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The Mechanics of ONLINE REVIEW SITES AND INTERNET LISTING SERVICES

THE UNTOLD STORY

Third Edition

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J TURNER RESEARCH

Insight. Empowerment. Advantage.

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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 73,000 properties nationwide, across 20+ review sites and ILSs. Companies can not only monitor and benchmark their ORA™ scores, but they can also manage and respond to online reviews all from a 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

J Turner Research's study —*The Mechanics of Online Review Sites and ILSs: The Untold Story* — presents the first-ever quantitative perspective on the growth of online reviews, review sentiment, review sites and Internet Listing Services (ILSs) relevant to multifamily. The first edition of this study was released in June 2017, followed by the second edition in October 2017.

In this third edition, our objective is to feature significant developments in the multifamily online review universe over the past year.

Specifically, this study presents a deep dive into:

- Comparison of statistics and trends in the growth of review sites, review volume,review sources, and review sentiment – Q1 2018 to Q1 2017.
- The performance of review sites and ILSs.
- The science behind review sites and ILSs - what's new?
- Actions by some review sites to prohibit businesses from "review gating" and solicitation.
- The impact of review gamification, survey data feeds, and the methodology of review sites on review volume and sentiment.
- Insights from our recent national study – *Evolving Review and Response Preferences* involving more than 39,000 residents.

Our analysis originates from a prodigious, monthly online reputation monitoring of more than 73,000 properties nationwide across 20+ review sites and ILSs. This accounts for an estimated 90%[1] of the total apartment units in the country. This process has provided J Turner Research with an unparalleled body of knowledge on the subject.

As of March 2018, there are 5,744,707 ratings for the 73,247 properties we monitor. Close to 90% of these properties (66,173) have at least one review. For the purpose of this study, all analysis is based on these 66,173 properties.

The review volume in Q1 2018 has grown by a massive 78% as compared to Q1 2017 with Modern Message and ApartmentGuide.com making considerable strides in contributing to this review volume. Overall, the review site market continues to be fragmented and lacks standardization, presenting a looming challenge to apartment communities and management companies. Each site uses unique

1- 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/

methods and strategies to obtain and display ratings and reviews which impact the review volume and sentiment on that site. As residents become more review savvy and discerning of the intent behind the content, Google has updated its content guidelines to prohibit businesses from "review gating" – soliciting only positive reviews and offering incentives in exchange for a review. Yelp has become more vigilant of review solicitation in any form.

The *Evolving Review and Response Preferences* study focuses on how residents have evolved in their interaction with reviews, review platforms, and the influence of manager responses on their perception of an apartment community. In this study, residents rated the online reputation of the management company that manages their apartment home at a high of 7.85 on a 10 point scale. There emerged a statistically strong correlation between online reputation and residents who responded in the affirmative to being satisfied with their living experience in the community. This indicates that in most cases properties with higher resident satisfaction have a better online reputation.

Industry leaders time and again have expressed how a company's online reputation reflects the service and living experience residents can expect at the property, especially as residents become increasingly review savvy.

"The reputation we have online is a direct reflection of our core values and our associates' focus on delivering great service to residents at our communities every day. Anyone can say they deliver great service, but the customer is the ultimate judge of that and online reputation is independent verification that you do what you say." - Kurt Conway, Senior Vice President Brand Strategy and Marketing, AvalonBay Communities, Inc.

"Our marketing is meant to serve our audiences' needs, and we often use our online reputation to give future residents an authentic look into what living at our communities is really like." - Stephanie L. Williams, President, Bozzuto Management Company

"The online reputation of our communities tells a story to prospective residents and their parents, and our goal from the site level all the way to our HQ teams should be to tell a very compelling story. - Tiffaney Alsup, Group Marketing Manager, Cardinal Group Management

Excerpts from this study were presented at the 2018 AIM Conference in a session titled, *Where Customer Engagement and Loyalty Intersect in Multifamily*.

KEY FINDINGS

Online reputation continues to influence resident and prospect behavior

- Two key findings in our 2018 national study[2] involving more than 39,000 residents are:
  - Respondents rated the importance of the online reputation of the management company managing their apartment community at a high of 7.85 on a 10 point scale.
  - Although residents consider multiple factors while deciding to ultimately rent at a property, online reviews account for a significant 52% of the total influence. In a separate study involving more than 19,000 students, the influence of online reviews was rated at 47%.

Strong correlation between online reputation and resident satisfaction

- At a statistically strong 0.69[3], there is a positive correlation between online reputation and residents who responded in the affirmative to being satisfied with their living experience at the apartment community. This indicates that in most cases properties with higher resident satisfaction have a better online reputation.

Review volume is on the rise

- Residents are increasingly taking to the internet to share their opinion about an apartment community. In Q1 2018, the total volume of reviews has grown by 78% as compared to Q1 2017.
- The average reviews per property have grown 20% since Q1 2017. Today there are 86.81 average reviews per property.
- In comparing review sources between Q1 2017 and Q1 2018, Modern Message and ApartmentGuide.com have increased their contribution to the total pie, while ApartmentRatings.com and Rent.com have witnessed a decline.
  - Modern Message has doubled its contribution from 6 to 12%, while ApartmentGuide.com grew 9 percentage points, from 13 to 22%.
  - ApartmentRatings.com dropped its quarterly contribution from 25 to 13%, and Rent.com added less than half the number of reviews from 14 to 7% respectively.

2- 2018 Evolving Review and Response Preferences
3- A 1.0 is a statistically absolute correlation

Review volume is on the rise, but not review sentiment

- Historical trends indicate that the volume of reviews per property has increased substantially since 2013, across sites. However, the sentiment[4] of reviews—with the exception of ApartmentRatings.com—has not changed significantly.
- The review sentiment on ApartmentRatings.com is among the most negative as it has traditionally been used by residents to express dissatisfaction. However, over time, the sentiment on this site is improving. In 2013, it had an average star rating of 1.98 which has improved by 51% to 2.99 in Q1 2018.

Market share of review sites – Google and ApartmentRatings.com continue to be on the top

For the purpose of this paper, we have defined the market share of review sites based on two parameters – the number of properties with a review and the total number of reviews.

- Based on the total number of reviews, the top five sites in Q1 2018 are: ApartmentRatings.com (36%), Google (20%), ApartmentGuide.com (11%), Rent.com (10%), and Facebook (9%). This ranking is consistent with October 2017.
- Based on the number of properties with a review on these sites, the top five sites are: Google (90%), ApartmentRatings.com (71%), Facebook (57%), Apartments.com (51%) and Yelp (51%) (both tied for the fourth spot), and ApartmentGuide.com (17%).

Google and Yelp prohibit "review gating" and review solicitation

- Google has updated its content guidelines to prohibit businesses from "review gating" – soliciting only positive reviews and offering incentives in exchange for a review.
- Yelp discourages review solicitation in any form. They prefer users to feel compelled enough to leave a review based on their experience with the business. The reviews identified as a result of solicitation are marked as not recommended.

Review gamification has a high impact on the volume and sentiment of reviews

- Review gamification impacts the sentiment of a review, volume of reviews, and average ratings analysis of reviews. The resident earns points for writing reviews among other activities such as responding to surveys and renewing their lease. This incentive produces a higher volume of reviews and a more positive sentiment.
- Modern Message, the pioneer of review gamification, continues to have the highest volume of reviews per property. Its reviews have grown 54% per property since Q1 2017.

4- The star ratings reflect the sentiment of a review

- At an average rating of 4.23, Modern Message has the second-highest positive sentiment. For properties with reviews on Modern Message, the average rating is 15% higher as compared to the average rating of the same properties on other sites.

Survey data feeds boost review volume and most accurately reflect customer service at the property

- ILSs (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.
- However, for these ILSs that accept survey data feeds, the difference in review sentiment (the average rating of properties on these sites as compared to the average rating of the same properties on other sites) is not as significant as sites that do not accept survey data feeds such as ForRent.com and Modern Message.

This leads us to believe that opinions expressed by residents in surveys are the most accurate reflection of customer service at the property.

The review site methodology positively influences sentiment

- The methodology used by a site to display ratings and to obtain reviews affect the overall sentiment of reviews on that site.
- ForRent.com reviews are the most positively skewed as it displays positive reviews from other sites such as Google, Facebook, and Yelp for its clients. For properties with reviews on ForRent.com, the difference in the average rating as compared to the average rating of the same properties on other sites is the highest at 33%.
- Apartments.com assigns a star rating to a property based on its proprietary CoStar Building Rating System℠. 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.

Manager responses yield considerable influence on resident perceptions

- Manager responses are emerging as a compelling factor in the apartment shopping process.
- More than two-thirds of conventional residents and students[5] pay attention to manager responses while researching apartments online.
- Manager responses significantly improve residents' perception of the apartment community; conventional residents rate this influence at a high of 8.12 on a 10 point scale.

5- 2018 The Evolution of Online Reputation: Do Reviews and Responses Matter?

- Conventional residents and students reject cookie-cutter responses. Their top three expectations from a manager's response are identical: commitment to resolve the issue, authentic/customized response, and the right attitude.

Facebook is gaining popularity among prospects, reviews and pictures matter the most

- Our research indicates that Facebook has increased in popularity as a search medium among conventional residents and students. The use of this platform has jumped 19 percentage points among conventional residents and 17 percentage points among students since 2017.
- More students (38%) than conventional residents (30%) reported visiting the Facebook page of a property before leasing.
- When residents visit your Facebook page, both conventional and student, they focus largely on online reviews and pictures of your community. However, the percentage seeking reviews and pictures is higher among students.

