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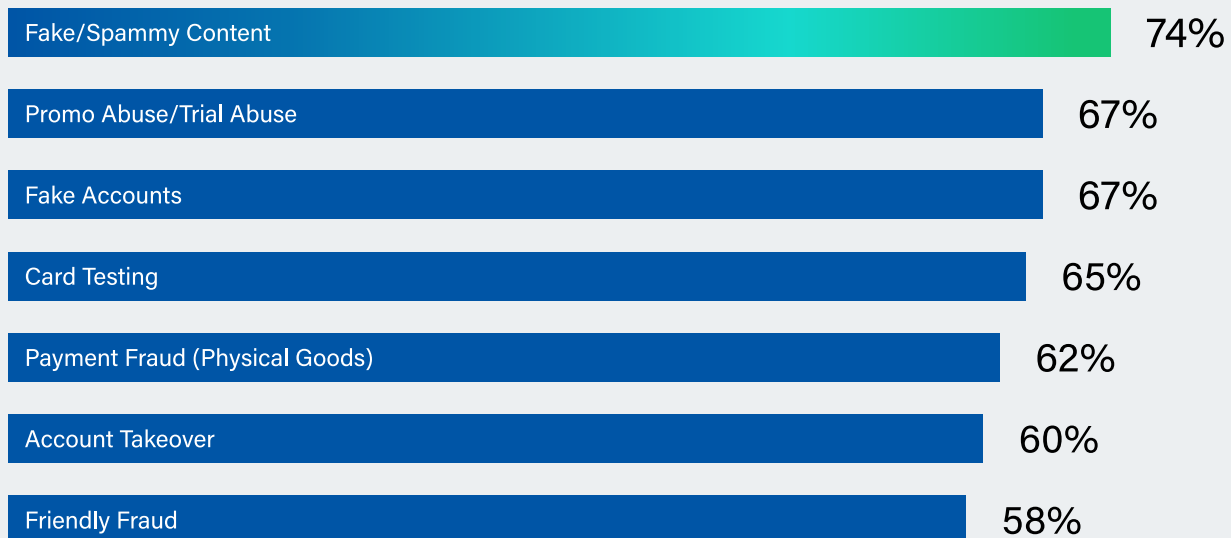
Fake Reviews: A Growing Fraud Concern Affecting Brand Loyalty and Growth

The State of Content Integrity & Fake Reviews

Today's headlines are plagued with data breaches and fraud attempts, but fraud expands far beyond stealing identities and making online purchases with a stolen credit card. Fake and spammy content is another type of fraud that is fast growing and causing concern for consumers and businesses alike.

Over the past year, companies have seen an increase in many different types of fraud:

Types of Fraud Businesses Faced Over the Past 12 Months*

Type	Percent
Fake/Spammy Content	74%
Promo Abuse/Trial Abuse	67%
Fake Accounts	67%
Card Testing	65%
Payment Fraud (Physical Goods)	62%
Account Takeover	60%
Friendly Fraud	58%

The most prevalent example of this type of content is fake reviews. Consumers rely on reviews to make purchases, but fake reviews discredit brands, erode trust, and lead to an unpleasant customer experience. The integrity of a business' content, especially product reviews, is critical to building and maintaining consumer trust and loyalty.

Consumers Rely on Reviews

Today more than ever, buyers use online reviews to determine whether to purchase a product, sign up for a service, or visit a business.

71%
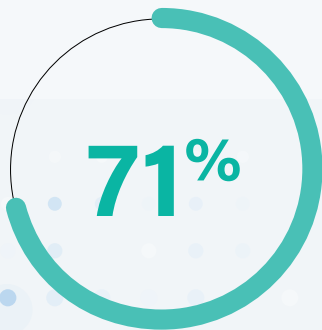
Over two-thirds (71%) of consumers believe that ALL consumer products and services need to include customer reviews on company websites.

