

Fake product reviews may be pervasive, study finds

July 6 2013, by Andrea Chang

Consumers often turn to the Internet to research a product before buying. Fake reviews are always a concern, and the problem may be bigger than previously thought.

There have long been reports and rumors of businesses posting negative [reviews](#) of their competitors' [products](#) or companies that pay or reward users to write glowing reviews, a practice known as cyber-shilling.

But new research shows that loyal customers are writing extremely negative reviews about products they never purchased.

Marketing professors Duncan Simester of the Massachusetts Institute of Technology and Eric Anderson of Northwestern University did a study based on reviews posted on the website of a major private-label apparel company.

The duo found that about 5 percent of the [product reviews](#) were written by customers with no record of actually buying the item. Those reviews were "significantly more negative" than the others.

Those bogus reviews have [consequences](#), Simester said. Low ratings result in significantly less demand for an item for at least 12 months.

"We have some evidence that these negative reviews do drive purchasing decisions and can reduce sales," he said.

Simester and Anderson said they were also able to replicate the effect using book reviews on Amazon.com.

It's unclear why customers would post [negative reviews](#) about products they didn't buy. Consumers might be acting as self-appointed brand managers that see the reviews as a way to give feedback to a company about products, regardless of whether they bought them. Or they might be seeking to raise their online social status by posting with great frequency or detail, assuming that doing so increases their level of expertise, the study said.

All told, very few customers write reviews. For the private-label apparel brand, fewer than 2 percent of the company's customers wrote reviews. People who write reviews generally buy more items, are more likely to buy at a discount, are more likely to return items, and are more likely to buy new or niche items.

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