Posting Reviews – A proactive approach works

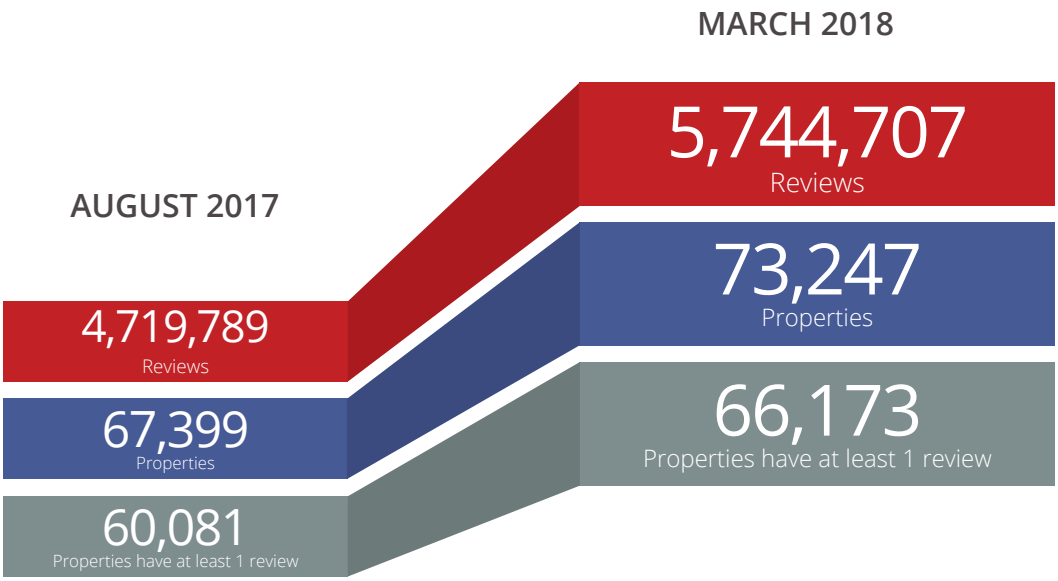
- It pays to proactively reach out to residents for reviews. Residents are more likely to post a review, if asked. Overall, 26% indicated leaving a review, but almost half of the participants indicated reviewing a property when they were asked to post a review.
- More students than conventional residents have been asked to post a review online. Thirty-two percent of students have been asked, while only 27% of residents have been asked to post a review online.
- By incentivizing residents, an apartment community will get more reviews as more respondents indicate a willingness to post a review, if asked. But the trust level of reviews that appear to be incentivized is low. The overall trust for incentivized reviews is only 4.95.

THE DATABASE

For the past six years, J Turner Research has extensively monitored the online reputation of more than 73,000 properties each month (approximately 90%[6] 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 March 2018, there are 5,744,707 ratings for the 73,247 properties we monitor. Close to 90% of these properties (66,173) have at least one review. For the purpose of this paper, all analysis is based on these 66,173 properties.

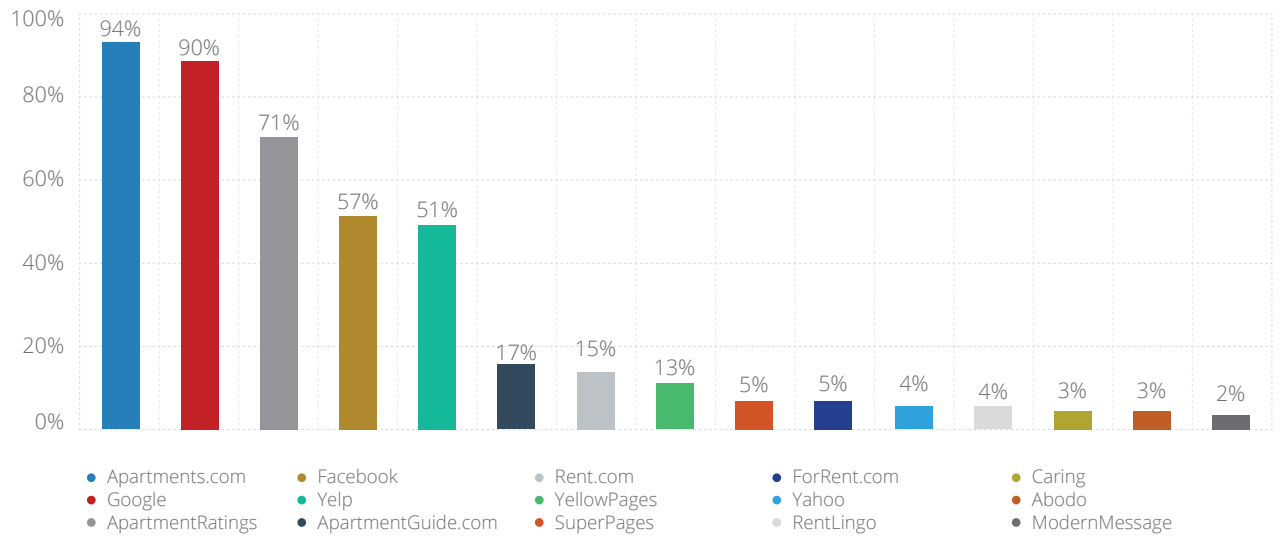
DATABASE BY THE NUMBERS



6- 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 SITE MARKET

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



Market share of various sites based on the number of properties with a star rating

Sites with less than one percent market share (in alphabetical order)

- Buzzbuzzhome
- FourSquare
- Hotpads
- Kudzu
- Local
- Promove
- RentersVoice
- VeryApt

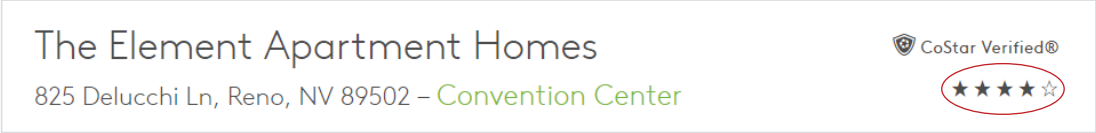
CoStar is the parent company of Apartment Finder, Apartment Home Living, and Apartments.com. The first two sites display the same star ratings as Apartments.com but without any reviews. The star ratings do not appear on Internet search results for most properties on ApartmentFinder and Apartment Home Living.

At 94%, 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℠, which is defined on their website[7] as follows:

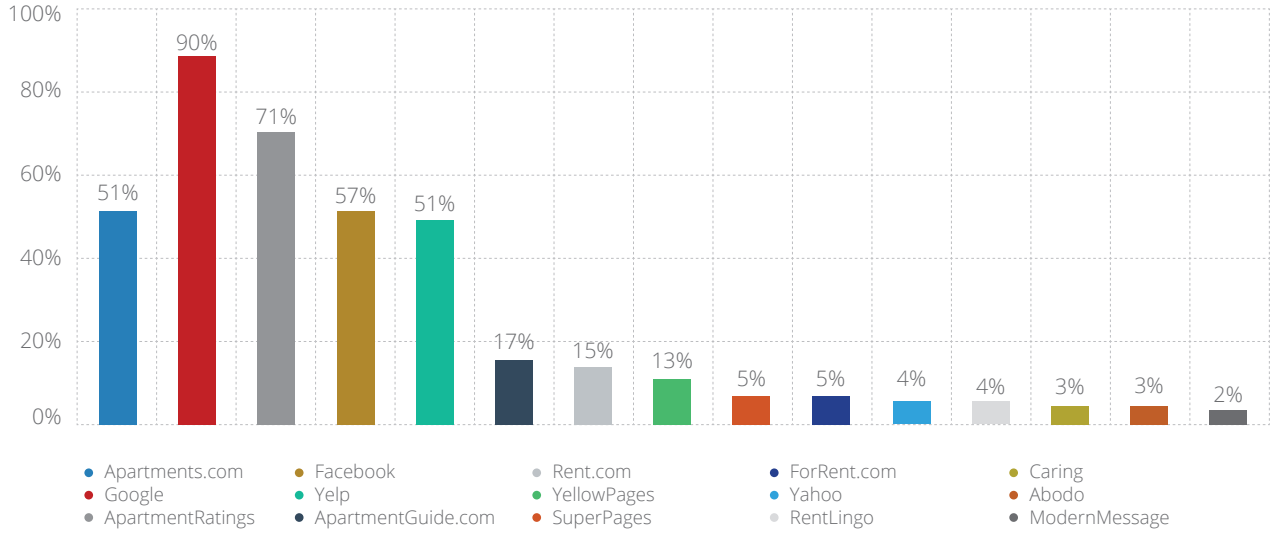
> The CoStar Building Rating System℠ provides a national rating for commercial buildings. Properties are evaluated and rated using a universally recognized 5 Star scale based on the characteristics of each property type, including: architectural attributes, structural and systems specifications, amenities, 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.



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.

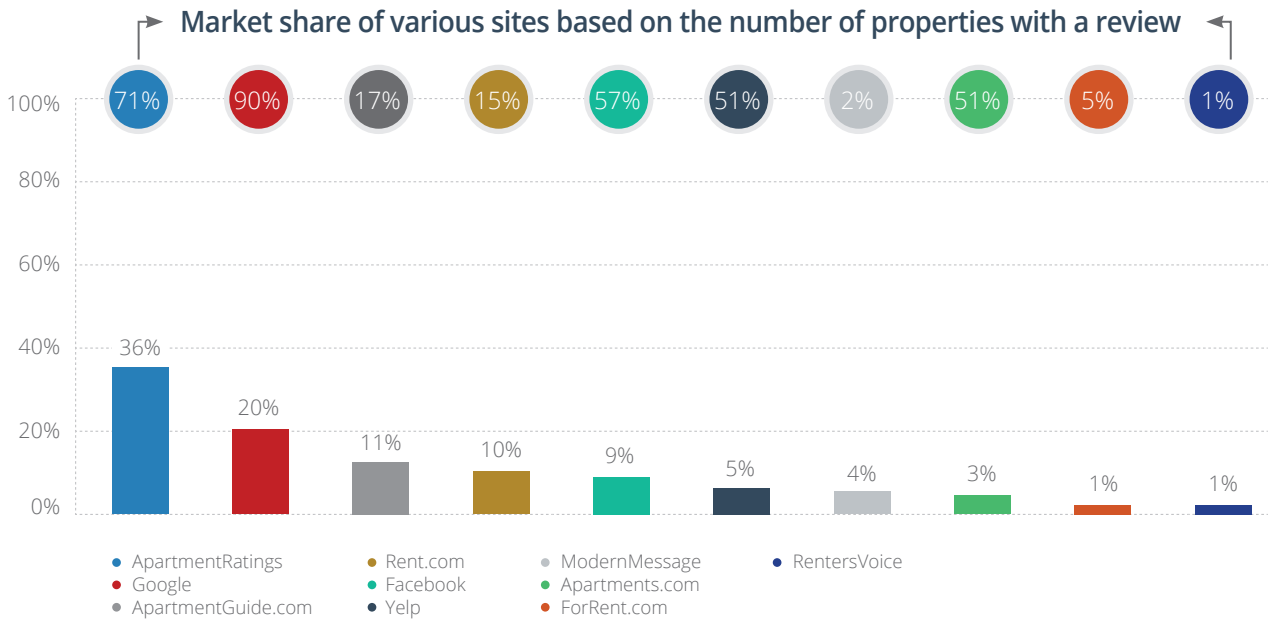
Although 94% of the properties listed on Apartments.com have a star rating, only 51% percent of the properties have resident reviews.



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

7- http://www.buildingratingsystem.com/

MARKET SHARE OF REVIEW SITES



N=5,744,707 **Market share of various sites based on the total number of reviews**

In this paper, we have defined the market share of review sites and ILSs based on two parameters– the number of properties with a review and the total volume of reviews.

