

# What Managers Need to Know about Incentivized Reviews: Pros, Cons, and the Effects of Cultural Differences

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## *Abstract*

*Consumers consult online reviews to reduce uncertainty with purchase decisions. Online reviews decrease information asymmetry, increasing purchase likelihood, and brand awareness increases when consumers read reviews. Thus, businesses actively seek to increase the number and quality of online reviews. One strategy to achieve this goal is through incentivizing reviews. This article explores the advantages, disadvantages, legal issues, and best practices for incentivizing reviews, while detailing the breadth of review incentivizing programs at major businesses. Additionally, the authors present a study that uncovers regional and cultural differences in opinions regarding incentivized reviews and the companies that host the reviews.*

## **Incentivized reviews**

Reviews drive many decision-making processes. In summarizing her study of online reviews, Tang stated that “online customer reviews are overwhelmingly more effective than corporate press releases (except for new product press releases) in influencing shopper decisions.”<sup>1</sup> Yet, the answer to whether a business should incentivize reviews is not simple, because there are benefits, drawbacks, changing regulatory environments, and regional and cultural differences to consider. This article addresses these issues while providing guidelines to those businesses that incentivize reviews. We end with a discussion of the current practices of ten major retailers that span the

spectrum from banning incentivized reviews to openly encouraging them. Our paper is based on academic literature as well as a review of the current proposed Federal Trade Commission (FTC) rules. This paper is appropriate for a wide array of businesses that host reviews but do not sell products, sell other business's products, sell their own products, or sell their own products as well as others. Our paper also is relevant to businesses that solicit reviews, but do not display them for public consumption, as these companies also desire unbiased reviews on which to make decisions.

### **Benefits from incentivizing reviews**

Firms desire high levels of consumer interaction that produce insights that can create competitive advantages. Thus, firms search for ways to boost the volume of product feedback. One way to achieve these goals is through consumer reviews. The outcome of increased customer interaction is enhanced customer engagement and loyalty, which, in turn, elevates brand trust. Incentivizing reviews can increase the informational value of reviews. Typically, customers leave reviews when they have a great 5-star or a poor 1-star experience. But review incentives can encourage customers who have a more nuanced experience to leave reviews – providing more varied ratings. For example, providing incentives for reviewing can reduce selection bias in online employer reviews and increase the accuracy and informativeness of the feedback.<sup>2</sup> This approach offers several benefits: increased customer interaction (1-2), enhanced business insights (3-4), improved product promotion (5-6), and increased business competitiveness (7-8).

1. *Increased Volume of Reviews:* Incentives can motivate more customers to leave reviews, leading to a greater amount of feedback.<sup>3</sup> A higher number of reviews is directly linked to improved product credibility, as it signals to both customers and search engines that the product is widely used and trusted. Thus, search engines like Google will rank a website with a greater number of reviews higher.
2. *Improved Customer Engagement:* Incentives can increase customer engagement and interaction, and make customers feel more valued. Also, incentivized reviewers experience higher degree of enjoyment writing review compared to non-incentivized reviewers.<sup>4</sup>
3. *Opportunity for Constructive Feedback:* Encouraging reviews produces more opportunities to receive constructive feedback, which businesses can use to improve their products and services.
4. *Better Understanding of Customer Needs:* A greater number of reviews increases the likelihood for disparate consumer opinions, providing a more balanced, accurate view and deeper insights into customers'

needs, preferences, and experiences, which can guide businesses strategy and product development.<sup>5</sup>

5. *Faster Collection of Reviews:* Incentives can speed up the collection rate of reviews,<sup>6</sup> which can be particularly useful for offerings.
6. *Promotion of New or Less-Popular Products:* Incentives can help gather more reviews for products or services that may not receive many reviews.
7. *Create a Competitive Advantage:* Reviews help create trust and transparency, so businesses with a greater number of reviews have a competitive advantage.
8. *Boosts Online Visibility:* A higher volume of reviews can improve search engine optimization (SEO) and increase a product's visibility online, by providing evidence to search engines that your business is relevant and increasing the likelihood that there will be keywords that correspond to user searches.

Businesses benefit from a diverse range of feedback, helping improve their offerings. Consumers also benefit, as a range of opinions that discuss multiple product features greatly aids the decision-making process. Incentivized reviews also provide fuel for the product lifecycle. By creating a greater number of informative reviews earlier in the product's lifecycle, a product may be more likely to succeed in the marketplace. At the same time, early feedback provides opportunities for firms to improve products early in their lifecycle or to bring an improved version to market in a timely manner. Finally, incentives can increase the proportion of positive emotion in reviews and the enjoyment of review writing.<sup>4</sup>

Several companies have implemented incentivized customer review programs to engage their customers. For example, Sephora established a Beauty Insider Community to foster customer interaction.<sup>7</sup> Rather than providing customers with a straightforward mechanism to receive complimentary products to review or to receive compensation for reviews, Sephora makes the rules for joining its incentive process opaque. While this approach may discourage some customers from participating, the program helps identify customers who are genuinely interested in Sephora and its products. Customers that continually participate in the online community and review products are more likely to be intrinsically motivated, providing higher quality information to other customers. This approach encourages customers to continually patronize the Sephora community, leave reviews on an ongoing basis, and provide other forms of feedback to community members. As evidence of the effectiveness of the program, an analysis of the community's comments reveals that many customers, through their exchanges, develop loyalty to Sephora and a shared sense of community.

