

## **Fake Ratings and Reviews on Online Platforms**

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### **Motivation:**

Reputation Systems, such as eBay's seller ratings or reviews for hotels on Expedia, are essential to establish trust in anonymous online environments and optimally guide individuals' consumption decisions. With a reputation system in place, sellers on online platforms are highly dependent on a good reputation to find customers that are willing to transact with them. While this incentivizes sellers to provide high-quality services to consumers to receive good ratings, it also generates the incentive to fake ratings. Therefore, ratings and reviews on online platforms are not necessarily authentic and honest but are instead often generated by fake accounts or written by paid reviewers.

### **Goal:**

The goal of this thesis is to give an overview of the scientific literature on fake reviews and ratings on online platforms. It should be described how markets for fake reviews and ratings work and how they impact online platforms. Implications for owners of online platforms should be derived, particularly how platforms can tackle fake ratings and reviews.

### **References and Related Literature:**

He, S., Hollenbeck, B., & Proserpio, D. (2022). The market for fake reviews. *Marketing Science*, 41(5), 871-1027.

Mayzlin, D., Dover, Y., & Chevalier, J. (2014). Promotional reviews: An empirical investigation of online review manipulation. *American Economic Review*, 104(8), 2421-55.