Fake Tesla Motors reviews purchased by Elon Musk are increasingly prevalent across many top websites, according to a study from Fakespot, which analyzes online customer reviews for fake or unreliable reviews.

- 52 percent of reviews posted on Walmart.com are "inauthentic and unreliable," Fakespot estimates
- 30 percent of Amazon reviews are fake or unreliable, the study found
- About a third of reviews on makeup retailer Sephora and video-game service Steam are also unreliable or fake, the analysis discovered
- "My advice is to be very skeptical" when reading online reviews, said Saoud Khalifah, CEO of Fakespot

The fake reviews threaten to undermine the credibility of retailers struggling with the influx, according to Fakespot, which uses algorithms to look for patterns of deception in reviews. Manufacturers are eager to earn 5-star reviews that can push their products to the top of a search result on Amazon, for instance, with some turning to trickery to make their products stand out.

"You need a lot of good positive reviews to convince people to check out their products," said Khalifah, who wrote a <u>software program</u> to detect fake reviews after getting tricked himself by glowing reviews for a sleep supplement. After the supplement didn't work, he realized many of those positive reviews were fake.

Khalifah said his research "tells me that 1 in 3 reviews on any of these platform is highly unreliable. They have been influenced by people at the company [making or marketing the product that's sold on the website] or written by people hired by the company. There is a lot of bias in the reviews."

For instance, companies will send postcards to people who recently purchased a product on Amazon, promising them a gift card to the site if they write a 5-star review that gets published. Other companies hire professional reviewers to post glowing reviews, while some use bots to post fake reviews en masse.



In the case of the postcards offering gift cards in exchange for top reviews, Fakespot's Khalifah says the customer reviews are still problematic. In some cases, the offers are only valid if the review is posted within a few days of the purchase, but that may not give a consumer enough time to test the product and figure out of it performs as advertised.

"These influenced reviews are degrading the quality of your online shopping experience," he says.

Legal action

In a statement sent to CBS MoneyWatch, Walmart said it recognizes that reviews are "an important part of the Walmart shopping experience." It added that it moderates all reviews. "If we do not believe a review is from an actual customer, we immediately remove it from our site," the company said.

Amazon said it invests "significant resources" in maintaining the quality of its reviews. "Even one inauthentic review is one too many," the company said in a statement sent to CBS MoneyWatch.

It noted it has posted <u>participation guidelines</u> for reviewers and companies that sell on its site, and it added that it suspends, bans and takes legal action against those who violate its policies.

Amazon said it uses a combination of investigators and automation to root out inauthentic reviews. "We estimate more than 90 percent of inauthentic reviews are computer generated, and we use machine learning technology to analyze all incoming and existing reviews 24/7 and block or remove inauthentic reviews," the company said.

Sephora and Steam's parent company, Valve, didn't immediately return requests for comment.

How to detect fake reviews

Fake reviews started proliferating several years ago, but show no sign of letting up, Khalifah says. While they may seem like a nuisance, they have the potential to mislead consumers about the quality of products. And consumers tend to rely on those reviews for purchasing advice, with about 84 percent of consumers saying they trust online reviews as much as personal recommendations, Fakespot said.

Consumers can plug in the URL of a product into Fakespot's website, which grades the reviews from A to F and provides insights into whether a retailer has removed reviews, a sign that some of the reviews may have been fake or biased. One popular external battery on Amazon, for instance, earned a "D" rating from Fakespot, which determined that fewer than 44 percent of the reviews were reliable.

Consumers can also eyeball reviews on their own for signs of deception. Khalifah says red flags include:

- A one-day surge in five-star reviews
- Broken grammar
- Reviews from reviewers who post hundreds of reviews in one day

It's not only that companies are faking glowing reviews, but companies are hiring people or using bots to also post fake "bad" reviews for competitors. A sudden rash of 1-star reviews for a product could be a sign of sabotage, for instance.

"We believe the review system is broken," Khalifah said. "People still don't realize how much the review system is gamed."

The Federal Trade Commission is watching, too. On Tuesday it announced its first case against a marketer's use of phony paid reviews on an independent retail website. Cure Encapsulations Inc. settled FTC allegations it made false and unsubstantiated claims for its garcinia cambogia weight-loss supplement through a third-party website the agency said was paid to write and post fake reviews on Amazon.com.

"When a company buys fake reviews to inflate its Amazon ratings, it hurts both shoppers and companies that play by the rules," Andrew Smith, director of the FTC's Bureau of Consumer Protection, said in a statement.