### Drawbacks

Despite advantages, incentives can produce undesirable results. First, incentive programs may produce biased or dishonest reviews from customers who are trying to earn the incentive without creating a helpful review, or from customers who feel pressured to provide a positive review because they are receiving an incentive. The possibility of biased reviews can cause review readers to be skeptical about review authenticity, eroding trust in the brand and the review-hosting platform. Lack of quality in reviews further diminishes the reviews' value to businesses and review readers. In fact, a recent study of incentivized Airbnb reviews found that incentivizing reviews increased the number of reviews but did not increase demand or matches between renters (buyers) and landlords (sellers).<sup>8</sup>

Incentives also may turn the customer relationship into a transactional one. While at first, the rejoinder to this statement may be – isn't that the point of a customer relationship? The ideal customer relationship is more than transactional and is based on mutual trust, creating customer loyalty that spans beyond transactional exchanges. Thus, incentives might only boost short-term reviewer engagement, with potential declines once the program ends. As evidence, researchers found that incentivizing reviews in tightknit communities lowered the number of overall reviews.<sup>9</sup> Finally, in addition to review quality monitoring costs based on rules internal and external to the business, incentive programs require resources to fund and administer.<sup>10</sup>

1. *Biased Reviews:* Incentives can lead to biased or dishonest reviews as users may provide positive feedback to receive rewards.<sup>11,12</sup> This outcome may be due to reciprocity bias, where the customer may feel an unconscious obligation to compose a positive review despite a less positive experience.<sup>3</sup>
2. *Review Manipulation:* The use of incentives can create opportunities for review manipulation, such as fake reviews or attempts to game the system for the review writer's personal gain.<sup>13</sup> For instance, a user may create several accounts to leave more reviews and earn more rewards or they may review a product that they never used.
3. *Lack of Trustworthiness and Consumer Skepticism:* Some users may view incentivized reviews as unreliable or untrustworthy,<sup>14</sup> potentially undermining the reputation of businesses. Consumers may become skeptical or suspicious of reviews when they know incentives are involved, which can erode trust in all reviews on the review platform.<sup>15</sup>
4. *Deterrent Effect:* In some cases, the apprehension of being perceived as a paid promoter can discourage people from leaving reviews.

Incentivized reviews risk being viewed as less trustworthy, regardless of the reviewer's genuine thoughts.

5. *Lack of Long-Term Engagement:* Incentives may only incentivize short-term engagement,<sup>16</sup> resulting in a decrease in review frequency or engagement with the platform once the incentive program ends.
6. *Review Inflation:* Incentives may lead to a higher number of reviews, but not necessarily a higher quality<sup>17</sup> or more accurate representation of the overall customer experience.<sup>6</sup>
7. *Quality Concerns:* Incentives may lead to an influx of low-quality or superficial reviews, diminishing the value and usefulness of the feedback provided.
8. *Compliance Issues:* Incentive programs need to comply with relevant regulations, such as consumer protection laws or guidelines set by review platforms, which can pose challenges for businesses. European countries have adopted more protectionist consumer legislations than the US has when it comes to fake reviews.<sup>18</sup> However, the US has enforced laws against the violators to a greater extent.<sup>18</sup>
9. *Cost Considerations:* Implementing incentive programs can incur additional costs: rewards, administration, and monitoring for abuse or fraudulent activity.

### Best practices

The following outlines best practices for firms that choose to incentivize customer reviews, addressing concerns raised in the previous section. The primary objective for a firm should be to incentivize the desired quantity of unbiased helpful reviews from a diverse range of customers. These practices fall into three categories: attracting reviewers (#1 - #4), maintaining the review audience (#5 - #8), and navigating regulatory and governance issues (#9 - #10). From a resource allocation viewpoint, firms must decide how much to dedicate to costs that are one-time or infrequent, such as educating reviewers (#8), disclosing incentivized reviews (#5) and proving ethical guidelines (#9), as well as determining the amount of resources to dedicate to the ongoing costs of recruiting and rewarding reviewers (#1 - #3), monitoring and evaluating review content (#6 - #7), and improving the incentive program (#4).

