ALPHAVILLE

HOME MARKETS LIVE LONG ROOM

Thomas Hale

How one Chinese company generates reviews on Amazon

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NOVEMBER 23 2018 6:00 AM

By: Thomas Hale

Unable to wait until the Black Friday sales, Alphaville recently decided to purchase a set of Bluetooth headphones on Amazon.

The product was cheap, and therefore suitable for journalists. It seems to have gone down well with customers. It has ten reviews — seven of them are five star (the highest possible rating), and the other three are four star.

Kamtron, the name used by the company which sells this and other products, has a good reputation on Amazon. Extremely good. Feedback is 98 per cent positive over the past 12 months, across 1,065 ratings. All the products on its "storefront" have ratings of at least four stars on average. Reviewers love these wireless scales (https://www.amazon.co.uk/Bluetooth-Body-Fat-Smart-Scales/dp/Bo7HH6DJHH/ref=lp_15663484031_1_1_a_it?srs=15663484031&ie=UTF8&qid=1542901101&sr=8-1), to take one example:

56 customer reviews

★★★★★ 4.9 out of 5 stars ~

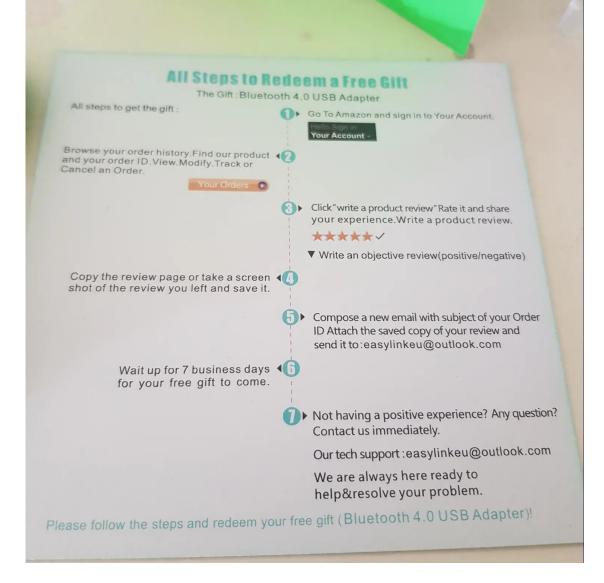


The company's products are "fulfilled" by Amazon, which means the US firm takes care of storage, delivery, and other aspects of the sales process.

At the time of purchase, Kamtron was using another name — EasyLinKEU. According to its page, the business (https://www.amazon.co.uk/sp?_encoding=UTF8&asin=B071G8 37F4&isAmazonFulfilled=&isCBA=&marketplaceID=A1F83G8C2ARO7P&orderID=&se ller=A2JMGPF8TU5AZ4&tab=home&vasStoreID=) is based in Shenzhen, China (though the customer services address is in Hubei).

When the Kamtron headphones arrived, the packaging included a card, which offered customers an incentive to post a review (either positive or negative) in exchange for a free Bluetooth USB adapter. This is a breach of Amazon's guidelines (https://www.amazon.co.uk/gp/help/customer/display.html?nodeId=201929730), which do not allow "creating, modifying, or posting content in exchange for compensation of any kind (including free or discounted products) or on behalf of anyone else".

The card looked like this:

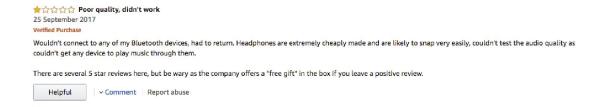


In a statement on its review process, Amazon told FT Alphaville:

Our goal is to make reviews as useful as possible for customers. We do not permit reviews in exchange for compensation of any kind, including payment. Customers and sellers must follow our review guidelines and those that don't will be subject to action including potential termination of their account.

We take the integrity of our reviews seriously and take decisive action to protect customers from dishonest parties who are abusing the reviews system. We use a number of mechanisms to detect and remove the small fraction of reviews that violate our guidelines, close abusive accounts, and we've filed lawsuits against more than 1000 defendants for reviews abuse and will continue to suspend, ban and pursue legal action against the sellers and manufacturers who create the demand for inauthentic reviews.

Reading through the reviews of the company's other products, it is apparent that some customers are aware of the inducement to write a review. Here is one of the one star ratings on one of its products:



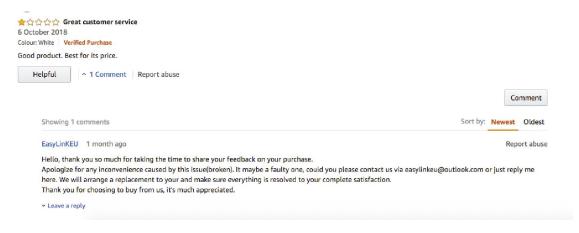
Keep reading, and other strategies emerge. For example, one negative review says the company sent emails offering inducements for five star reviews.