Based on the number of properties with a review on these sites, the top five sites are: Google (90%), ApartmentRatings.com (71%), Facebook (57%), Apartments.com (51%) and Yelp (51%) (both tied for the fourth spot), and ApartmentGuide.com (17%).

Based on the total number of reviews, the top five sites in Q1 2018 are: ApartmentRatings.com (36%), Google (20%), ApartmentGuide.com (11%), Rent.com (10%), and Facebook (9%).

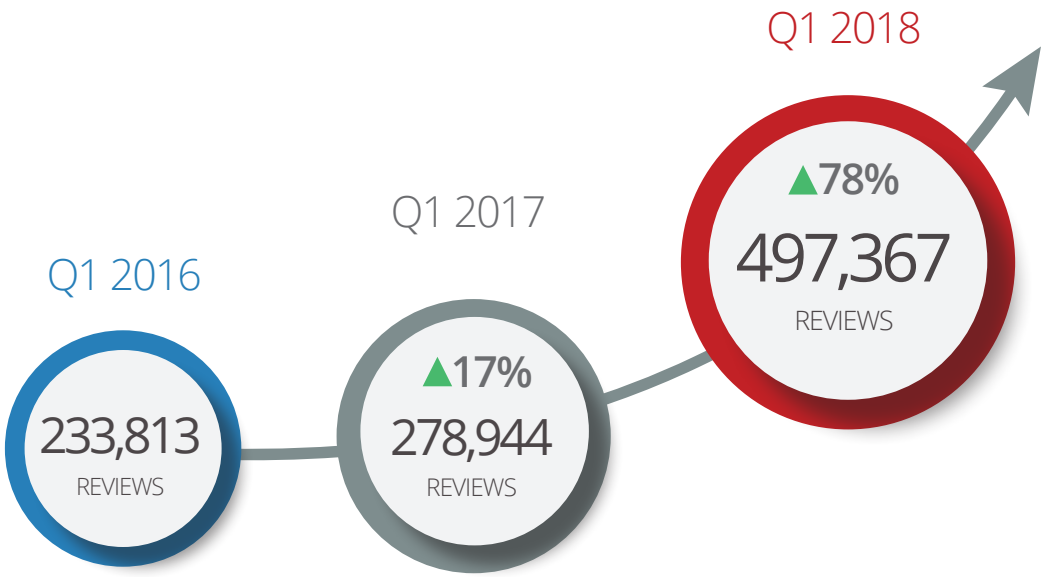
ApartmentRatings.com is by far the leader in the total volume of reviews out of all significant sites. This is largely because it was established in 2000, making it the oldest site in the market with reviews. ApartmentRatings.com has more reviews than the top three sites Google, ApartmentGuide.com, and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

Google has the second highest volume of reviews. The competition for reviews among Rent.com, ApartmentGuide. com, and Facebook appears to be more intense. Though Apartments.com has reviews on 51% of the properties, in terms of the total volume of reviews, it is on the lower end of the spectrum with only a 3% market share.

HISTORICAL REVIEW GROWTH TRENDS

According to BrightLocal's 2017 Local Consumer Review Survey[8], 68% of consumers left a review after being asked by a local business to leave a review. More businesses are asking their customers for reviews – 74% of consumers have been asked. In contrast in multifamily, only 27% of residents indicated that they have been asked to post a review. However, almost half of the residents reported reviewing a property when asked to post a review.

The surge in the volume of reviews as compared to Q1 2017 reflects the industry's dedicated efforts to solicit reviews from residents and the increase in residents' willingness to post reviews online. As compared to 2012[9], in 2018, the number of respondents who have posted reviews online has grown by 37%.



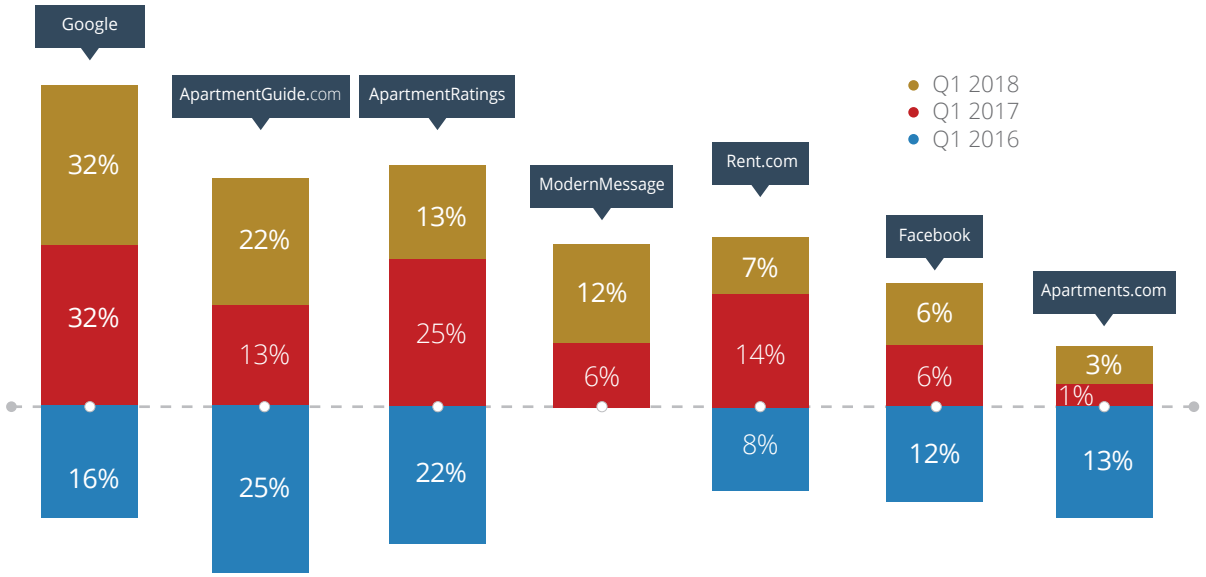
In our discussions with industry experts, they concur that the volume of reviews can dramatically improve if management companies enthusiastically engage with residents to request online reviews.

8- 2017 BrightLocal's Local Consumer Review Survey

9- 2012 What Do Residents Want? Trends in Resident Technology & Communication Preferences

SOURCE OF REVIEWS – Q1 2018

A total of 497,367 reviews were added in Q1 2018 which is 78% more than the reviews added in Q1 2017 (278,944). At 32%, Google continues to contribute much of the reviews to the big funnel. At number two is ApartmentGuide.com (22%) with a significant increase in its review contribution followed by ApartmentRatings.com (13%) with a decrease in its review contribution as compared to Q1 2017. Modern Message has doubled its review contribution to take the fourth spot at 12%, while Rent.com has dropped its volume by half to 7%.



A key driver for Google reviews is the low barrier to entry for posting reviews on this platform. It 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. However, Google has recently updated its content guidelines to prohibit businesses from "review gating" – soliciting only positive reviews and offering incentives in exchange for a review.

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

AVERAGE REVIEWS PER PROPERTY

Q1 2018

A property has reviews on

4.34
SITES

▲**86.81**
Average reviews per property

69.62
Average reviews per property

* When excluding properties with over 500 reviews (1.381 properties)

Q1 2017

A property has reviews on

3.98
SITES

72.31
Average reviews per property

59.45
Average reviews per property

* When excluding properties with over 500 reviews (988 properties)

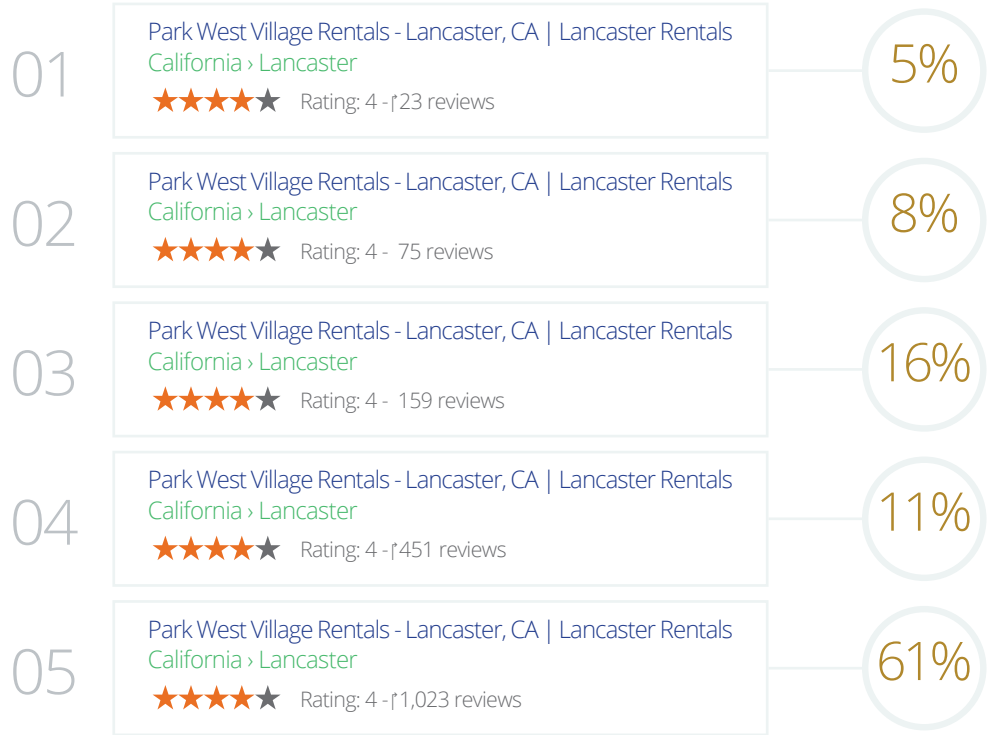
The average reviews per property have grown by 20% since Q1 2017.

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 study, The Internet Adventure Part II. The results suggest an average of 35.14 reviews per property. In comparison to multifamily, Consumers in other businesses read an average of seven reviews before trusting a business, according to the 2017 BrightLocal's Local Consumer Review Survey.

Industry experts opine 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 businesses.