A key decision point is determining how to attract reviewers is determining the form of the incentives. One approach is to provide extrinsic incentives through monetary compensation. However, there is evidence that incentivizing reviews may produce reviews that are biased positively, decrease in review quality, and a decrease of reviewer participation once the program ends.<sup>19</sup> Our research, of over 3,000 reviews for five products on

Trustradius.com, revealed that incentivized reviews are generally longer, use more positive language, and have higher ratings compared to their non-incentivized counterparts. However, a key point may reside in the proper level of monetary compensation. One experiment found that by raising compensation from \$.20 to \$.35, a 75% increase, the level of biased reviews decreased substantially.<sup>5</sup> Adding gamification to financial incentives lead to a higher volume of reviews, but the relationship with review quality did not statistically significantly improve.<sup>20</sup>

Another approach is intrinsic motivation — to appeal to a person's sense of doing good, helping others, or contributing to a community. Research has shown that encouraging customers to write reviews that assist consumers and the firm by providing helpful information reduces review bias.<sup>5</sup> While monetary incentives may diminish the effects of intrinsic motivation,<sup>15</sup> gifts or status symbols (e.g., platinum member), especially from well-established brands, may not have the same negative effects. As further evidence, product testing programs, where companies offer free products in return for reviews, do not generate higher quality reviews or better product ratings compared to reviews left by consumers who did not receive free products.<sup>17</sup> In other words, product testing programs may not produce biased reviews. Finally, an influencer's communication of their intrinsic motivation for writing reviews can mitigate the negative effects of reduced credibility and negative word of mouth of writing incentivized reviews.<sup>21</sup>

1. *Recognize Reviewers:* As a platform, establish a system, like a badge scheme, that appreciates and rewards reviewers' efforts in creating informative and engaging reviews.<sup>22</sup> The desire for status plays a critical role in generating superior quality reviews. (Addresses: Lack of Long-Term Engagement.)
2. *Balanced Incentives:* Managers should offer incentives that promote unbiased and authentic feedback. Avoid conditioning incentives on positive reviews or discouraging negative reviews. Ensure that the incentives do not unduly influence the reviewer's opinion or create a conflict of interest. Consider offering non-monetary incentives, such as exclusive access, recognition, or additional benefits, to encourage engagement without compromising objectivity. Reminder emails can be just as effective as financial incentives in encouraging customers to leave reviews.<sup>23</sup> (Addresses: Cost Considerations, Biased Reviews, and Lack of Long-Term Engagement.)
3. *Target Solicitations:* Managers should focus on soliciting reviews from a diverse range of customers to ensure a representative and balanced perspective<sup>24</sup> (e.g., demographics, usage patterns, purchase history, and feedback history). Avoid soliciting only positive reviews.



Implement strategies to encourage participation from customers who may have had moderate or negative experiences, as their feedback provides valuable insights for improvement. Personalize solicitation efforts based on the customer's specific interaction or experience with the product or service. (Addresses: Biased Reviews and Quality Concerns.)

4. *Continuous Improvement*: Managers should regularly assess and refine the incentive program based on feedback and user insights. Gather feedback from reviewers and customers to understand their perceptions and expectations. Adapt strategies for incentivized reviews to align with changing consumer preferences and emerging trends in incentivized reviews. (Addresses: Quality Concerns and Lack of Long-Term Engagement.)
5. *Transparent Disclosure*: Despite potential consequence of sponsorship disclosure of reviews,<sup>25,26</sup> managers should clearly disclose any incentives offered for reviews, ensuring that users are aware of the potential influence on review content.<sup>27</sup> Clearly communicate the nature of the incentives and any conditions or requirements attached to them. Transparency builds trust and helps users understand the context of the reviews. Mandatory disclosures have a positive effect on review helpfulness and sales.<sup>28</sup> (Addresses: Deterrent Effect, Lack of Trustworthiness and Consumer Skepticism, and Lack of Long-Term Engagement.)
6. *Monitor and Address Manipulation*: Managers should implement systems to monitor and detect review manipulation, such as fake reviews, biased endorsements, or fraudulent activities. Regularly review and analyze review patterns, flag suspicious activities, and investigate any reported or identified instances of manipulation. Promptly address and take corrective action against any violators to maintain the integrity and trustworthiness of the review system. (Addresses: Review Manipulation.)
7. *Evaluate Review Content*: Managers should evaluate reviews in terms of helpfulness. Such programs increase reviewers' contribution levels (i.e., frequency of review posting and length of reviews) and produces a lower percentage of extreme ratings for reviewers who were in the program for less than one year. Review quality improves for reviewers in the program for more than one year.<sup>16</sup> (Addresses: Review Inflation and Quality Concerns.)
8. *Educate Reviewers*: Managers should provide clear guidelines and educate reviewers on the importance of honest, unbiased, and helpful reviews. Encourage reviewers to focus on sharing their genuine

experiences, highlighting both positive and negative aspects. Offer resources and examples that help reviewers understand how their feedback can assist others in making informed decisions. (Addresses: Quality Concerns.)

9. *Ethical Guidelines:* Managers should adhere to ethical guidelines and regulations set by relevant authorities, such as the FTC or industry-specific associations, to avoid deceptive or unfair practices. Regularly review and update your practices to comply with evolving standards. (Addresses: Compliance Issues.)
10. *Collaborate with Review Platforms:* Managers should work closely with review platforms and follow their guidelines and recommendations. Stay updated on policy changes, best practices, or emerging trends related to incentivized reviews. Foster a collaborative relationship with the platforms to ensure your practices align with their goals of providing reliable and valuable review content. (Addresses: Lack of Long-Term Engagement.)

