RATEOCRACY:
When Everyone and Everything Has a Rating
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RATEOCRACY: WORKING AND MANAGING IN AN ERA OF EXTREME TRANSPARENCY

This article is expanded and updated from ‘Real-time ratings will raise stakeholders’ expectations of businesses,’ published in THE FUTURIST Magazine, Vol. 46, No. 3. Used with permission.

Robert Moran, Partner, Brunswick Group
What is Rateocracy?
Numeric Ratings

Transparent

In Real-Time
Every Person

Every Product

Every Place
Where Trends Intersect
Rateocracy in Perspective.

- Continuous
- Proprietary
- CRM/CEM Software
- Customer Satisfaction Research
- Periodic
- Open source/public
We’re well on our way.
Some firms have tried.

Unvarnished Becomes Honestly.com, Raises $1.2 Million And Opens The Floodgates

EVELYN RUSLI

Tuesday, October 19th, 2010

Unvarnished is all grown up.

The self-described reputation management site, which allows professionals to anonymously submit reviews on their peers, has just renamed its site to “Honestly.com” and raised $1.2 million from several high-profile firms including First Round Capital, Ron Conway’s SV Angel, Charles River Ventures. The round also includes individual investors, like Joshua Schachter, Travis Kalanick and Richard Chen. The corporate entity is still officially named Unvarnished, but in terms of identity and brand the company will effectively go by Honestly.
... And failed

Thank you for your support of Honestly.com!

We had some great times together...

- We sparked a little controversy
- We raised some money
- And we continued to gain traction
- Occasionally we were called evil

It's sad to close these doors but it's time to move on. Our team is currently working on a new project called TalentBin, please check it out!
Future Scenario 1:
“Hello there, High-Roller (Rated Person)”
It’s History.

Need a Reservation? That Could Depend On How Big You Are on Twitter (Really)
Las Vegas’ Palms Hotel Starts Looking at Klout Scores to Decide Who Gets Past the Velvet Rope

What Your Klout Score Really Means
BY SETH STEVENSON 04.24.12 7:32 PM

But even if you have no idea what your Klout score is, there’s a chance that it’s already affecting your life. At the Palms Casino Resort in Las Vegas last summer, clerks surreptitiously looked up guests’ Klout scores as they checked in. Some high scorers received instant room upgrades, sometimes without ever being told why. According to Greg Cannon, the Palms’ former director of ecommerce, the initiative stirred up tremendous online buzz. He says that before its Klout experiment, the Palms had only the 17th-largest social-networking following among Las Vegas-based hotel-casinos. Afterward, it jumped up to third on Facebook and has one of the highest Klout scores among its peers.

NEWS ANALYSIS
Got Twitter? You’ve Been Scored
BY STEPHANIE ROSENBLOOM
Published: June 25, 2011

IMAGINE a world in which we are assigned a number that indicates how influential we are. This number would help determine whether you receive a job, a hotel-room upgrade or free samples at the supermarket. If your influence score is low, you don’t get the promotion, the suite or the complimentary cookies.
Future Scenario 2: When Negative Ratings Become a Legal Matter
It’s History.

From: Remodeling magazine 2012 | Posted on: December 12, 2012

Vindication: Suing a Client for a Negative Online Review
Why a Virginia contractor went to extremes to preserve his reputation

By Mark A. Newman

In a decision that will have remodelers and contractors cheering, a Virginia court ruled on Dec. 5 that a dissatisfied customer has to pull down part of the negative review she put on Yelp and Angie’s List about the contractor who remodeled her Falls Church, Va., townhouse.

From: Remodeling magazine 2013 | Posted on: January 7, 2013 3:20:18 PM

Update: Virginia Supreme Court Reverses Lower Court’s Ruling to Have Portions of Negative Online Reviews Removed

By Mark A. Newman

The Virginia Supreme Court has reversed the decision of the Fairfax County Circuit Court that initially instructed an irate remodeling client to remove the most incendiary remarks from the online reviews she posted at Yelp and Angie’s List.