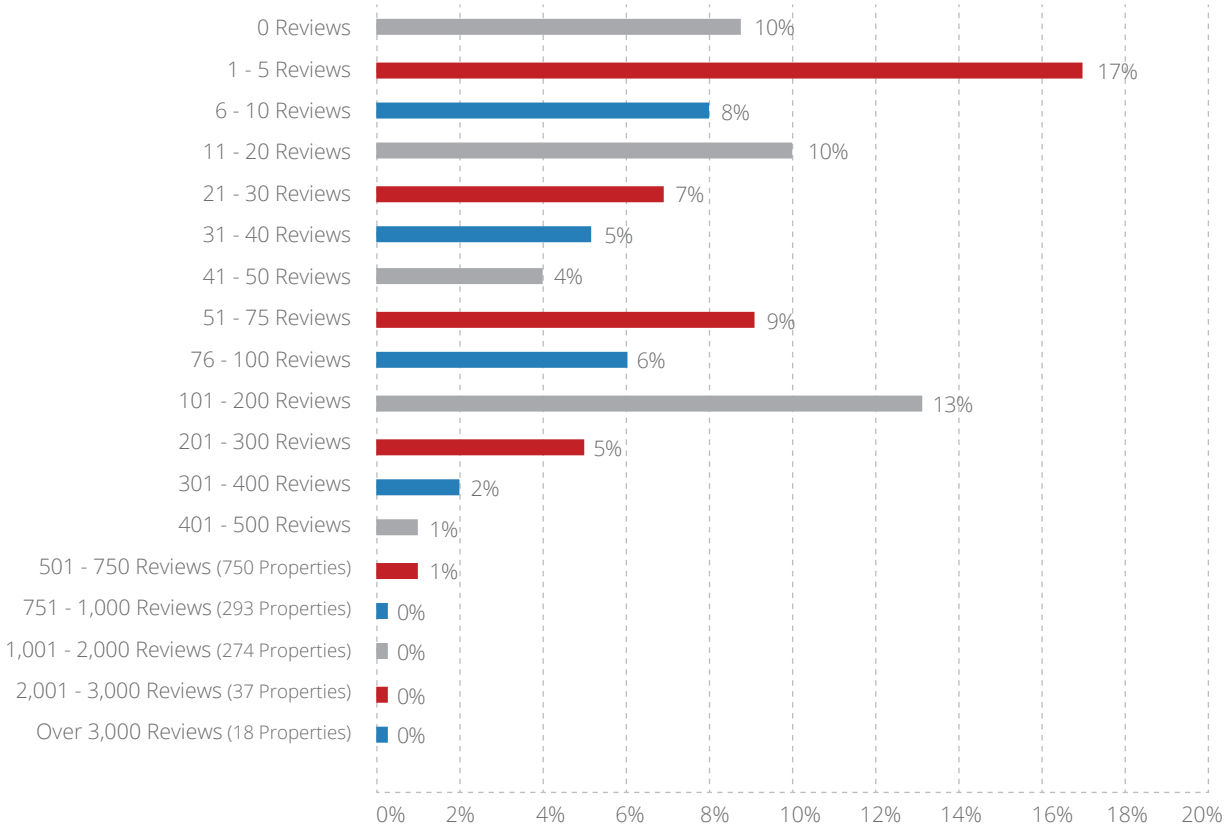
When we surveyed respondents using the visual below to test the credibility of an apartment community with reviews, the results were quite different. The visual was created to keep all factors the same with the exception of the number of reviews. They were asked to pick an option of the number of reviews most credible to them for a property with 300 units. In a major contradiction, when prompted with a visual, more than 61% 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)?



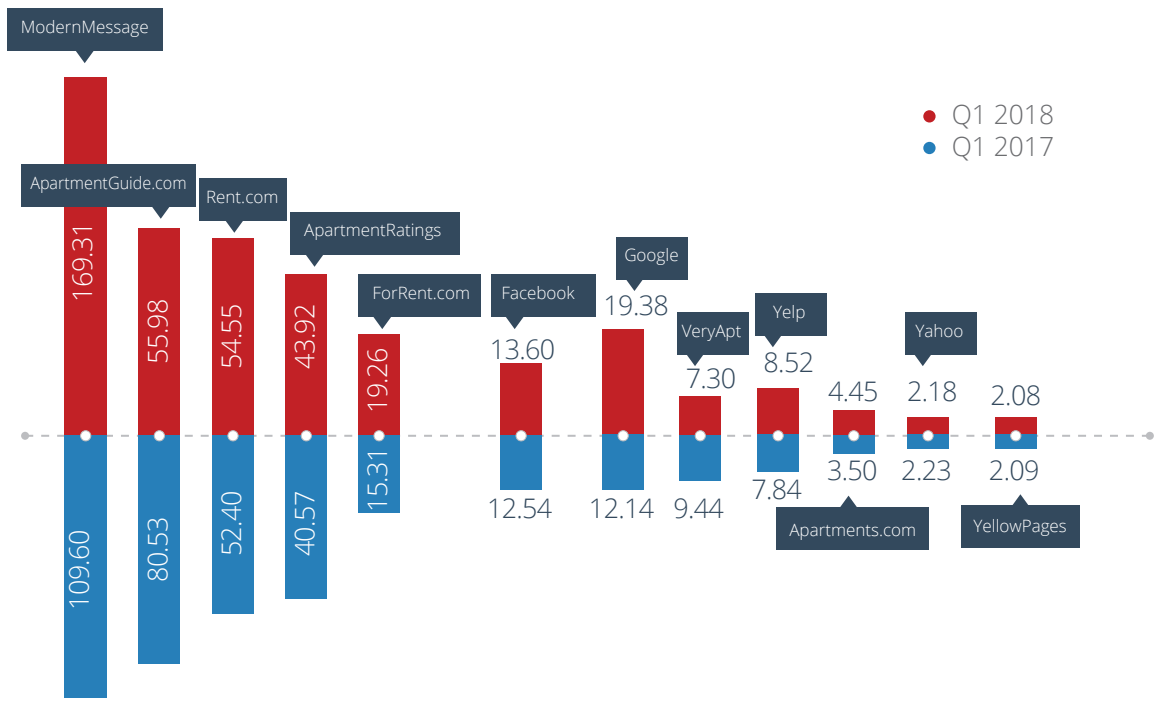
As evident from the huge variation in the two choices by respondents, there is no conclusive evidence regarding the number of reviews a property should have for it to be credible to residents.

RANGE OF REVIEWS FOR PROPERTIES



The above graph is an indication of the range of reviews per property. Close to half, 45% of properties have 20 or less reviews, 15% have 51 to 100 reviews, and about 23% have more than 100 reviews.

AVERAGE REVIEWS PER PROPERTY BY SITE

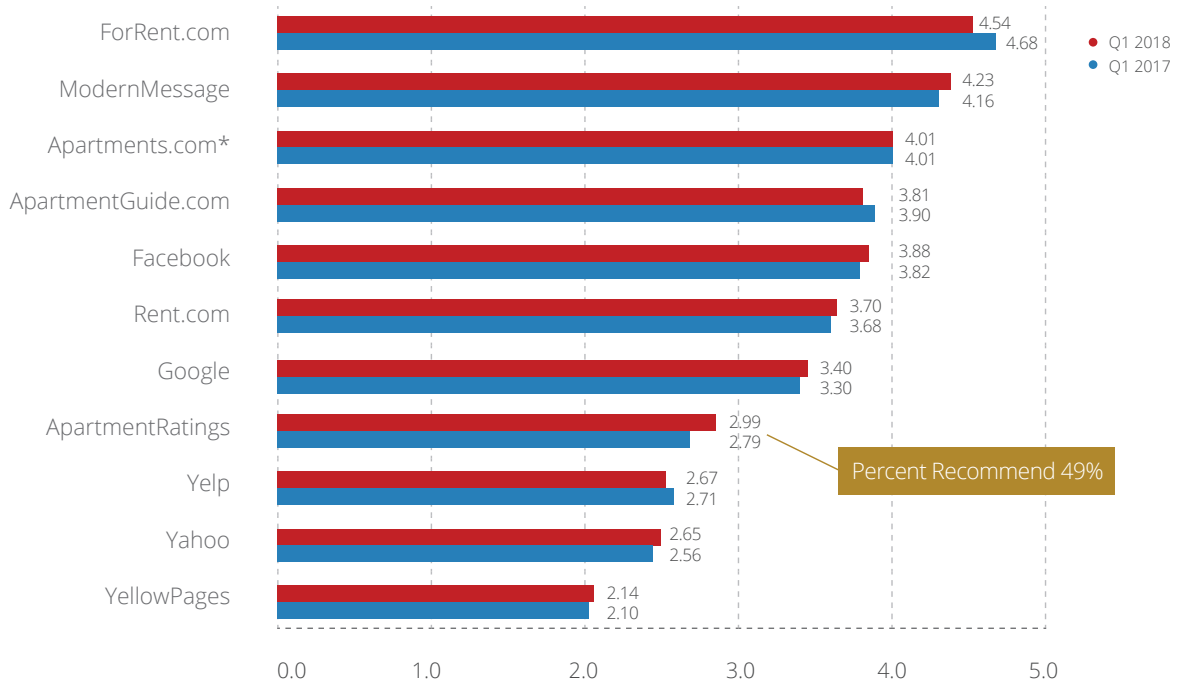


The data suggests that review gamification and review data feeds affect the volume of reviews per property. Modern Message, the pioneer of review gamification, has a very high volume of reviews for the properties it represents. As part of its community rewards program, the company rewards residents with 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 81% of properties on Modern Message have more than 50 reviews per property. On an average, a property has 169.31 reviews on Modern Message in Q1 2018 as compared to 109.60 in Q1 2017. This is slightly less than double the number of reviews compared to the national average of 86.81 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 feeds from surveys—resulting in a higher volume of reviews.

As compared to other sites, ForRent.com has a higher average of reviews per property because it displays filtered reviews from other sites such as Google, Yelp, and Facebook for its clients. Its volume of reviews per property has grown since Q1 2017.

SENTIMENT BY SITE



The star rating reflects the sentiment of a review. This graph analyzes the average sentiment on the major sites. On almost all sites, with the exception of ForRent.com, Yelp, and Apartments.com, the sentiment has improved as compared to Q1 2017. On Apartments.com*, the sentiment has maintained status quo, while on Yelp and ForRent.com it has declined marginally.

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

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

**As noted earlier, Apartments.com uses The CoStar Building Rating System℠ 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.*

RATINGS ANALYSIS

Site	Avg. Rating	Avg. Rating of these properties on other sites	Difference
ForRent.com	4.54	3.41	33%
Apartments.com	4.01	3.28	22%
ModernMessage	4.23	3.68	15%
Facebook	3.88	3.42	13%
ApartmentGuide.com	3.81	3.50	9%
Rent.com	3.70	3.52	5%
Google	3.40	3.44	-1%
ApartmentRatings	2.99	3.48	-14%
Yelp	2.67	3.61	-26%

The average rating of a property on ForRent is 33% higher than its rating on all other sites combined. This is because of the filter ForRent uses to display selected reviews of a property.