Amazon offers a vivid example of an evolving strategy for encouraging online reviews. From 2018 to 2021, Amazon ran an early reviewer program which connected trusted reviewers with products that companies wished to have reviewed.<sup>10</sup> Amazon randomly assigned reviewers who had no history of dishonest reviews to products and compensated them with a \$1-\$3 Amazon gift card. However, the program did not create enough quality reviews and thus Amazon introduced a number of improvements. First, Amazon, provided a method for companies to directly request reviews from customers—a “request review” button on the order processing page.<sup>29</sup> Second, they rebranded the early reviewer program as Vine, which recruited reviewers who provide high quality helpful reviews, an improvement over the prior program which only ensured that the reviews were not misleading.<sup>30</sup> In summary, Amazon has continuously improved (#4) their programs to recognize targeted reviewers (#1 and #3), provide balanced incentives (#2), while monitoring manipulation (#6) and evaluating review content (#7). In addition, Amazon publishes guidelines (#9) and provides education for reviewers (#8) through formal methods and informally, by allowing review readers to sort reviews by their helpfulness.

Recent academic research illustrated the benefits of incentivized reviews, by examining the difference between solicited, that is intrinsically incentivized reviews and normal, unsolicited reviews.<sup>22</sup> Data from a hotel chain review website revealed that solicited reviews decreased extremity bias by approximately 20% especially in terms of extremely negative ratings. This shift provided the silent majority with a larger voice, creating a greater representation of actual experiences. The solicitations did not necessarily



decrease the number of one- and five-star reviews, but rather increased the number of reviews with more modest ratings, creating an overall increase in the number of reviews.

### A Study of Cultural and Regional Differences

The aforementioned best practices may not apply equally to all consumer audiences. For instance, cultural differences significantly shape individuals' attitudes towards incentives, trust, and online interactions. Thus, understanding the perceptions of incentivized online reviews across different cultures is crucial in today's globalized digital marketplace. For instance, while some cultures may view incentivized reviews as valuable endorsements, others may perceive them as less credible or even unethical. By gaining insights into these cultural variations, businesses can tailor their online review strategies to resonate with diverse audiences, enhancing trust and credibility. Moreover, considering cultural nuances allows companies to navigate regulatory frameworks and ethical standards related to incentivized reviews in different regions. Ultimately, this knowledge enables organizations to build authentic connections with consumers worldwide, fostering stronger brand reputation and loyalty across cultural boundaries.

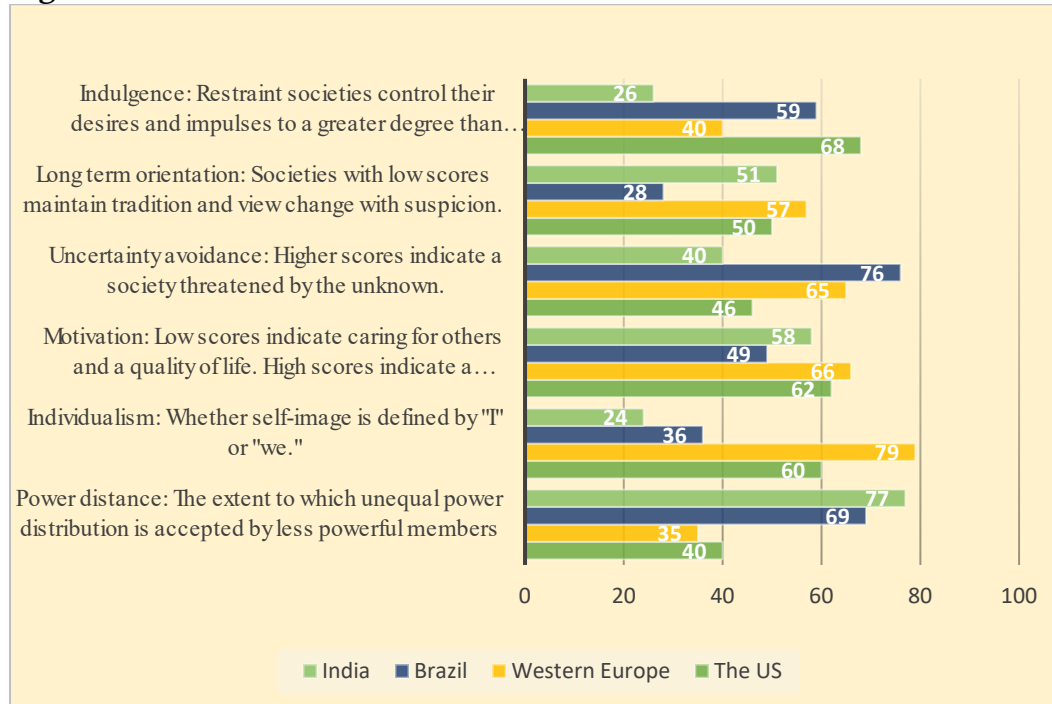
Researchers frequently use cultural measures to determine whether geographic regions may affect their business strategies.<sup>31</sup> These measures include individualism, power distance, masculinity, uncertainty avoidance, long-term orientation, and indulgence (defined in Figure 1). Academic research has investigated the cultural effects of non-incentivized reviews. For instance, individuals in collectivist cultures (e.g., China) are more likely to write reviews than consumers in individualistic cultures (e.g., U.S.).<sup>32</sup> Other work finds that individualism, power distance, and uncertainty avoidance tempered the effect of electronic Word-of-Mouth on market share.<sup>1</sup> Research focused on travel reviews indicates that customers differ on the attributes to which they place importance on dependent on their culture, as well as their overall use of reviews.<sup>33</sup> In fact, an overview of culture and reviews suggests that there are inter-country differences in how consumers construct reviews and use them in their product choice decisions, indicating that there may be underlying cultural differences.<sup>34-36</sup>