Where Customer Reviews Matter the Most

While consumers want and expect customer reviews across all goods and products when evaluating purchase decisions, they rely more heavily on the review content in certain industries:

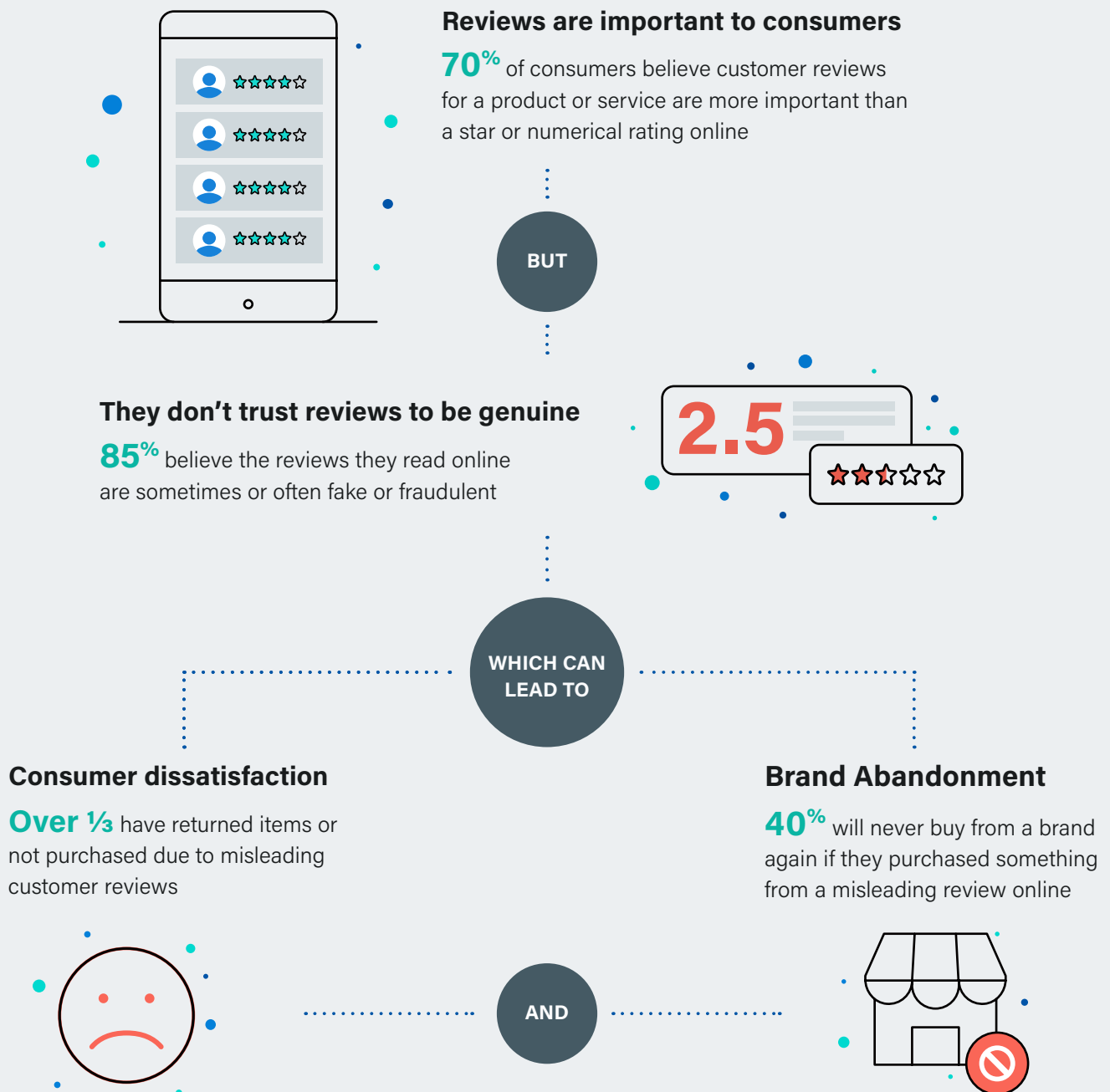| #1	#2	#3	#4	#5
ELECTRONICS	RESTAURANTS, FOOD & DRINK	TRAVEL	APPAREL	BEAUTY & GROOMING

Fake Reviews: Path to Brand Abandonment

With 50% of consumers shopping online at least 3-5 times a week, online businesses need to ensure the integrity of their content or risk abandonment, as well as losses in revenue and brand loyalty.