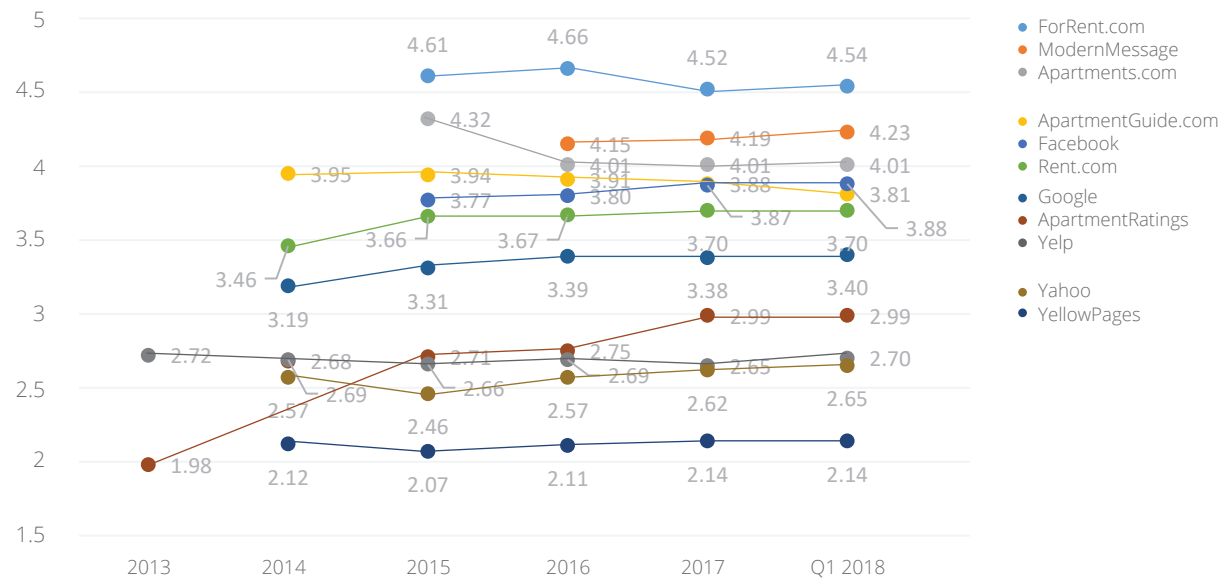
As stated earlier, Apartments.com rates properties based on its own criterion (The CoStar Building Rating System℠) independent of the resident review. The star rating does not reflect the sentiment expressed by residents. The properties that have reviews on this ILS have a 22% higher "sentiment" than the reviews of the same properties on other sites.

For properties that have reviews on Modern Message, the average rating is 15% 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.

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 review 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	Q1 2018	2017	2016	2015	2014	2013
Apartments.com	4.45	4.13	1.88	2.92		
ApartmentGuide.com	55.98	60.81	77.58	97.62	131.83	
ApartmentRatings.com	43.92	43.01	39.48	36.22	32.19	23.60
Facebook	13.60	13.64	11.94	11.26		
ForRent.com	19.26	18.77	14.12	22.15		
Google	19.38	17.31	10.79	6.48	4.68	
Modern Message	169.31	197.09	101.90			
Rent.com	54.55	52.47	51.07	53.15	29.60	
Yahoo	2.18	2.14	2.29	2.34	3.67	
Yellowpages.com	2.08	2.15	2.10	2.03	1.91	
Yelp	8.52	8.46	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 has not seen the same high growth—it has grown for a few sites, remained consistent for a few, and dropped for some sites.

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 has increased by 51% to 2.99 in Q1 2018. 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 43.92 reviews per property in Q1 2018.

Google has grown more than four times, from 4.68 reviews per property in 2014 to 19.38 reviews per property in Q1 2018. However, its sentiment has increased only marginally since 2015.

Yelp has almost doubled its average of reviews per property from 2015, but its sentiment has declined marginally.

As residents become more review savvy and discerning of the intent behind the content, Google has updated its content guidelines to prohibit businesses from "review gating" – soliciting only positive reviews and offering incentives in exchange for a review. Yelp has become more vigilant of review solicitation in any form.

RESIDENT PERSPECTIVE ON REVIEWS

RESULTS OF THE EVOLVING REVIEW AND RESPONSE PREFERENCES NATIONAL STUDY

Since 2012, J Turner Research has extensively researched and documented the role of online ratings and reviews in guiding the apartment shopping process. In 2018, we took it a step further by focusing on how residents have evolved in their consumption of reviews and the influence of manager responses on their impression of an apartment community.

For the study *Evolving Review and Response Preferences*, we surveyed more than 39,000 residents nationwide to understand the shift in ways they seek out and use online reviews, how they engage with manager responses, and the influence of these responses on their perception of an apartment community. We conducted a similar study in student housing involving 21,498 students and parents nationally – *The Evolution of Online Reputation: Do Reviews and Responses Matter?*

In this white paper, we include the following findings from this study:

- The effectiveness of various review sources
- The importance of online reputation of a management company
- The trust and effect of online reviews on a resident's decision to visit a property
- The expectations and influence of manager responses
- The interplay between giving and asking for reviews
- The role of Facebook in the apartment search process

Demographic Profile

This study drew participation from more than 39,000 residents across 845 properties, representing 14 companies nationwide.

The majority (61%) of the respondents were females, with 39% males. The average age was 38.56 years.

Participating Companies

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

AION MANAGEMENT

BOZZUTO

dayrise residential

ForestCity

GABLES RESIDENTIAL

LumaCorp Inc.

MANDEL GROUP

MAXUS PROPERTIES

MORGAN PROPERTIES

Pace REALTY CORPORATION

PANTHER PROPERTIES INVESTMENT, LLC

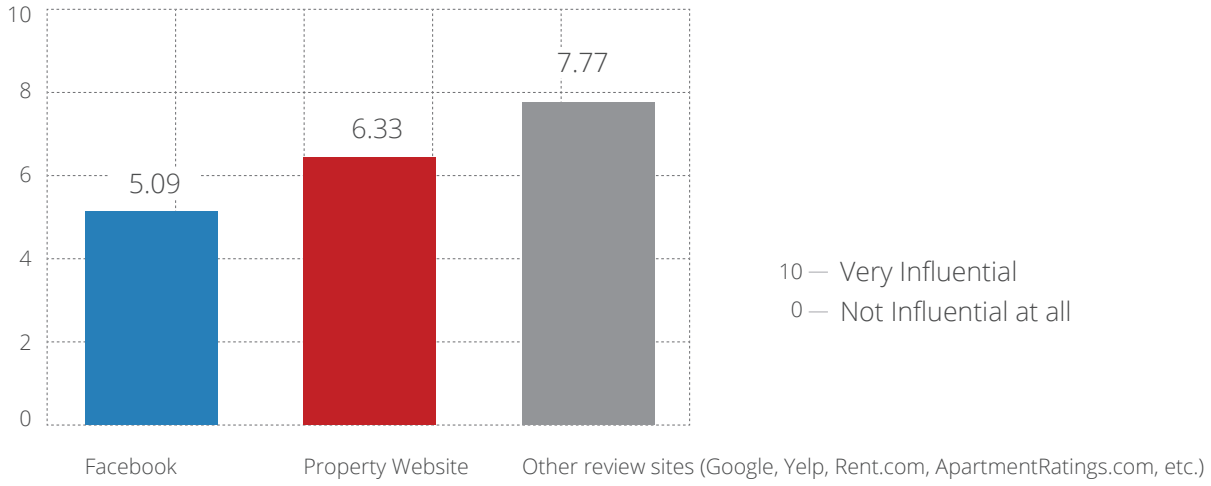
PB Bell

RAM PARTNERS, LLC

ROCKSTAR CAPITAL MANAGEMENT

EFFECTIVENESS OF VARIOUS SOURCES

How influential are reviews on the following sources?

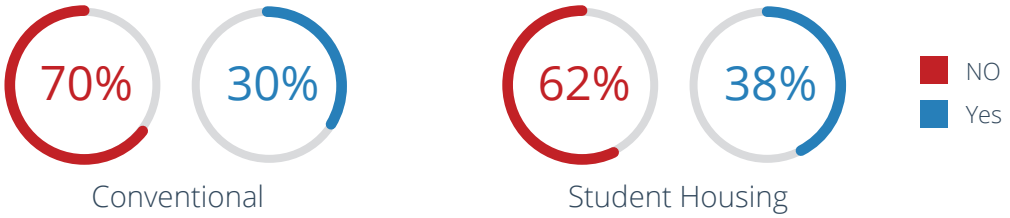


Respondents are most influenced by reviews on independent review sites as opposed to reviews posted on a property website and Facebook.

Facebook received a moderate rating of 5.09 on a scale of 0-10 (with 10 being "very influential"), even though 30% of respondents reported visiting a property's Facebook page before leasing at a property.

FACEBOOK FOR PROSPECT ENGAGEMENT

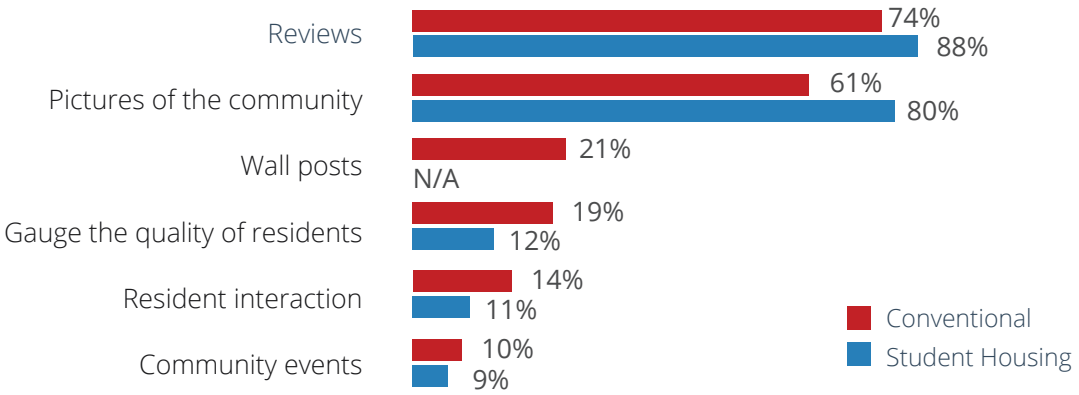
Do you visit a property's Facebook page before leasing at the property?



Our research indicates that Facebook has increased in popularity as a search medium both among conventional residents and students. According to the 2017 Internet Adventure Part II study, 11% of respondents said they utilized Facebook in their apartment search, this has jumped to 30% in 2018.

Students also mirror this trend, while in August 2017[10], only 2% of students reported using Facebook in their apartment search, in January 2018, this number increased to 38%.

