Amazon Fights Back Against Fake Reviews: How Can Retailers Prevent Fraudulent Feedback? - RetailWire

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Fake reviews abound on online marketplaces and review aggregator platforms. This is a nighindisputable fact, one which nearly every consumer has encountered at one point or another when attempting to gauge the quality of an item — and the credibility of the manufacturer or vendor.

Now, according to a recent <u>CX Dive</u> report, it appears that one of the world's largest retailers is rolling up its sleeves, preparing for an effort to significantly curtail the practice on its storefronts.

Amazon Reviews, an Early Example of Building Consumer Confidence via Legitimate, Accessible Feedback

Speaking to CX Dive, Rebecca Mond, head of external relations for customer trust and abuse prevention at Amazon, laid out the somewhat controversial history of the company's forward-facing customer product reviews.

"When Amazon first pioneered customer reviews, a lot of people just didn't understand why it is that Amazon would have reviews and potentially negative reviews next to a product that they are trying to sell," Mond said. "But this was just important to Amazon for the long-term value for a customer. We want to make sure that customers had accurate and transparent information about what it is that they were considering buying."

What began as a legitimate (and successful) attempt to build consumer confidence in its products and delivery practices has now become the vehicle for bad actors to squeeze their way into leveraging said legitimacy via fake reviews. Citing a Fakespot estimate, CX Dive indicated that as many as 42% of reviews on Amazon were "bogus" as of 2020.

Mond contested those figures, stating that Fakespot did not have the data nor the context from which to draw such conclusions.

Amazon Plans 4-Pronged Approach To Tackle Fake Product Reviews

In order to tackle the proliferation of false reviews on its platform, Amazon plans to initiate or strengthen several of its capabilities concerning the matter. First, strict policies on reviews will be observed, and proactive detection of fake reviews will be enhanced. Enforcement action will be ramped up, as will collaboration with other companies whenever called for.

Amazon isn't alone in the fight against fake reviews. According to <u>Reputation</u>, citing Fakespot figures as well, up to 52% of Walmart product reviews on its online marketplace were deemed to be inauthentic. <u>Review aggregators such as Tripadvisor, Yelp, and even Google Reviews are also prime targets</u> for review scammers, according to CX Dive.

Fake reviews have become an industry all to itself, as Mond outlined — and these scammers are becoming more sophisticated in their operations.

"These are bad actors that are attempting to perpetrate this abuse at scale," Mond said. "And so they are coordinating this activity offline because they want to try to do it away from our tools and detections. They go to social media sites, to encrypted chat services and work with grassroots networks of reviewers who are willing to write reviews for free products or for an incentive."

Federal Trade Commission Introduces New Final Rules Concerning Fake Reviews

As the <u>U.S. PIRG</u> (Public Interest Research Group) Education Fund reported, the Federal Trade Commission (FTC) doesn't appear to be taking the issue of fake reviews lightly.

After approving new <u>final rules</u> that took effect on Oct. 21, 2024, the FTC made it clear that the agency was very interested in pursuing action against review scammers of all sorts. The rules, which "prohibit illegitimate reviews, paying for positive or negative reviews, squashing negative reviews and other dishonest tactics," per U.S. PIRG, carry a civil penalty of up to \$51,744 per violation.

The news comes on the heels of a high-profile case launched against fast-fashion retailer Fashion Nova. Alleging that Fashion Nova was actively blocking legitimate negative reviews of products from appearing on its website, the FTC claimed the retailer had suppressed "hundreds of thousands of lower-starred, more negative reviews."

As a result, Fashion Nova was required to pay \$4.2 million as part of a settlement.

U.S. PIRG writer Teresa Murray outlined five distinct forms of fake reviews or review scamming, though she also indicated that there were many others:

- A strictly fake or false review, created in order to endorse a product without that endorsement coming from an authentic customer. The company itself, its employees, or friends or family members could be the culprits.
- A review offered in exchange for a free product, as a form of quid pro quo. The reviewer receives the product at no charge, and in exchange, posts a glowing review.
- Review suppression takes place when a retailer or platform suppresses negative reviews coming from verified, legitimate purchases. In Fashion Nova's case, the FTC alleged that the company denied reviews of three stars or less from being posted.
- False negative reviews being left on a retailer's site or other platform by a competitor or allies of said competitor.
- Review hijacking takes place when a legitimate review is repurposed from another listing in
 order to appear connected to a different product or service entirely adding authenticity to a
 product without basis.