in 2017.

	What are the top three most challenging issues facing you today?					
	2012	2013	2014	2015	2016	2017
Dealing with Online Ratings and Reviews	1	2	5	3	2	1
Reducing Utility and Other Operational Costs	2	1	1	1	1	2
Raising Rents	3	3	3	2	5	3
Rehab and Capital Improvements	11	4	2	4	4	4
Timely Rental Payments	5	7	7	5	8	5
Low Occupancy	9	8	11	9	9	6
Finding Assets for Expansion	12	12	12	6	3	7
Other	7	6	6	7	6	8
Package Management	13	13	13	10	10	9
Technology	4	5	4	8	7	10
Finding Financing	6	10	9	11	11	11
Screening Process	8	9	8	12	12	12
Green Building	10	11	10	13	13	13
Immigrant Residents	14	14	14	14	14	14

KEY LEARNINGS AND BEST PRACTICES

Online Reputation is Your New Curb Appeal

We interviewed senior executives in the industry to understand their perspective on review sites and ILSs and to outline some best practices in online reputation management.

We are grateful to the following executives for their time and inputs:

Brian Ericson
Vice President, Marketing Insights, Cortland Partners

Kathy Hernandez, MBA, PMP
Director of Strategic Marketing, Camden Property Trust

Ian Mattingly, CPM
President, LumaCorp Inc.

Jackie Rhone, CPM, CAPS,
Executive Director of Real Estate, AMO, Greystar Real Estate Partners

Across the board, our experts agreed that a prospect's propensity to turn to online ratings and reviews originates from the overall buying behavior of consumers. Online reviews validate a service or product experience in various shopping categories. The same is true for apartment shopping.

As Brian Ericson, vice president, marketing insights, Cortland Partners, explains: *"Online reviews offer that validation of the service experience and the actual living experience residents can expect at an apartment. In fact, since renting an apartment is a significant financial decision for a renter as opposed to a 90-minute dinner, prospects turn to ratings and reviews with a heightened intensity. Hence, it is important to closely monitor and manage your digital real estate."*

Kathy Hernandez, MBA, PMP, director of strategic marketing, Camden Property Trust stressed that it is wrong to ignore online reputation. *"It's all about being where the customer is when they are shopping,"* she says. *"If online is how the customer is communicating with you, if that's where the customer chooses to give you their feedback or communicate their praise or their concerns, then you should be there, too."*

Jackie Rhone, CPM, CAPS, executive director of real estate, AMO, Greystar Real Estate Partners went a step further and explained the loss of business due to online reputation. *"If you haven't managed your online reputation, you are losing a potential customer that you didn't even know about,"* she says. *"It's hard enough to get people to walk through your door; it's even harder if you've lost them even before you've had an opportunity to lease to them."* Rhone says that Greystar considers online reputation to be their new *"online curb appeal."*

So, how do you begin crafting an online reputation management strategy? As Ian Mattingly, CPM, president, LumaCorp Inc., explains: *"We have to absolutely start any online reputation strategy by delivering excellent service that creates rating fans, if we are not doing that, it doesn't matter what else we do. We are not going to be effective in managing our online reputation."*

Below is a summary of some key learnings and best practices shared by these executives. To read the complete interviews, please visit https://www.jturnerresearch.com/ora-best-practices.

Importance of Online Reviews

- Online ratings and reviews offer operational intelligence regarding what is going well and what are the areas for improvement at a community.

- Star ratings and a good volume of positive recent reviews matter most to prospects.

- You can't ignore your online reputation. You have to be where your consumer is communicating and sharing feedback.

- Online reputation offers a competitive advantage to a small operator competing with companies with huge advertising budgets.

- There is an unquantifiable loss of traffic to your door, if you don't manage your online reputation.

- Online reputation is the new "curb appeal." The majority of your customers are looking online before they even come to visit one of your communities.

Online Review Management Best Practices

- Online reputation strategy should always begin with excellent customer service.

- Reporting forms the foundation of effective online reputation management. Based on your reporting, set goals and benchmarks for your team.

- Provide an abundance of resources and tools to your teams to help them meet their goals. Cater to the diversity of your team members in designing your resources.

- Property management has to actively and consistently seek reviews.