Which aspects of the Facebook page did you pay the most attention? (pick 2)

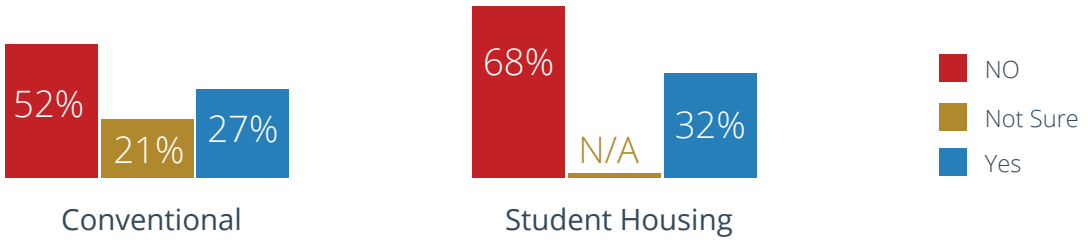


Two billion people use Facebook every month to connect with friends and family and to discover things that matter. As a property, you can share a variety of information on your Facebook page, but when residents visit your property's Facebook page, they focus largely on online reviews and pictures of your community. Students pay more attention to reviews and pictures, while a higher percentage of conventional residents are interested in assessing the quality of residents in your community.

10 - The Internet Adventure: The influence of online ratings on a student's decision making

POSTING REVIEWS

Has your apartment community asked you to post a review online?



More students than conventional residents have been asked to post a review online. Thirty-two percent of students have been asked, while only 27% of conventional residents have been asked to post a review online.

Have you ever posted a review for an apartment community online?

	Has your apartment community asked you to post a review online?			
	No	Not Sure	Yes	Grand Total
No	80%	73%	47%	70%
Not Sure	2%	11%	4%	4%
Yes	18%	16%	49%	26%
Overall	52%	21%	27%	

It pays to proactively reach out to residents for reviews.

As seen earlier, residents are more likely to post a review if they are asked to. Overall, 26% indicated leaving a review, but almost half of the participants indicated reviewing a property when they were asked to post a review. Only 27% of residents recalled being asked to leave a review.

REVIEWS AND INCENTIVES

Are you more likely to post a review for a property, if you were incentivized in some shape or form?

	How much do you trust reviews that appear to be incentivized?	
No	22%	3.43
Not Sure	22%	4.56
Yes	57%	5.65
	Overall	4.95

By incentivizing residents, an apartment community will get more reviews as more residents indicate a willingness to post a review, if asked. But the trust level of reviews that appear to be incentivized is low. The overall trust for incentivized reviews is only 4.95.

INFLUENCE OF MANAGER RESPONSES

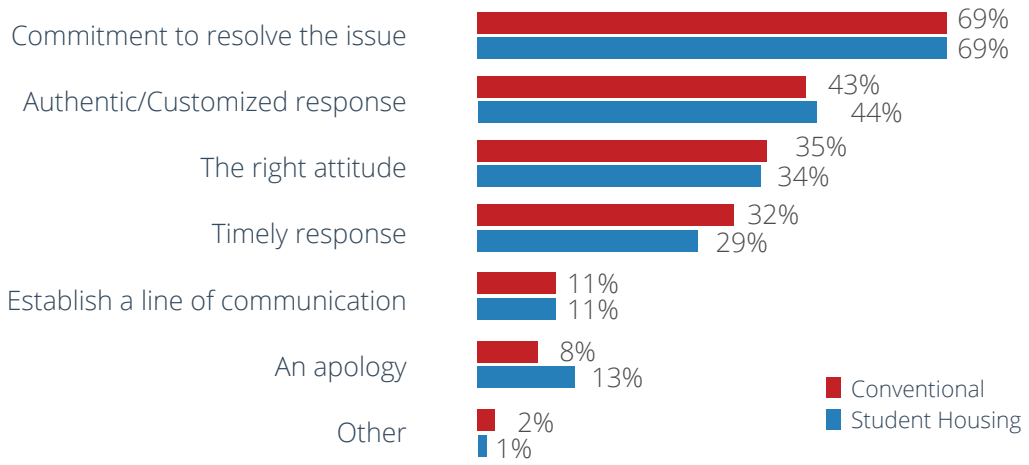
Do you look at the management's response to a review?

Residents pay attention to manager responses when researching apartments online. Conventional residents pay marginally higher attention than students to these responses.

According to BrightLocal's 2017 Local Consumer Review Survey[11], more consumers are placing importance on businesses responding to reviews, with 30% naming this as key – compared to just 20% last year.

11- 2017 BrightLocal's Local Consumer Review Survey

What are the top two things that you look for in a response?

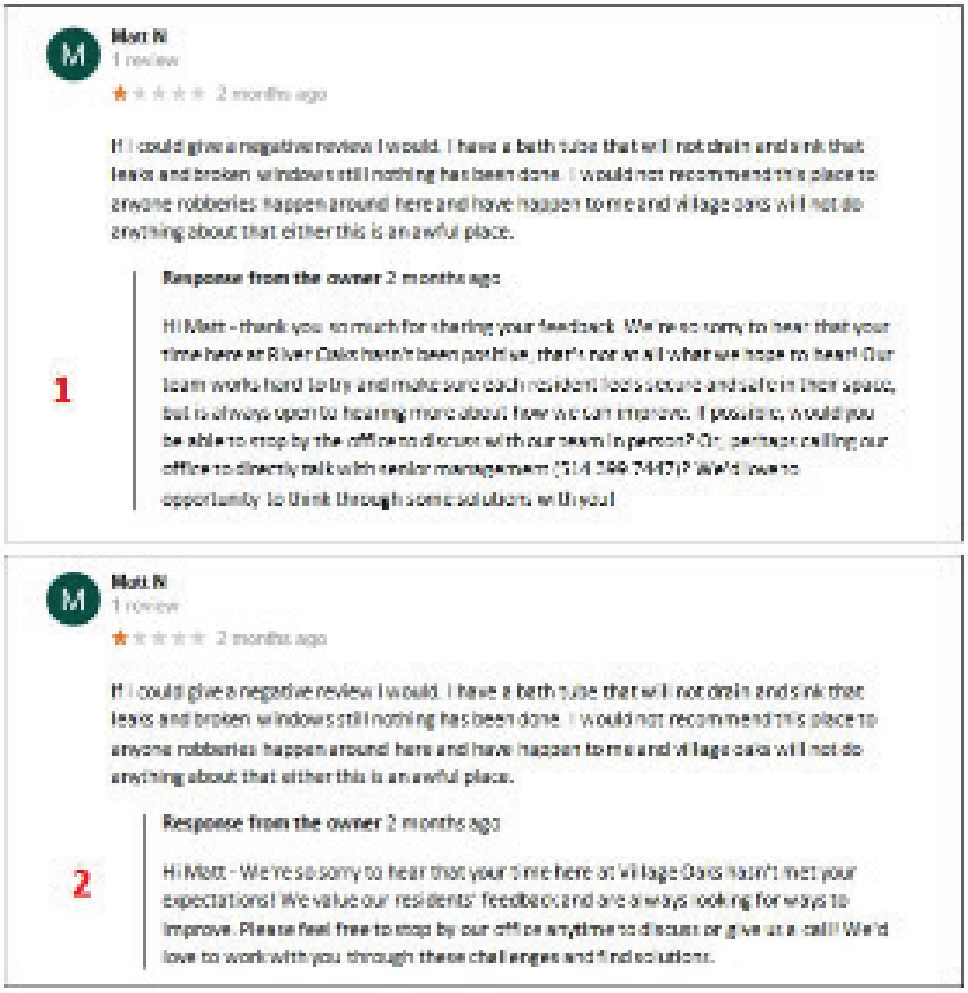


Residents and students reject cookie-cutter responses. Their top three expectations from a manager's response are identical: commitment to resolve the issue, authentic/customized response, and the right attitude. With regards to an apology, students seek more of an apology from managers in their responses as compared to conventional residents, who place a higher importance on timely response than students.

How much does a manager's response to a review improve your perception of the apartment?

Manager responses significantly improve residents' perception of the property with conventional residents rating it at a high of 8.12 on a 10 point scale. This is 26% higher than the students' rating at 6.44.

Looking strictly at the response from the manager for the reviews, which one do you like better?



Response 1

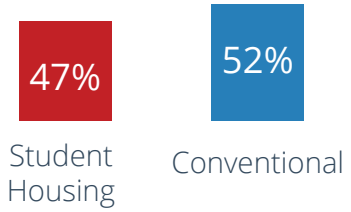
Response 2

They are the same

To further determine the nature and tone of responses residents prefer, we shared two different review responses to a one-star review where one was a "cookie cutter" response and the other one was a more personalized response. An overwhelming majority of residents (63%) opted for the more personalized and genuine response.

THE IMPACT OF ONLINE REPUTATION

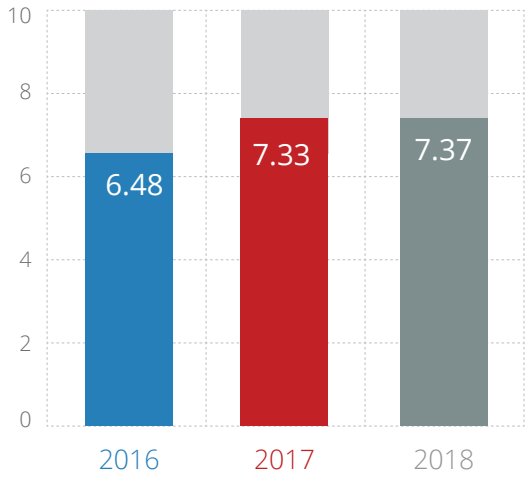
There are many factors that go into deciding to lease at a property. Out of a total of 100, approximately what percent of that decision would be based on online reviews?



Online reviews continue to influence a resident's opinion and their decision to visit or lease at an apartment community. Among conventional residents, online reviews account for 52% of the total influence of the multiple factors that affect their decision to lease at a property. This is 11% higher than students.

Decided to visit a property with a higheronline reputation

The effect of ratings and reviews on a prospect's decision to visit a property has increased marginally since 2017, but it has increased by 14% since 2016.

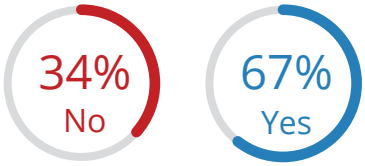


How much did the ratings and reviews affect your decision to visit the property?

10 — Strong Affect
0 — Did not Affect

BRAND AWARENESS AND ONLINE REPUTATION

Do you know the name of the management company who manages your property?



A noticeable trend of online reviews in multifamily is naming the management company in the review comments. The results of this study lend credibility to this trend, with 67% of residents saying that they know the name of the management company that manages their apartment home.

How important is the online reputation of the company that manages your apartment home?

Residents ranked the reputation of the company that manages their online reputation at a high of 7.85.