Another one star review for these (https://www.amazon.co.uk/LinkWitz-Marathon2-Sp orts-Bluetooth-Headphones-marashon-1/dp/B073VF7FY7/ref=cm_cr_arp_d_product _top?ie=UTF8) headphones, entitled "Worst Headphones Imaginable. Catastrophe", was updated by its author in September to say that the company contacted him to ask him to change his review (https://www.amazon.co.uk/gp/customer-reviews/R3PV78E Q7EYAKD/ref=cm_cr_getr_d_rvw_ttl?ie=UTF8&ASIN=B073VF7FY7), and that it had offered him a free product as an incentive to do so.



Amazon allows users to edit their reviews, but does not inform the reader that a post has in fact been edited. This leads to strange scenarios, like <a href="mailto:this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/this.com/



We got in touch with Kamtron, and a representative explained that the card was designed to help customers contact the company, in case there was any issue or defect

with the product. We then asked why they needed to provide a free gift to achieve this, but didn't hear back.

It would be remiss to end this post without reviewing the product itself. The headphones are black and reasonably comfortable. The sound quality is average, but extremely good for the price. Three and a half stars.

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2 HOURS AGO By: Guest writer

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Investor Maximus Nov 26, 2018

4G Pot calling bluetooth kettle..... the Amazon site is littered with five star reviews - written by people who Amazon sends free stuff too to review

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Chrispy Apr 29, 2019

@Investor Maximus most review sites are getting like that. Trip advisor and Expedia also. People have worked out to manipulate them.

Report Share Recommend Reply

Nedrag Aug 7, 2019

At least Amazon label those reviews with a little banner. I tend to ignore those individual reviews but they bump up the stars significantly.

Report Share Recommend Reply

London_Calrissian Nov 26, 2018

Always best to use a fake review checker site IMHO.

Report Share 2 Recommend Reply

Apolonia Nov 25, 2018

That's why I'm extremely suspicious of Amazon reviews

Report Share 2 Recommend Reply

DeltaV Nov 25, 2018

As of today, 24 November 2018, I am still seeing fake reviews on Amazon. This is a real problem, as the review system is central to buyers' trust in Amazon.

But I have also seen negative reviews disappear, which suggests that Amazon insiders are selling the right to delete negative reviews. I saw this last 2 months ago, so maybe that particular problem has been fixed.

Report Share Recommend Reply

Gone with the wind Nov 23, 2018

Chinese company cheating ??? Whatever next ?

Report Share 10 Recommend Reply

Somenewquy1 Nov 24, 2018

That is not cheating.

Report Share Recommend Reply

FearTheTree Nov 23, 2018

Off topic but not really. Why are so many Chinese firms able to ship cheap goods directly from China.

Postal arbitrage.

It's 75% cheaper to ship from China to Chicago than from LA to Boston. Because China is considered a developing country, and developing countries, per an international agreement, must be given a discount.

DJT said that this is unacceptable. Unfortunately, many SinoPhiles among the US elite have "resisted", arguing that China is a developing country, and must be accommodated.

DJT has given the international body 11 months to adjust "China to USA" postage rates. Otherwise, the US will unilaterally withdraw from the agreement.

Kudos to DJT and his finance team, which is fighting back against Totalitarian China

Report Share 18 Recommend Reply

Sage Nov 23, 2018

Also the issue that Amazon fail to police companies using tactics to block unfavourable comments relating to poor product quality.

Report Share 4 Recommend Reply

Reprisal Nov 23, 2018

This is an existential problem for Amazon. (I highlighted it a year ago in your last major write-up of the company.)

It also, interestingly, gets at much larger issues of norms and mores. It's considered poor form in America to lie about the quality of a product. People won't often admit that they've been swindled, but they'll never recommend a product that they don't believe in.

China, by contrast, has turned customer reviews into a business. The West will never shop their online storefronts en masse until that ends.

Report Share 5 Recommend Reply

Simple Simon Nov 23, 2018

Interesting article. But you fail to follow up on the even more fascinating counterpart to this tale of fake/remunerated reviews. Namely, the feedback role reviews play in Amazon's management information system.

Not to pick on Amazon, the same goes for Booking.com, Expedia and pretty much every e-commerce site on the planet.