The results of these studies prompted us to examine whether there are differences between regions. We selected four regions that differ geographically, in terms of cultural dimensions, and have a high level of ecommerce and internet usage (Figure 1). We conducted a survey of approximately 100 participants from each of the four regions: The U.S., Brazil, India, and Western Europe. The survey first asked participants about their perception of incentivized reviews and the role that such reviews play in the

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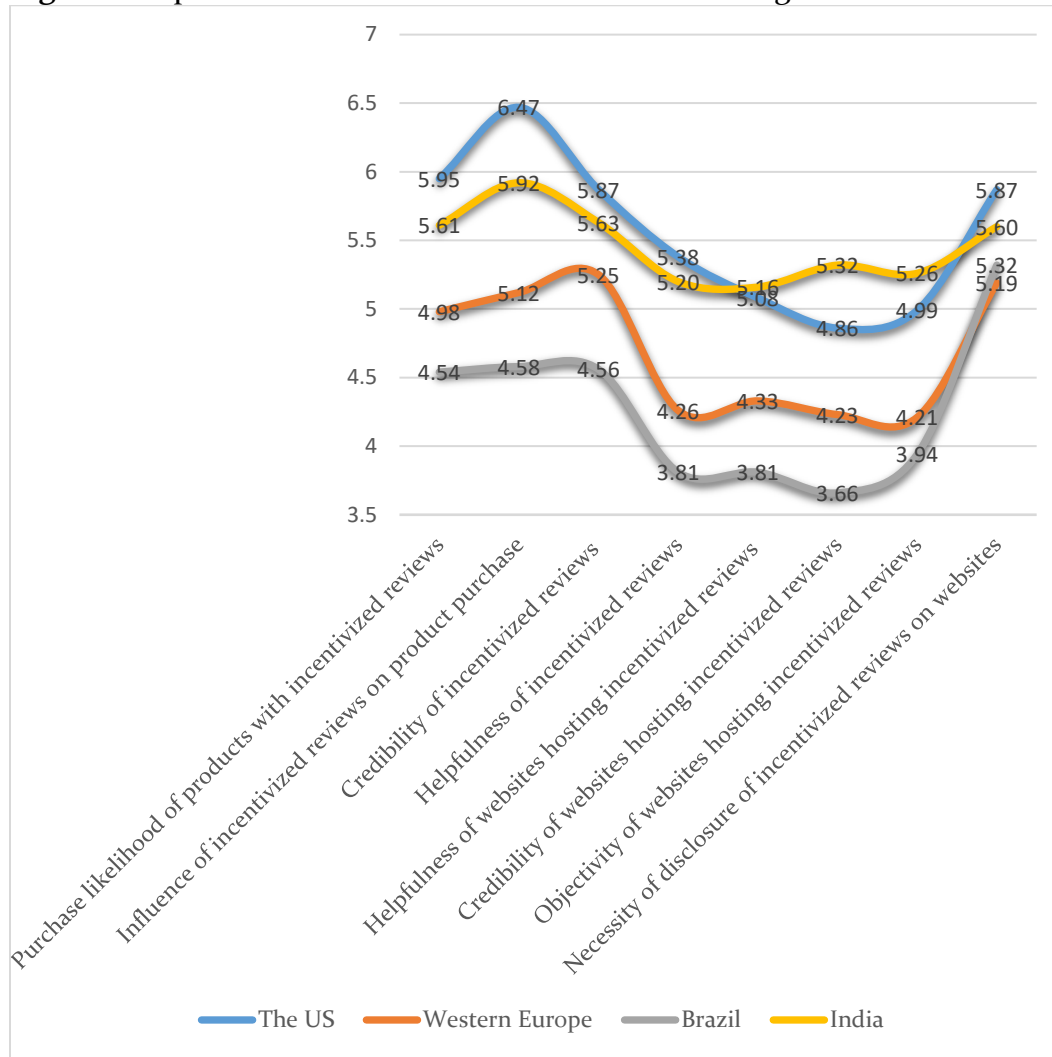
purchase process. Participants then answered questions, on a 7-point Likert scale, regarding their perception of websites that host incentivized the reviews, including whether these websites should disclose that they host incentivized reviews. The survey closed with demographic questions. We then merged the country-level cultural dimensions with the individual responses.