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 73,000 properties nationwide, across 20+ review sites and ILSs. This accounts for an estimated 90% of the total apartment units in the country.

The ORA™ score is an aggregate compilation of a property's ratings across 20+ 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.

For four years, in association with our media partner Multifamily Executive (MFE), J Turner Research has featured ORA™ Power Rankings – a monthly ranking of apartment properties and management companies based on their ORA™ scores.

The different rankings published include:

- Elite1 % - The annual top one percent properties by online reputation in the nation.
- Top 10 managers of the NMHC top 50 managers by online reputation
- Top properties in 50 states and D.C.
- Top properties in major MSAs.

Starting in 2018, we have launched quarterly ORA™ Power Rankings for the student housing industry. The first ranking for the year featured The Top 50 Student Housing Properties for 2017.

To learn more about ORA™ and to view the ORA™ Power Rankings, please visit https://www.jturnerresearch.com/about/what-is-ora-score

RESIDENT SATISFACTION AND ONLINE REPUTATION

	Responses	Overall Satisfaction	ORA™ Score
Company A	6674	7.93	80.76
Company B	5909	6.74	63.4
Company C	892	7.90	76.2
Company D	2855	7.36	64.5
Company E	566	7.33	82.1
Company F	939	8.18	81.2
Company G	1867	6.93	56.7
Company H	7268	7.74	76.7
Company I	4810	7.98	73.8
Company J	785	7.95	60.1
Company K	1101	7.76	74.1
Company L	2547	6.67	50.4
Company M	2254	7.57	77.1
Company N	1272	7.79	79.7

Correlation of ORA™ to Overall Satisfaction → 0.69

At a statistically strong 0.69, there is a positive correlation between online reputation and residents who responded in the affirmative to being satisfied with their living experience in the community. This indicates that in most cases properties with a higher resident satisfaction have a better online reputation.

When asked how satisfied were residents with their overall living experience, the average satisfaction was rated 7.44.

THE EFFECT OF ORA™ ON BUSINESS

GREYSTAR®

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

ORA™ Score and Traffic

- The Top 25 properties need half as many leads as the bottom 25 properties
- Properties with higher ORA™ scores produced 15% more leases

ORA™ Score and Lead Conversion

High ORA™ score properties convert at 7% VS. Lower ORA™ scores convert at 3%

ORA™ Score and Application Conversion

High ORA™ scores

VS.

Low ORA™ scores

"Basically, what our data is showing us is that our top-ranked properties with the highest ORA™ scores need half as much traffic to close leads as compared to our bottom-performing ORA™ score properties. Properties with higher ORA™ scores produce 15% more leases. High ORA™ score properties convert to leases at 7% vs. lower-score ORA™ properties. Our normal conversion rate is about 3%. So, in case of high ORA™ 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™ 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

THE EFFECT OF ORA™ ON BUSINESS

Cardinal Group
MANAGEMENT

Tiffaney Alsup, Group Marketing Manager, Cardinal Group Management shared insights on the impact of incorporating ORA™ within the company culture and on prospect traffic.

Impact of ORA™ on prospect traffic

"There is definitely a correlation in traffic for our communities that have nationally high ORA™ scores. ORA™ is a looking glass into each communities' online reputation, which directly effects a prospect's decision of whether to inquire or tour at a property. We especially see this in communities with ORA scores of 85+.

These communities have been able to build a solid reputation and are passionate about the customer service and resident satisfaction they provide. I think listening is key and we notice the properties who tend to stand out also provide ways for residents to interact and listen to each other through outlets such as private resident Facebook groups. Denizen, Amaranth, and Skygarden are a few that come to mind who do an amazing job of adding that personal touch and each have ORA™ scores of 95 and above."

ORA™ as part of the company culture—it is one of the 10 KPIs for its employees

"ORA™ allows our teams to have a status quo of online reputation performance in the industry and provides a system for goal setting. ORA™ is currently part of a monthly report, along with several other metrics, our company generates that ranks all of our communities. Reporting on ORA™ allows our leadership to create accountability for online reputation management, but also creates some good ole fashion competition among the teams.

Beyond a general metric for ensuring a companywide focus on online reputation, often team members that are directly tasked with generating positive reviews and increasing ORA™ are incentivized or have bonuses contingent on the scores growth. Prior to utilizing ORA™ teams were often simply tasked with monthly positive review goals, with the hope that our positive reviews were out weighing our negative reviews. Having the ability to aggregate the yield of those efforts over multiple platforms and understand a community's position against a national average is much more beneficial."

ILSs VS. MAJOR REVIEW SITES

The current ratings and review sites market is fragmented and lacks standardization, presenting a looming challenge to apartment communities and management companies. Each site uses unique methods and strategies to incorporate ratings and reviews to increase their SEO ranking which impact the review volume and sentiment on that site.

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	Character maximum requirement to write a review
Apartments.com	✓	✓	50	10,000
ApartmentGuide.com	✓	✓	None	500
ApartmentRatings.com	✓	✓	200	2,000
Facebook	×	✓	None	None
ForRent.com	✓	×	None	None
Google	×	✓	None	None
Rent.com	✓	✓	None	500
Yelp	✓	✓	None	5,000

NEW: HOW TO FLAG A REVIEW

Please visit the links below to understand the most updated content policies and review flagging guidelines of the major sites.

ApartmentRatings.com
https://www.apartmentratings.com/abuse/

Yelp
https://www.yelp-support.com/article/How-do-I-report-a-review
https://www.yelp-support.com/article/When-should-I-report-a-review?l=en_US

Google
https://support.google.com/business/answer/4596773?hl=en#
https://support.google.com/contributionpolicy/answer/7400114

Apartments.com
https://www.apartmentratings.com/abuse/

Facebook
https://www.facebook.com/help/439579999521224/
https://www.facebook.com/communitystandards/

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℠ described as[12] :

The CoStar Building Rating System℠ 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.

12- http://www.buildingratingsystem.com/

Responding to Reviews

A paid account is required to respond to reviews.

Impact

Our 2017 national research study, *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).

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.

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/

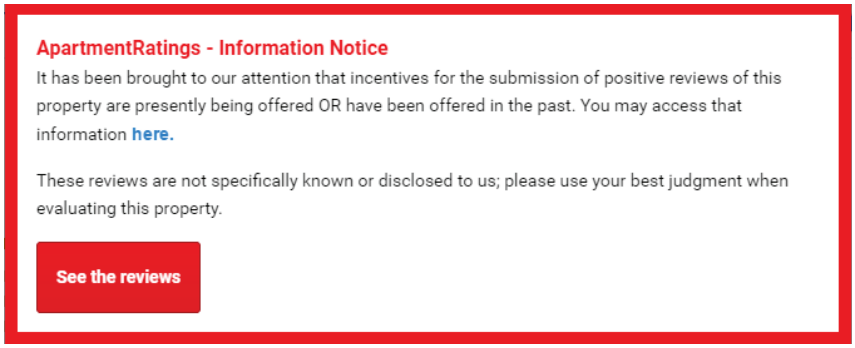
Based on feedback from our users, we have changed the calculation of apartments "% Recommended" score to weight more-recent reviews more heavily.

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:
  - Overall rating
  - Noise
  - Grounds
  - Safety
  - Neighborhood
  - Maintenance
  - 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):



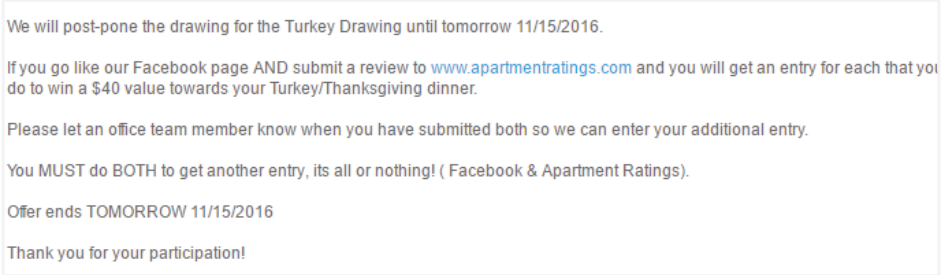


Image source: https://www.apartmentratings.com/

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 1,195 properties averaging 169.31 reviews per property, while the industry average is 86.81 per property.
- 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. 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.

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 userfriendly 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.

In April 2018, Google updated its Terms and Conditions regarding online reviews. The following has been added to its guidelines:

Format Specific Criteria

The following criteria apply to the indicated format in addition to the Prohibited Content policies.

Photos and Videos

Text reviews

In addition to Prohibited Content guidelines, Text Reviews are subject to the following additional requirements:

- Don't use reviews for advertising purposes. This includes, but is not limited to, posting email addresses, phone numbers, social media links, or links to other websites in your reviews.
- Don't discourage or prohibit negative reviews or selectively solicit positive reviews from customers.
- Don't include promotional or commercial content.
- Don't offer or accept money in exchange for reviews.
- Don't solicit reviews from customers in bulk.

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:
  - The only requirement is a Google account. It could be a Gmail or a Google Business account.
  - A user needs to be logged into any of their Google accounts to leave a review.
  - 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[13].
- 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.[14]

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 2017 national research study, *The Internet Adventure Part II*, indicates that Google is the most impactful site on a prospect's decision to rent at a property.

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

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

About Yelp

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

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

- Yelp's software is designed to identify and flag reviews that are a result of review solicitation. All flagged reviews are put under the Not Recommended reviews section for a business.

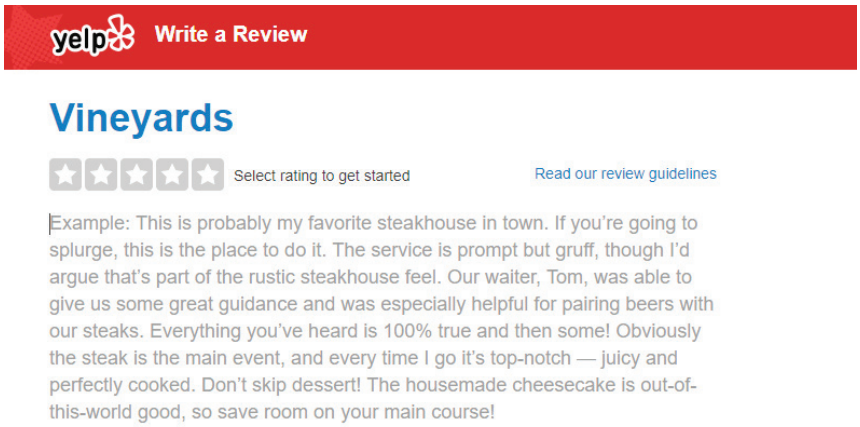
  From https://www.yelp-support.com/article/Don-t-Ask-for-Reviews?l=en_US

  Here are some tips to avoid hurting your Yelp rating:

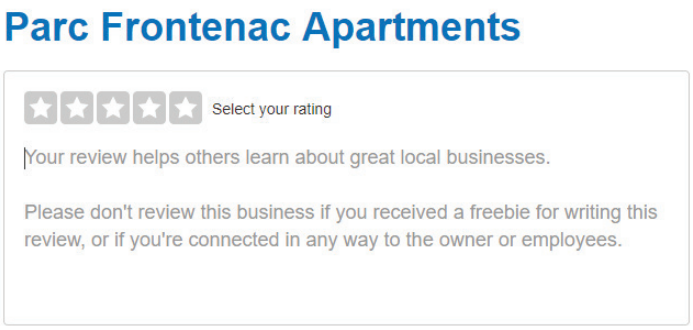
  - Don't ask customers, mailing list subscribers, friends, family, or anyone else to review your business.
  - Don't ask your staff to compete to collect reviews.
  - Don't run surveys that ask for reviews from customers reporting positive experiences.
  - Don't ever offer freebies, discounts, or payment in exchange for reviews — it will turn off savvy consumers, and may also be illegal. Yelp has a Consumer Alerts program to let people know about businesses that engage in this sort of activity.

