

Study examines the impact of fake online reviews on sales

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Can you really trust that online product review before you make a purchase decision? New research has found that the practice of faking online product reviews may be more pervasive than you think.

According to researchers, a wide array of product marketers actually purchases fake [online reviews](#) through an online marketplace found through [social media](#). As a result, marketers receive many reviews and high-average ratings on [e-commerce sites](#) that include Amazon, Walmart and Wayfair, among others.

The study, published in the current issue of the INFORMS journal *Marketing Science*, "The Market for Fake Reviews," is authored by Sherry He and Brett Hollenbeck of the UCLA Anderson School of Management, and Davide Proserpio of the Marshall School of Business at the University of Southern California (USC).

"We set out to study the economics and rating manipulation and their effect on seller outcomes, consumer welfare and platform value," says He. "Despite the fact that the practice of buying online reviews is illegal, we were able to document the existence of large and active online markets for [fake reviews](#)."

Here's how it works: Sellers post in private online groups to promote their products. They then pay customers to purchase certain products and leave positive reviews. These social media groups exist for a number of online retailers.

"For our research, we decided to focus on Amazon because it is the largest and most developed market," says Hollenbeck. "We collected data from this market by sending research assistants into these social media groups to document which product marketers were buying fake reviews and when. We then tracked these products' outcomes on Amazon.com. This included reviews, ratings, prices and sales rank."

The researchers found that the buying of fake reviews is associated with a significant but short-term increase in average rating and the total number of reviews. They found that there is a certain rating

manipulation that also has a causal effect on sales. They also found that after firms stopped buying fake reviews, their products' average ratings fell and the share of one-star reviews tended to increase. This, they concluded, indicates that [rating](#) manipulation mostly centers on low-quality products.

To conduct their research, the study authors built a sample of approximately 1,500 products that were observed soliciting fake reviews over a nine-month period. The researchers found that the types of products involved represented many categories. They then tracked the outcomes of these products before and after the buying of fake reviews, and were able to document how the platform, in this case Amazon, regulates fake reviews.

"For the products in our research observed buying fake reviews, roughly half of their reviews were eventually deleted, but the deletions occurred with an average lag of over 100 days, allowing sellers to benefit from the short-term boost in ratings, reviews and sales," says Proserpio. "Almost none of the sellers purchasing fake reviews were well-known brands. This is consistent with other research that has shown online [reviews](#) are more effective and more critical to smaller, lesser-known brands."

More information: Sherry He et al, The Market for Fake Reviews, *Marketing Science* (2022). [DOI: 10.1287/mksc.2022.1353](https://doi.org/10.1287/mksc.2022.1353)

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