**Figure 1.** Cultural Dimensions



We discuss the results from two viewpoints: geographical or cultural dimensions. A geographical-level examination indicates that there are geographic differences (Figure 2). The U.S. and India have more positive views regarding incentivized reviews and websites hosting the reviews than do Brazil and Western Europe. There is a high level of homogeneity between geographic areas with participants indicating a higher level of credibility and helpfulness in reviews compared to the websites hosting the reviews. By far, the question with the most agreement was the necessity of disclosure of incentivized reviews on websites. The question that had both the highest average and largest variance was the influence of incentivized reviews on product purchase.

**Figure 2.** Opinions of Incentivized Reviews and Hosting Websites



The cultural dimensions provide greater insight for managers. Power distance, individualism, and indulgence have little relationship with the incentive question. However, motivation and long-term orientation have strong positive relationships with all questions, except for the necessity of websites disclosing incentivized reviews. These two groups of correlation indicate that societies driven by competition and that are open to change are more accepting of incentivized reviews. Finally, high levels of uncertainty avoidance have almost a perfectly negative correlation with the survey questions. In other words, the more a society feels threatened by the unknown, the more negatively they view incentivized reviews and the websites that host incentivized reviews. Overall, the drawbacks of incentive systems should be less pronounced and the benefits more pronounced in

societies similar to the U.S. and India, and more pronounced in societies like Western Europe and Brazil.

### **Regulations and Online Reviews**

In the U.S., the FTC, an independent agency of the United States government, works to promote consumer protection and ensure fair competition in the marketplace. The FTC takes several actions to protect consumers and ensure the integrity of review systems by providing guidance and education to businesses, influencers, and consumers while taking legal action against violators. The overall approach is the same in the European Union, governed by the EU Consumer Protection Cooperation Network, although individual countries may have unique consumer protection laws.

The FTC provides an overarching guide on several basic principles to avoid deceptive or unfair practices related to reviews and enforcement.<sup>37</sup> These practices include guidelines for marketers regarding the use of fake reviews, suppression of negative reviews, and payment for positive reviews.<sup>38</sup> There are general principles that FTC applies to all companies, which echo the themes from the previous “Best Practice” section: transparency, avoidance of bias, ethical solicitation of reviews, and compliance with regulations:

- Avoid soliciting reviews exclusively from individuals expected to provide positive feedback.
- If you offer incentives for reviews, do not make it a requirement, explicitly or implicitly, for the reviews to be positive.
- Do not discourage or prevent users from submitting negative reviews.
- Do not seek reviews from individuals who have not used or experienced the product or service.
- Exercise caution when requesting reviews from your own staff, family, or friends. If they write reviews, ensure they disclose any personal or financial relationships with your company.

The FTC views pay-for-review deals as deceptive practices, even if the reviewers are not explicitly instructed to write positive reviews. The agency has long emphasized the need for clear and conspicuous disclosure when individuals receive compensation for endorsing products or services. As an example, in 2015, the FTC admonished AmeriFreight, a car shipping broker based in Georgia, over its practice of offering customers \$50 discounts on services in exchange for writing online reviews. The FTC determined that such pay-for-review arrangements violate the law. As part of the settlement, AmeriFreight and its owner agreed to stop advertising their services as “top-ranked” or “highly rated” based on consumer reviews. Any future endorsers, including online reviewers, must disclose their connection to the company.

Notably, the settlement did not impose any financial penalties on AmeriFreight who charged customers who declined to write reviews an additional \$50 in addition to not receiving a discount.

**Table 1.** Specific Deceptive Practices Targeted by Proposed FTC Rule

Practice	Description
<b>Biasing reviews</b>	
Unlawful review suppression	Prevents businesses from using unjustified legal threats, intimidation, or false accusations to prevent or remove a negative consumer review. Furthermore, the proposed rule would bar businesses from falsely claiming that the reviews on its website represent all reviews submitted when they suppress negative reviews.
Internal reviews and consumer testimonials	Bars company officers and managers from writing reviews or testimonials about their own products or services without disclosing their affiliations. Prohibits businesses from disseminating testimonials from insiders without clear disclosures of their affiliations. Bar certain types of solicitations by company officers or managers for reviews from company employees or their family members, depending on whether the businesses were aware or ought to have been aware of these affiliations.
Purchasing positive or negative reviews	Prevents businesses from offering payment or other incentives tied to the writing of consumer reviews that express a specific sentiment, be it positive or negative.
<b>Falsifying reviews</b>	
Creating or acquiring bogus consumer reviews and testimonials	Forbids businesses from crafting or selling consumer reviews or testimonials by nonexistent people, those who did not use the product or service, or those who provide a distorted view of their experiences. Moreover, businesses would be prohibited from acquiring or spreading such reviews or testimonials if they were aware or ought to have been aware that they were fabricated or inaccurate.
Review misappropriation	Prevents businesses from taking a consumer review written for one product and altering it to appear as if it were written for a substantially different product.
Business-controlled review websites	Forbids businesses from creating or managing websites that purport to offer independent opinions about a category of products or services that includes their own products or services.

