#### Press Release

# Study by Händlerbund and VDE: Online retailers negatively affected by fake and unfair customer reviews

Leipzig, MMMM DD, 2021

- 97% have already received unfair customer reviews
- 66% saw an increase in the number of unfair reviews in 2020
- 34% consider all measures against unfair reviews to be ineffective
- 37% of merchants have recognized purchased fake reviews on their competitors' websites
- 85% see the greatest damage in the fraudulent competitive advantage
- 42% consider a verification process to be a solution to the problem

For the first time, VDE and the Händlerbund (German online retailer association) are publishing a joint study on unfair customer reviews and fake reviews in e-commerce. Of the 196 online retailers surveyed, 97 percent reported having received unfair customer reviews that badly damaged their reputation. More than a third of the respondents also recognized fake reviews used by competitors to unfairly gain an advantage. The existing countermeasures, meanwhile, have not proven effective.

# Persistent unfair reviews cause major damage

The number of unfair reviews that are untrue, used as a means of pressure, or were made in error has risen overall over the past four years. In the last Händlerbund study on customer reviews in 2017, 95 percent of online retailers were already affected by unfair reviews, and the figure rose to 97 percent in 2021. 66 percent of respondents said the number also increased in the year 2020. Unfair customer reviews lead to a loss of reputation (90 percent), time/money (74 percent) and visibility (68 percent). The range of measures that merchants are taking to address unfair reviews ranges from public comment (71 percent) and contacting the platform (53 percent) all the way to engaging a lawyer (14 percent). The reality is often frustrating, though, since the measures only have an impact in 35 percent of cases at most. This situation needs to be improved through policy, more effective countermeasures and, above all, accommodation by the websites publishing the reviews.

## Fake reviews could be combated by verifications

Fake reviews are purchased reviews that are often created automatically. 38 percent of respondents in the study have experience with reviews of this type. Positive reviews are often bought for a shop or product (78 percent), and negative reviews are also doled out to the competition (14 percent). Honest online retailers suffer damage due to their competitors gaining an unfair advantage (85 percent), uneasy customers (50 percent) and falling sales (45 percent).

In many cases, it is anonymous profiles that submit unfair or fake reviews. 42 percent of retailers expect that verifications would improve things, and 50 percent would also be willing to accept a verification process for customer reviews. Nevertheless, 57 percent of the surveyed retailers are

skeptical whether customers would go along with the introduction of such processes. Retailers particularly want to avoid processes with lots of clicks, and they would also prefer not to introduce discounts or bonuses for verified users.

## VDE and the Händlerbund are addressing the issue

Sebastian Hallensleben, head of the digitalization and AI competence area at VDE, sees these figures as confirmation of the commitment to develop privacy-sensitive procedures for user verification. "It's important to make sure that reviews from real people don't get drowned out in the massive volume of automated fakes at some point," he said. Meanwhile, the topic has also reached the political sphere: Last year, VDE initiated several technical discussions with the Federal Ministry for Economic Affairs and Energy and has since incorporated other ministries. This will be followed by a conference on November 4 where the challenges and solution approaches for automated fakes and bots will be discussed in a wider interdisciplinary context for the first time. At the European level, Hallensleben has already set up a high-level working group to accompany the EU initiative for a European digital identity and bolster it with privacy protection mechanisms against fakes and bots.

For the Händlerbund, the results are also a motivation to continue supporting online retailers in dealing with unfair and fake reviews. "Unfortunately, not all customers and competitors in online commerce stick to the truth", explains Andreas Arlt, Federal Chairman of the Händlerbund, "and we want to use our legal expertise and our perseverance to ensure that merchants don't just have to accept this." The ratings portal Shopauskunft.de has been part of the Händlerbund since 2020. Here, online retailers can collect verified reviews. The Händlerbund also offers legal assistance for cases of unfair reviews with false statements and helps get them deleted.

All study results (in German) as a PDF download.

Selected results (in German) as an infographic to download.

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### About the Händlerbund

The Händlerbund is a 360° e-commerce network. With its members and service partners, it supports merchants from all over Europe in professionalizing their businesses. Due to the rapid development of e-commerce, the Händlerbund quickly became Europe's largest online trade association.

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#### **About VDE**

VDE, one of the largest technology organizations in Europe, has been regarded as a synonym for innovation and technological progress for more than 125 years. VDE is the only organization in the world that combines science, standardization, testing, certification and application consulting under one umbrella. The VDE mark has been synonymous with the highest safety standards and consumer protection for 100 years. Our passion is the advancement of technology, the next generation of engineers and technologists, and lifelong learning and career development "on the job". Within the VDE network, 2,000 employees at over 60 locations worldwide, more than 100,000 honorary experts and 1,500 companies are dedicated to ensuring a future worth living: networked, digital, electrical. We shape the edialistic future.

The headquarters of the VDE (Association for Electrical, Electronic & Information Technologies) is in Frankfurt am Main. For more information, visit www.vde.com.