- A user needs to have a Yelp account to post a review of 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.
- Yelp has guidelines for users with regards to collecting more detailed reviews from customers. This has changed dramatically since August 2017 with it becoming more vigilant of review solicitation in any form.

Yelp displays a prompt to a user when they are writing a review which has changed over time. In August 2017 the prompt was:



In Q1 2018 the prompt is:



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.

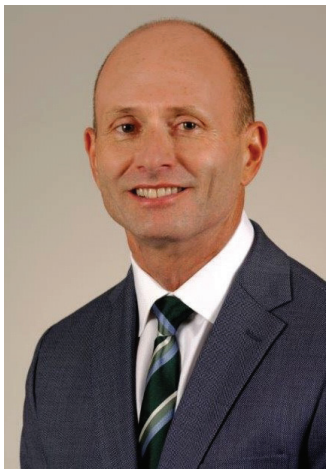
Impact

According to our 2017 study, The Internet Adventure Part II, Yelp is the sixth most impactful site on a prospect's decision to rent at a property.

BEST PRACTICES IN ONLINE REPUTATION MANAGEMENT

In continuing our education focus, we interviewed industry leaders and senior executives to identify best practices, challenges, and trends in online reputation management. We are grateful to Kurt Conway, Senior Vice President Brand Strategy and Marketing, AvalonBay Communities, Inc. and Tiffaney Alsup, Group Marketing Manager, Cardinal Group Management for their time and input. Given below are the key takeaways from the two interviews.

To read the complete interviews, please visit https://www.jturnerresearch.com/ora-best-practices.



KURT CONWAY

Senior Vice President Brand Strategy and Marketing, AvalonBay Communities, Inc.

"When we meet and exceed expectations and customers share that online, we're very thankful. When we don't deliver on expectations and they share that, it is an opportunity for us to get better."

AvalonBay Communities, Inc. has consistently maintained a stellar online reputation in the ORA™ Power Rankings both in 2017 and 2018. AvalonBay Communities, Inc. was named the top multifamily REIT in the country for 2017 by online reputation for the second consecutive year.

It All Begins with Great Service

Your reputation online is a direct reflection of your core values and your associates' focus on delivering great service to residents at the communities every day.

Reviews Lead to Goals

When you don't deliver on expectations and customers share that online, it is an opportunity to get better. Monitor reviews closely and establish goals for follow-up.

Personal Responses Matter

Strive to deliver personal responses and follow-up with every customer who's taken the time to give you feedback.

Continuous Improvement is Key

Focus on how you can make things better for the customer.

Daily Huddles

Schedule daily huddles at communities to share the latest reviews which provide an opportunity to reinforce best practices or brainstorm how you could have done things better.

TIFFANEY ALSUP

Group Marketing Manager, Cardinal Group Management

"The largest challenge faced when dealing with Gen Z is simply keeping up. Gen Z operates in a fast-paced world of new technology, and what resonates with them could simply be what is trending at that given moment. Staying in tune with what is currently engaging this generation is difficult, but to be successful we must not only manage this, but also be proactive enough to understand what is on the horizon and what the "next big thing" to take hold is."

The Cardinal Group manages the number one student housing property - Skygarden - in the Top 100 Student Housing ORA™ Power Ranking for 2017. It also manages two other properties - College Place Uptown and The Edge Merrimack - which rank among the top 10 properties for online reputation in this ranking.

It All Begins with Great Service

Your reputation online is a direct reflection of your core values and your associates' focus on delivering great service to residents at the communities every day.

Online Reviews Tell a Story

The online reputation of a community tells a story to prospective residents and their parents, and your goal should be to tell a very compelling story. Students today have much more faith in the content of review sites than older generations did when these platforms first came out and they use them to make important housing decisions.

Respond Authentically

Responding quickly, honestly, and relevantly to the situation referenced shows a desire to improve and hopefully results in the reviewer revising their outlook on the community and even changing their review. Listen first and then respond.

Focus on Quality vs. Quantity

Focus on the quality of the major review platforms rather than attempting to poorly manage the vast quantity of platforms that exist. Identify which platforms your demographic is engaging with most and do place an emphasis on those.

Use ORA™ to Attract Customers and Motivate Team Members

ORA™ is a looking glass into each community's online reputation, which directly affects a prospect's decision about whether to inquire or tour at a property. It is a great tool to use to show the onsite teams that the customer service they are providing daily has an impact on the overall picture and success of the community.

CONCLUSION

As the frontrunner of online reputation research in the multifamily industry for the last six years, J Turner Research has documented compelling insights on the subject. We have continually delved into the minds of thousands of residents and prospects as they interact with ratings and reviews. We have also tracked the growth of reviews, review sites and ILSs. In this process, we have identified significant trends, facts, and statistics which companies can use to make informed decisions.

Our analysis originates from a prodigious, monthly online reputation monitoring of more than 73,000 properties nationwide across 20+ review sites and ILSs. This accounts for an estimated 90% of the total apartment units in the country.

The third edition of *The Mechanics of Online Review Sites and ILSs: The Untold Story* study features the significant shifts in the growth of reviews, review sentiment, review sources, and performance of review sites and ILSs in the past year. We compare the findings of the first quarter of 2018 to the first quarter of 2017.

Additionally, this edition documents key findings from our recent national research – *Evolving Review and Response Preferences* involving more than 39,000 residents. The study focuses on how residents have evolved in their interaction with reviews, their willingness to post reviews, Facebook as a prospect engagement tool, and the influence of manager responses in residents' perception of an apartment community. We compare the results of this study with our student housing study—*The Evolution of Online Reputation: Do Reviews and Responses Matter* involving more than 21,498 students and parents.

KEY TAKEAWAYS

1. At a statistically strong 0.69, there is a positive correlation between online reputation and residents who responded in the affirmative to being satisfied with their living experience in the apartment community. This indicates that in most cases properties with higher resident satisfaction have a better online reputation.
2. Online reviews continue to be a decisive factor in the rental process
    - Out of the multiple factors that affect the decision to rent at a property, for residents, reviews account for 52% of the total influence and for students 47%.
    - Respondents rate the importance of the reputation of the management company managing their apartment community at a high of 7.85 on a 10 point scale.

3. Reviews are growing at a massive pace. The review volume has increased by 78% in Q1 2018 as compared to the first quarter in Q1 2017.
4. Since 2013, the volume of reviews per property has increased substantially, across sites. However, the sentiment of reviews—except for ApartmentRatings.com—has not changed significantly.
    - The sentiment on ApartmentRatings.com has improved 51% since 2013.
5. Based on the total number of reviews, the top review sites and ILSs are: ApartmentRatings.com (36%), Google (20%), ApartmentGuide.com (11%), Rent.com (10%) and Facebook (9%). This ranking is consistent with October 2017.
6. As residents become more review savvy and discerning of the intent behind the content, Google has updated its content guidelines to prohibit businesses from "review gating" – soliciting only positive reviews and offering incentives in exchange for a review. Yelp has become more discerning of review solicitation in any form.
7. Review gamification continues to swing the review volume and sentiment upwards.
    - Modern Message has grown its reviews per property by 54% since Q1 2017.
    - At an average rating of 4.23, Modern Message has the second highest positive sentiment and its average rating is 15% higher compared to the average rating of the same properties on other sites.
8. Survey data feeds boost review volume and seem to be the most accurate reflection of customer service at the property.
    - ILSs (ApartmentGuide.com, Rent.com, and ApartmentRatings.com) which allow survey data feeds for their clients have the second-highest number of reviews per property.
    - However, for these ILSs that accept survey data feeds, the difference in review sentiment (the average rating of properties on these sites as compared to the average rating of the same properties on other sites) is not as significant as sites that do not accept survey data feeds such as ForRent.com and Modern Message.
9. The methodology used by a site to display ratings and to obtain reviews affects the overall sentiment of reviews on that site.
    - ForRent.com reviews are the most positively skewed as it displays filtered reviews from other sites such as Google, Facebook, and Yelp for its clients. The difference in the average rating of properties on ForRent. com as compared to other sites is the highest at 33%.
    - Apartments.com assigns a star rating to a property based on its proprietary CoStar Building Rating System℠. 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 and the difference in the average rating is 22%.

10. Manager responses are a decisive factor in apartment shopping.
    - More than two-thirds of conventional residents and students pay attention to manager responses while researching apartments online.
    - Manager responses significantly improve residents' perception of the apartment community with conventional residents rating this influence at a high of 8.12 on a 10 point scale.
11. Both conventional residents and students reject cookie-cutter responses. Their top three expectations from a manager's response are identical--commitment to resolve the issue, authentic/customized response, and the right attitude.
12. Facebook is gaining popularity among prospects as a search tool. The use of this social media platform has jumped 19 percentage points among conventional residents and 17 percentage points among students since 2017.
13. When residents visit your Facebook page, they, especially students pay most attention to reviews and pictures.
14. Though the review volume has grown immensely, companies are yet to tap into the full potential. Only 27% of conventional residents and 32% of students have been asked to post a review online.
15. It pays to proactively reach out to residents for reviews. Residents are more likely to post a review if they are asked to. Overall, 26% indicated leaving a review, but almost half of the participants indicated reviewing a property when they were asked to post a review.
16. By incentivizing residents, an apartment community will get more reviews as more respondents indicate a willingness to post a review, if asked. But the trust level of reviews that appear to be incentivized is low. The overall trust for incentivized reviews is only 4.95.

For any questions, please contact us at research@jturnerresearch.com.

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