- Good service offers a good opportunity to ask for reviews. Get your maintenance teams involved in asking for reviews.

- For effective online reputation management, get your whole team involved and make each one accountable.

- Incentivize your property manager and community teams by making online reputation management part of their bonus. This helps to increase their engagement.

- Personal engagement with residents is the most effective method to request for online reviews.

- Nurture relationships with residents, as they leave reviews because of personal relationships with the community team.

- Contests, drawings or gifts don't necessarily work to solicit reviews. Companies should make a strict policy of no gifts to encourage residents to leave reviews. A sincere thank-you note works effectively.

Responding to Reviews

- Respond to all reviews – both positive and negative – within a certain time period. This demonstrates that your company cares, and it also increases engagement with other prospects reading those reviews.

- Management companies follow different strategies to respond to reviews, but the consensus is to respond to them quickly, effectively, and thoughtfully.

Facebook

- Facebook is primarily a resident engagement tool. It is inherently associated more with networking than shopping; hence, Facebook, and social media in general, is not the first choice of prospects to find their way to a property.

- With Facebook incorporating reviews, some companies have begun focusing on Facebook reviews.

- Consider assigning social media ambassadors to communities.

- Engaging residents through social media requires certain skill sets, and none of those skills are a primary focus while hiring a manager or a leasing consultant.

Perspective on ILSs

- ILSs are less credible because some of them have ulterior motives.

- ILSs are clearly not equitably representing the entire universe of the apartments; they are only representing apartments who are paying them.

- Closely monitor and understand the inner workings of each ILS your company plans to partner with.

Top Review Sites

- Top review sites companies focus on include Google, ApartmentRatings.com, Yelp, and Facebook.

- Google reviews receive the most "face time." When a prospect searches for an apartment or for directions to the apartment, the reviews are right up front, making it impossible to miss the star ratings.

- Google reviews offer a virtuous cycle of trust as people draw from everyday life experiences in using Google reviews to decide on other shopping categories.

  - People find Google reviews to be meaningful and useful from their other shopping experience; this credibility extends to apartment shopping, too.

CONCLUSION

J Turner Research's white paper—*The Mechanics of Online Review Sites and ILSs: The Untold Story*—presents the first-ever quantitative perspective on review sites and ILSs. It dives into how the significant sites function and the historical trends observed in analyzing these over the past five years.

This analysis originates from a prodigious, monthly online reputation monitoring of more than 64,000 properties nationwide across various review sites. This accounts for nearly 78 percent of the total apartment units in the country[18]. As of April 2017, there are 4,320,543 ratings for the 64,319 properties we monitor. Close to 89 percent of these properties (57,104) have at least one review. For the purpose of this paper, all analysis is based on these 57,104 properties.

Additionally, the paper documents compelling findings from our recent national study involving more than 25,200 residents that further reinforce the critical role your online reputation plays in leading a prospect to your doorstep. The industry can use the facts presented in this paper to strengthen their online reputation management strategies.

Below is a summary of the key facts included in this white paper.

Growth in the Number of Sites

Review sites and ILSs have grown leaps and bounds since 2013. With a few players in 2012, today the market is populated with 20+ sites relevant to multifamily properties. Most ILSs are now incorporating ratings and reviews in their listings.

Growth in the Volume of Reviews

Residents are increasingly taking to the internet to share their opinion. The volume of reviews has grown 19 percent in Q1 2017 from Q1 2016.

- Close to 89 percent of the 64,319 properties we monitor have at least one review.

Google is the Leader

The market share of the review sites is fairly dynamic; the top five sites are Google, ApartmentRatings.com, Facebook, Apartments.com, and Yelp.

- A key driver for Google reviews is the low barrier to entry for posting reviews. Google's confidence in the credibility of the reviewer is grounded in the reviewer having an account on this platform. In contrast, other sites such as Yelp and ApartmentRatings.com follow a relatively more stringent process of checking reviews to ensure their legitimacy.

Number of Reviews and Credibility

How many reviews should a property have to be most credible to residents? There is no definitive answer to this question.

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[18] According to the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA), there are 20.4 million apartment homes in the country. Learn more at: http://www.weareapartments.org/

In an open-ended question, residents indicated that 35.14 reviews would indicate credibility. However, when prompted with a visual with varying numbers of reviews, 61 percent of residents chose the option with 1,000+ reviews.

