

Marketing Colloquia

2020 Spring – Schedule

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Thursday, February 13, 2020

741 JMHH
12:00 PM to 1:20 PM

RED FLAG! THE CONSEQUENCES OF ALERTING CONSUMERS TO FAKE REVIEWS

ABSTRACT: In this paper, we investigate consumer response to fake review alerts. Some platforms, such as Yelp and TripAdvisor, inform consumers when they have caught a brand engaging in dishonest review solicitation practices. Although these alerts are meant to signal the veracity of the presented reviews, they also make consumers aware of attempted fraud. As a result, consumers may make biased judgments in the presence of a fake review alert (i.e., a judgment misaligned with the authentic reviews). Conceptualizing fake review alerts as disclosures, we suggest that the presence of a fake review alert activates persuasion knowledge, leading to attempted correction. Moreover, the fake review valence, disclosed in the alert, leads to asymmetric effects on perceptions of a ratings bias and the desire for brand success. Ultimately, this results in consequences in evaluations and behavior. Using web data and a series of experiments, we demonstrate that consumers overcorrect in the presence of a fake positive review alert, but not in the presence of a fake negative review alert. We conclude with implications for both theory and practice.