On Dec. 28, the Virginia Supreme Court found the lower court’s preliminary injunction was not justified nor limited to a prescribed period and that the contractor in question — Christopher Dietz, owner of Dietz Development, in Washington, D.C. — already had adequate remedy since he was suing the client. Dietz’s lawsuit is for $750,000, claiming that the client’s online accusations had cost his company $300,000 in lost business, not to mention damage to his company’s reputation.
Fact Following Fiction

…I took out my dated apparat, with its retro walnut finish and its dusty screen blinking with slow data, trying to get a read on whether there were any High Net Worth Individuals in the room – last chance to find some new clients for my boss, Joshie, after having found a grand total of one client during the whole year – but no one’s face was famous enough to register on my display…

Vishnu worked my apparat until some RANKINGS came up. He helped me navigate the data. “Out of seven males in the Community,” he said, gesturing around the bar, “Noah’s the third hottest, I’m the fourth hottest, and Lenny’s the seventh.”

“You mean I’m the ugliest guy here?” I ran my fingers through the remnants of my hair.

“But you’ve got a decent personality.” Vishnu comforted me, “and you’re second in the who bar in terms of SUSTAINABILITY.”

…She stood and extended her hand. “I’m Lil,” she said.

“Dan,” he said. “It’s a pleasure.”

I knew she was pinging his Whuffie and I caught her look of surprised disapproval. Us oldsters who predate Whuffie know that it’s important; but to kids, it’s the world. Someone without any is automatically suspect….
Nine Implications for Corporations

• New Balance of Power
• Great Expectations
• Corporate Leadership in a Transparent World
• 24/7 Reputation Management
• Tight Feedback Loop
• Employees as Leading Indicators
• Statistical Projectability
• Information Trends
• Rateocracy Meets Augmented Reality
Three Paths to Rateocracy

1. Niche by Niche
2. Middleware
3. Universal Rating Platform

EVOLUTIONARY PATHS
But how it develops is another story, and there are at least three paths to the era of rateocracy. The first is the growth of a robust, niche-by-niche ratings culture – a simple extrapolation from where we are today. The second is the emergence of a “middleware” system that ties these disparate rating systems into one workable, searchable whole. The third is the creation of an open, universal rating platform for all people, places and things, something like those envisioned in the novels “Down and Out in the Magic Kingdom” by Cory Doctorow and “Super Sad True Love Story” by Gary Shteyngart. Along these lines, the startup lab Milk Inc. created a universal rating app named Oink in 2011 (though this first attempt lasted only five months). A new app, Stamped, is its second attempt.

A universal rating platform must be simple and deliver the right value proposition. Paul McDonald, product manager at Google Consumer Surveys, puts it this way: “From a consumer standpoint, the challenge is in creating the right incentives to collect ratings. Personally, I’d like to consume ratings on people, places and things, but probably wouldn’t take the time to rate. Presenting me with a fast, clean interface to collect the rating and the right incentive, you might convince me to give some of my time for the greater good.”
<table>
<thead>
<tr>
<th>Rating Class</th>
<th>Anticipated Developments</th>
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<tbody>
<tr>
<td>Products</td>
<td>Begins with consumer durables and expands to fast moving consumer goods. As IoT develops, the ratings become embedded in the product.</td>
</tr>
<tr>
<td>Services</td>
<td>Begins with ratings services at the brand level.</td>
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<tr>
<td>Service Providers</td>
<td>Evolves to include rating specific service providers (doctors, lawyers, teachers, waiters, hair stylists, etc.)</td>
</tr>
<tr>
<td>Service Locations</td>
<td>Rating specific service locations such as restaurants, automotive service stations, convenience stores, etc.</td>
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<td>People</td>
<td>Already happening in the form of recommendations on LinkedIn. Generally requires a social media platform, until strong, universal facial recognition software is available.</td>
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<tr>
<td>Places</td>
<td>Built on geolocation functions in mobile devices. Could allow for heatmaps of cities that identify happy and sad places.</td>
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Universal Rating Platforms

2011
Universal rating app created by Milk Labs. Reached 150,000 users, but lasts only 5 months.

2012
Started by former Googlers. Bought by Yahoo! In 2012. Not a rating app, but a recommendation stamp.

2013
Universal rating app on a 10 point scale (-5 to +5).

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The inevitable future
The inevitable future
Thank you!

BRUNSWICK INSIGHT

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