On June 30, 2023, the FTC<sup>39</sup> proposed a rule, Trade Regulation Rule on the Use of Consumer Reviews and Testimonials, to provide additional detail to its authority to take enforcement actions and impose civil penalties (Table 1). As of June 2024, the FTC had not finalized the rule, because the Interactive Advertising Bureau raised objections primarily related to implementation

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cost.<sup>35</sup> Specific deceptive practices banned by the proposed rule include suppressing reviews, having company employees write reviews without identifying themselves, incentivizing reviews with a specific bias, or misappropriating reviews from different products. The FTC held an informal hearing on February 13, 2024, regarding the proposed rule banning fake reviews and testimonials. Various stakeholders, including consumer protection groups and industry representatives, provided statements. While the FTC is reviewing all comments and could revise the proposed rule based on the feedback, experts expect that the core objectives of increasing transparency and preventing deceptive practices will remain intact.

**Table 2.** Platform Policies Regarding Offering Incentives for Writing Reviews

Platform	Policy
Google	The following are not allowed: <ul style="list-style-type: none"><li>• Offering payment, incentives, or encouragement to generate content that doesn't truthfully reflect a user's experience.</li><li>• Providing content incentivized by a business through discounts, complimentary goods and/or services.</li></ul> Discouraging or disallowing the posting of negative reviews, or selectively prompting only positive reviews from customers.
TripAdvisor	Businesses are free to prompt their patrons to leave reviews after their visit. However, individuals associated with the business must not provide incentives, discounts, upgrades, or any preferential treatment for current or future visits as a trade-off for leaving reviews.
Yelp	Yelp forbids the practice of providing incentives or other forms of compensation as a means to motivate the writing, alteration, or deletion of a review. To combat such misleading conduct, both within and outside of Yelp's platform, Yelp's User Operations team employs a range of preventive measures.
Amazon	Reviews should accurately represent your genuine opinion. Amazon prohibits the creation, modification, or deletion of reviews in return for any form of compensation including cash, discounts, complimentary products, gift cards, or refunds. Examples of practices that are not permitted: <ul style="list-style-type: none"><li>• You receive your order and it includes a gift card that can only be redeemed after posting a positive review.</li><li>• After you post a negative review, you receive an email offering a refund in exchange for changing or removing your review.</li><li>• You get a text message offering a full refund for a product in exchange for writing a review about it.</li></ul> Amazon, however, allows reviews of free products via the Vine program and free or discounted books, without review manipulation.
Facebook	All product and business reviews must now align with our Community Standards and Community Feedback Policy. This policy explicitly forbids the manipulation of reviews, offering incentives for reviews, irrelevant content, explicit material, and spam.



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**Table 3.** Select Retailers' Policy Regarding Offering Incentives for Writing Reviews

Platform	Policy
Best Buy	<p>Publishing content in return for any form of compensation, including receiving products or services for free or at a discount, is prohibited except when part of the authorized Best Buy Tech Insider Network program.</p> <p>However, reviewers are eligible to receive certain promotional benefits for their published reviews, which may include entries into sweepstakes.</p>
Lowe's	<p>The Lowe's Incentivized Review Program allows customers to provide truthful feedback on items they've previously bought. All reviews made under this program will bear an 'Incentivized Review' badge. Lowe's does not interfere with, edit, or alter the content of reviews.</p> <p>Customers invited to participate in the program may earn a \$5 Lowe's E-Gift Card for each honest, qualifying review they provide (regardless of it being positive or negative) for eligible items. To be considered qualifying, a product review must include: i) a star rating, ii) a written review that comprises a title, a description of at least 50 characters detailing what the reviewer liked or disliked about the product, and a "nickname" that the reviewer wishes to be displayed with the review.</p>
Walmart	<p>The Review Accelerator program motivates customers to contribute genuine reviews to your products, thereby fostering trust with online shoppers and making your business more noticeable.</p> <p>After making a purchase on Walmart.com, existing customers are invited to provide their feedback in return for a minor incentive which is only revealed after the purchase is made. For a minimal cost with a significant impact, Marketplace sellers pay Walmart \$10 for each review for a maximum of 5 incentivized reviews per item participating in the program.</p>
Macy's	<p>Macy's invites select participants to submit honest and unbiased reviews. To participate, members of the Review Squad Community must maintain an updated profile, including an accurate phone number and physical address. Participants are chosen based on their good standing and how well their profile matches the product. All reviews, whether positive or negative, will be published unaltered, provided they adhere to the Macy's Review Squad Writing Guidelines.</p>
Home Depot	<p>The Home Depot Reviewer Program is a select initiative that allows certain Home Depot customers to share their thoughts on products they have bought. If customers purchase an item that's part of the program, they are invited to leave a review within a specific timeframe. Published reviews receive a small token of appreciation. Reviews from the Home Depot Reviewer Program appear alongside other reviews on a product's page and carry a Home Depot Reviewer Program label. The Home Depot does not meddle with, modify, or edit the content of these reviews.</p>

Note: Information current as of 7/15/24.

