

YELP REVIEWS:

Can You Trust Them?

SMG prof says the truth is hard to find

→ If you're combing Yelp reviews to decide where to eat, you're likely to be misled or outright duped, says Georgios Zervas, coauthor of a study concluding that at least 16 percent of the reviews are fake. The researchers found that the worst offenders are restaurants seeking to offset negative write-ups, that chain restaurants are the least likely to commit review fraud, and that restaurants sometimes take the low ground by posting fraudulent negative reviews for establishments competing for the same customer base.

Although they do make efforts to ensure the veracity of their content, sites like Yelp, TripAdvisor, and Angie's List remain easy prey for motivated business owners, according to Zervas, a School of Management assistant professor of marketing, and Harvard Business School's Michael Luca (GRS'11), whose report *Fake It Till You Make It: Reputation, Competition, and Yelp Review Fraud*, is now under review for publication.

Bostonia spoke with Zervas about his findings.

BOSTONIA: Did you discover anything particularly surprising in your study?

ZERVAS: A slightly surprising thing is the proportion of suspected fake reviews Yelp removes; approximately a quarter of reviews, about 10 million, submitted to Yelp are not published.

What are some of the concerns raised by the study?

The main concern is for firms like Yelp and TripAdvisor. Platforms that crowdsource reviews rely on the integrity of these reviews, and fraudulent reviews pose a major threat to their trustworthiness. Consumers should also be concerned that fake reviews are leading them to suboptimal choices, and businesses should be aware that some negative reviews might come from their competitors.

How much of an impact do sites like Yelp have on a business?

My coauthor Michael Luca did a great study on this and found that having an extra

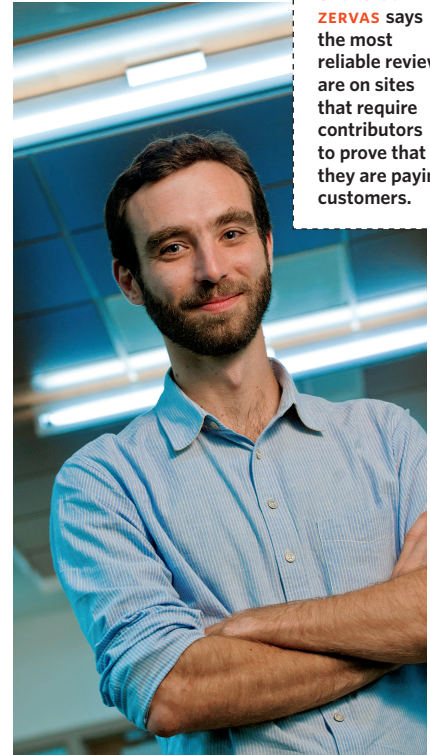
star on Yelp causes the revenue of a business to rise by 5 to 10 percent.

How can consumers view these sites more critically?

The way I use Yelp is, I read individual reviews, trying to be aware not just of whether they're fake, but beyond that, whether they come from consumers who are like myself. There are plenty of biases in reviews besides their being fake or real. The other thing I look at is the number of reviews a business has. I have a lot more faith in a business with 3½ stars and 100 reviews than I do in one with 4 stars and just 3 or 4 reviews. That's common sense. Also, when available, you can use sites like Expedia that allow consumers to review a business only once it's confirmed that they are paying customers.

Are the fake reviews the same as false advertising?

According to the Federal Trade Commission, a review is con-



SMG's GEORGIOS ZERVAS says the most reliable reviews are on sites that require contributors to prove that they are paying customers.

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sidered deceptive advertising if any material connection between the reviewer and the business being reviewed is not disclosed in the review.

How fine a line is there between a fake restaurant review and one that is written by a friend at the urging of the restaurant's owner?

The friendship between the reviewer and the restaurant owner is a material connection—information that third parties reading the review might want to know before they buy a product or a service, and therefore it should be disclosed. So this review is still fraudulent.

So what's the best way to get reliable information?

Beyond online word of mouth, use offline word of mouth if that's available. Mine your own social network as much as possible. ss

WEB EXTRA

Through March, Georgios Zervas will answer your questions about Yelp reviews and the best way to get reliable information online at bu.edu/bostonia.