Reviews are important to consumers

70% of consumers believe customer reviews for a product or service are more important than a star or numerical rating online

BUT

They don't trust reviews to be genuine

85% believe the reviews they read online are sometimes or often fake or fraudulent

2.5

WHICH CAN LEAD TO

Consumer dissatisfaction

Over ⅓ have returned items or not purchased due to misleading customer reviews

Brand Abandonment

40% will never buy from a brand again if they purchased something from a misleading review online

AND

Staying Ahead of Fraudsters

As fraudsters continue to outpace businesses, and as the range of fraud grows and evolves, businesses need dynamic solutions to keep users safe. While fake content may not be the most malicious type of fraud, it is still detrimental to customer loyalty, as well as revenue and business growth. It only continues to grow with 50% of businesses expecting content abuse to continue to increase over the next 12 months.[*]

It's never been more crucial to protect your users from content abuse — including scams, spam and fake reviews. If you aren't actively taking a stand against fraudulent content appearing on your site, you risk losing revenue and brand loyalty. Businesses need to protect their community from malicious content so they can grow their user base and increase engagement.

Methodology

Polling 1,000 consumers in the United States ages 18 and above, Sift's survey explores consumers' experiences, behaviors and perceptions as it relates to fake reviews with their favorite brands. The findings indicate that fake or misleading reviews will create a significant challenge for e-commerce brands from retail to travel.

[*] The Digital Trust & Safety: Aligning Security and Growth Strategies survey was commissioned by Sift and fielded by Berg Research, an independent research firm. The responses were generated from a survey of 500 professionals across North America with responsibilities related to fraud, risk, mobile or ecommerce operations and strategy. These professionals represent companies with 500+ employees throughout North America and across online retail industries, such as travel, hospitality, ecommerce, etc.
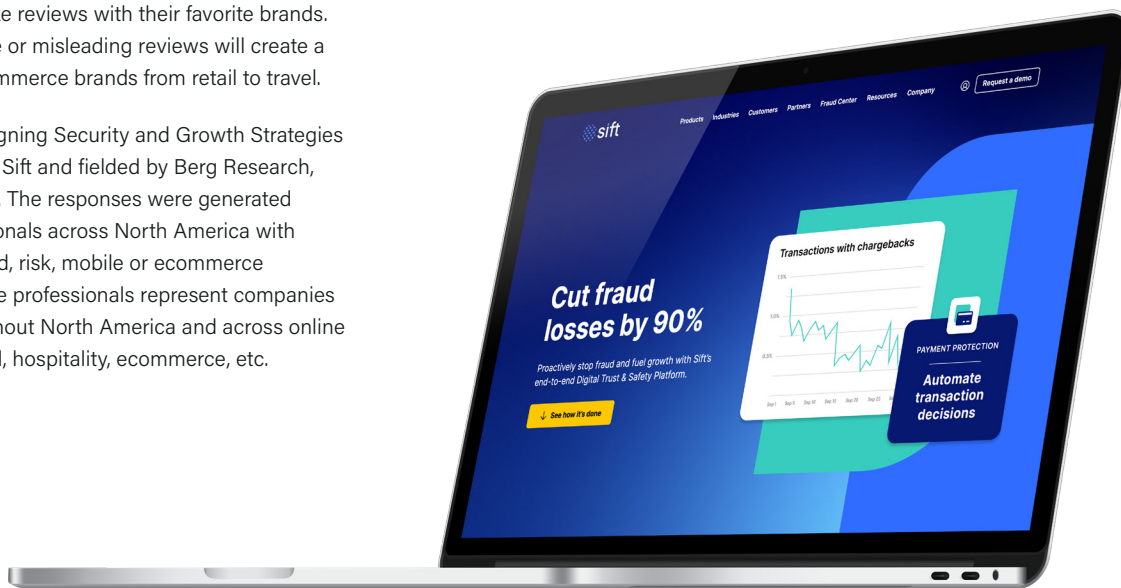
End-to-end intelligent automation with Sift

Sift is the leader in Digital Trust & Safety, empowering digital disruptors to Fortune 500 companies to unlock new revenue without risk. Sift dynamically prevents fraud and abuse through industry-leading technology and expertise, an unrivaled global data network of one trillion (1T) events per year, and a commitment to long-term customer partnerships. Global brands such as DoorDash, Poshmark, and Twitter rely on Sift to gain a competitive advantage in their markets.

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