### **Current approaches to review incentivizing**

At the most basic level, companies employ one of two approaches to incentivizing reviews: forbidding them or not through clear reviewer guidelines (Best Practices #8 and #9). The difference in approaches to incentivizing reviews (Table 2 vs. Table 3) is largely attributable to the nature of the platforms and their business models. Companies like Google, TripAdvisor, Yelp, and Facebook are primarily online platforms that host user-generated content, including reviews. Even though Amazon is a retail platform, it also strongly relies on customer participation through reviews. With some exceptions, these firms do not have direct control over the products or services (i.e., they do not create the products or services) reviewed on their platforms. Hence, they have a very strong motivation to ensure the authenticity and credibility of reviews, because their value proposition to users relies heavily on the trustworthiness of the platform's content (Best Practice #6). Their guidelines focus on ensuring that reviews are unbiased, genuine, and not manipulated or distorted through incentives (Best Practice #9).

On the other hand, companies such as Best Buy, Lowe's, Walmart, Macy's, and Home Depot are primarily retailers with strong brick-and-mortar presences, and the reviews on their websites are for products they directly sell and may include store brand-name items. In other words, they are not primarily known as review platforms. For these companies, reviews serve multiple purposes: they help customers make informed purchase decisions, provide feedback to the retailers and their suppliers, and contribute to the overall customer experience. Offering incentives through reviewer programs is a way for these companies to ensure a steady stream of feedback on their products (Best Practice #3). Importantly, these retailer-run programs are typically transparent about incentivizing reviews in order to maintain a reasonable level of consumer trust (Best Practice #5). These companies treat incentives as a token of appreciation for the time and effort customers put into writing a review rather than a way to sway their opinion (Best Practices #2 and #3).

In both approaches, the ultimate goal is to provide valuable and reliable information to customers, but the means of achieving that goal differs based on the nature of the platform or retailer and the specific role that reviews play in their operations and customer relations. In general, retailers offer to incentivize reviews to a greater degree than non-retailer review hosting platforms, because retailers benefit from the inherent trust that comes with a strong brand. However, a retailer with low levels of trust or that has not accumulated goodwill should allocate sufficient resources to ensure that reviewers are providing honest and helpful reviews (Best Practices #5, #6, and

#7). Retailers that operate in multiple countries need to tailor their online review incentive strategies to accommodate cultural differences related to the acceptability of incentivized online reviews. For instance, Amazon, which has country-specific web sites, may consider incentivizing reviews in countries characterized by competition and that are open to change. Other platforms, such as Yelp, may take a different approach. For instance, they may display incentivized reviews based on the customer's IP address, as individuals from multiple cultures may use Yelp to search for activities in a single location (e.g., New York City).

### Conclusion

The challenge of incentivizing reviews lies not only in encouraging their creation but in ensuring that the reviews are trustworthy and helpful. This paper detailed a number of benefits from incentivizing reviews while acknowledging the possible deleterious effects and the legal ramifications. While we posit a number of best practices for those companies that wish to incentivize reviews, our review of companies shows that those that more strongly rely on maintaining consumer trust forbid incentivized reviews. This decision may be partly based on these companies only occupying online space, whereas those companies with a brick-and-mortar presence have additional opportunities to establish consumer relationships. In fact, Park et al.<sup>41</sup> found that incentivized reviews are associated with ratings inflation even with disclosure of incentivized reviews. High inaccurate ratings can increase sales, but leave customers disappointed, eroding trust in the reviewed product or service's product and brand in addition to having a deleterious effect on the review hosting platform.

Understanding cultural perceptions of incentivized online reviews is vital in today's global market. Cultural differences influence trust and attitudes toward these reviews. Some cultures are more accepting of incentivized reviews, while others find them less credible or unethical. Our results reveal geographical and cultural differences in these perceptions. For instance, survey respondents from the U.S. and India have more positive views of incentivized reviews than Brazil and Western Europe. The participants generally agreed on the need for disclosure of incentivized reviews, though their influence on purchases varied. Culturally, factors such as power distance, individualism, and indulgence have minimal impact on perceptions of incentivized reviews. However, motivation and long-term orientation were positively correlated with positive views of incentivized reviews. Conversely, high levels of uncertainty avoidance were negatively correlated, indicating that societies uncomfortable with uncertainty tend to view incentivized reviews and their hosting websites unfavorably. Tailoring review strategies to

these cultural nuances is important for fostering global brand loyalty. In summary, while businesses benefit from their customers providing a large quantity of quality reviews, they need to ensure trust and credibility in reviews, comply with regulations for incentives, and understand the effect of regional culture on how readers may regard incentivized reviews.

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