Methodology of Sites

The methodology followed by each site is unique, and at times overwhelming. It affects the volume of reviews, sentiment of reviews, and star ratings analysis.

Discrepancy Between Star Ratings and Reviews

Apartments.com has the highest market share of 95 percent based on properties with a star rating, but only 52 percent of properties have reviews containing resident feedback. The star rating assigned by Apartments.com is based on their proprietary CoStar Building Rating System[SM] .The star rating is independent of the resident review; it does not reflect the opinion of residents.

Impact of Review Gamification

Review gamification impacts the sentiment of a review, volume of reviews, and average ratings analysis of reviews. The resident earns points for writing reviews. This incentive produces a higher volume of reviews and probably a more positive sentiment.

Volume of Reviews

Review gamification and review data feeds affect the volume of reviews per property.

- Modern Message, the pioneer of review gamification, has a high volume of reviews for the properties it represents. Nearly 68 percent of properties on Modern Message have more than 50 reviews per property. On an average, a property has 109.3 reviews on Modern Message as compared to the national average of 72.32 reviews per property.

- Sites (ApartmentGuide.com, Rent.com, and ApartmentRatings.com) which allow survey companies to feed reviews for their clients have the second-highest number of reviews.

Sentiment of Reviews

The methodology used by a site to display ratings and reviews affects the overall sentiment of reviews on that site.

- ForRent.com displays only the most positive reviews from other sites such as Google, Facebook, and Yelp for its clients, hence it has the most positive sentiment of reviews.

- Modern Message has the second-highest positive sentiment followed by Apartments.com.

Ratings Comparison by Site

Review gamification and review data feeds affect the ratings analysis by site.

- For properties with reviews on Modern Message, the average rating is higher as compared to average rating of the same properties on other sites.

- Properties with reviews on Apartments.com have a higher sentiment as compared to the reviews of the same properties on the other sites.

- For ILSs that allow data feeds, the difference in the review sentiment is not as striking as other sites. Reviews originating from resident surveys are a true reflection of the customer service at the property.

- The review sentiment on ApartmentRatings.com is the most negative as it has historically been used by residents to express dissatisfaction. However, over time, the sentiment is improving on this site.

Historical Analysis of Volume and Sentiment of Reviews

Historical trends indicate that the volume of reviews per property has increased substantially over the years, across sites. However, the sentiment of reviews—with the exception of ApartmentRatings.com—has not changed significantly.

Key Findings of The Internet Adventure Part II Study

Dominance of Online Reviews

A huge majority (75 percent) of residents reported that they look at ratings and reviews multiple times in their apartment search. Reviews are increasingly taking a front-and-center position in the apartment shopping process.

Online Reviews vs. Personal Recommendations

Online reviews are becoming more important than personal recommendations. When asked to rate the likelihood of renting a property which has been personally recommended by friend, but has negative reviews – residents rated it moderately at 5.54 (with 10 being "very likely").

Use of Reviews to Initiate Research

The reliance on online ratings to initiate the apartment research has increased by 10 percent in the past two years, from 52 percent in 2016 to 62 percent in 2017.

Social Media and Facebook

Social media is not a significant factor in the apartment search process.

- Despite 76 percent of respondents using Facebook, only 11 percent reported using it to search for an apartment.

Most-Impactful Sites

- According to our research, the top three sites with regards to their impact on a prospect's decision to rent at a property are Google, Apartments.com, and ApartmentRatings.com.

- Residents are more affected by reviews on independent review sites than reviews posted on property websites and Facebook.

Importance of Online Reputation

- The effect of ratings and reviews on a prospect's decision to visit a property has increased by 13 percent since November 2016. In The Internet Adventure Part I study it was rated at 6.48, while in the recent Part II study it was rated at 7.33.

- Your online reputation plays an influential role in a prospect's decision to lease at your community. Residents rated the importance of a management company's reputation at a high of 8.10 in their decision to lease at a community.

- The online reputation of a community across multiple review sites is measured and quantified by its individual ORA™ score.

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In explaining the inner workings of various review sites, reference was made to the information available on their websites.