Amazon has opened up its system to products supplied by third-party vendors aka Amazon Warehouse. Because Amazon does not like to spend money, it does not check the products for quality or safety. Although Izzy is complaining about John Lewis, for all its faults the one thing she does not have to worry about her new playpen is its safety. That's what JL has a whole buyers' division for. Amazon does not have a buyers' division for its Warehouse.

So how does Amazon know if the products are safe or of sufficiently high quality to please its customers? (assuming that Amazon actually cares about its customers ... I mean, it used to but that was years ago ...) ...

...It relies on customer reviews!! In other words, Amazon only knows it has a problem with product safety or quality if its customers complain ... loudly and persistently. If the complaint is too loud and rude, Amazon's algorithm will censor it, eliminating the information about inferior quality or questionable safety. It doesn't take a genius (and Bezos *is* a genius) to understand that a flawed information feedback pipeline can lead to disaster.

Warehouse is itself a knockoff of Alibaba's Taobao and the problems they have had with fakes, dangerous items and, er, knockoffs have helped create trade tensions. It seems from anecdotal experience that the same erosion of customer trust and confidence has begun to eat away at Amazon's unrivaled reputation.

Report Share 13 Recommend Reply

Chrispy Apr 29, 2019

@Simple Simon Yes you can't have Amazon policing something that they themselves depend on staying positive. This looks like a long term mean revert to zero. Or a material change to their business model whilst still at the top...

Report Share Recommend Reply

Funky Monk Nov 23, 2018

A lot of so-called "dropshipping" businesses practice this.

Report Share 2 Recommend Reply

CS1 Nov 23, 2018

Good info, am I naive into thinking the same goes on at eBay?

Report Share 1 Recommend | Reply

twi5ted Nov 23, 2018

There is a site called fakespot which can give an opinion on amazon reviews. It says the scales mentioned above has reviews which are 94.7% fake.

Report Share 5 Recommend Reply

Chrispy Apr 29, 2019

@twi5ted Watch out folks, Amazon probably secretly owns "fakespot" already. And they probably release just enough bad ones to maintain credibility in the Amazon ecosphere.

Report Share Recommend Reply

Drongo Nov 23, 2018

Those cheeky monkeys!

Report Share Recommend Reply

Dr P Nov 23, 2018

Simple solution: always sort reviews and read the ones with lowest scores first. Most of those will be much more honest.

Report Share 6 Recommend Reply

UK Nov 23, 2018

Not necessarily. Sometimes competition writes negative reviews that may not be true!

Report Share 3 Recommend Reply

MrEmmeBi Nov 23, 2018

Great article, as always. Very interesting read!

(Now, where's my free FT subscription promised in exchange of a positive comment?)

Report Share 62 Recommend Reply

Thomas Hale FT Nov 23, 2018

@MrEmmeBi thanks for your professionalism. check the usual place - let me know if you have any issues with the encryption

Report Share 24 Recommend Reply

ring_pinson Nov 23, 2018

There's also a growing problem of companies somehow taking over old listing pages for discontinued but well reviewed products and then completely changing the listing. It can result in slightly absurd situations where the reviews for some electronic product clearly relate to clothing or something.

Amazon's review system is pretty fundamentally broken.

Report Share 11 Recommend Reply

Mbeira Nov 23, 2018

You get what you pay for, where ever you buy it. If it's cheap, you get cheap. If it's expensive, you usually get expensive, there are caveats, you need to make an assessment and reading reviews with a cynical eye will help.

Report Share 2 Recommend Reply

Drongo Nov 23, 2018

Bose headphones, for example, are expensive well beyond their quality. Expensive. Not good value.

Report Share 3 Recommend Reply

Mbeira Nov 28, 2018

That's a shame, because their Wave is astounding.

Report Share Recommend Reply

Shuichi Seto Nov 23, 2018

Thanks, Tom. I enjoyed your post. Please keep up your excellent work.

Report Share 10 Recommend Reply

Bigotry Rules Nov 23, 2018

Bang for the buck?

We must remember that headphones in general need to be avoided and rarely used if at all

Tinnitus is a real and almost inevitable consequence of long term headphone use.

Caveat Emptor.

Report Share 6 Recommend Reply

Chrispy
Apr 29, 2019

@Resist Bigotry Promote Harmony what dd you say?....please speak up...

Report Share Recommend Reply

Mik Nov 23, 2018

What can one expect from a Chinese company?

Report Share 4 Recommend Reply

Bonnemort Nov 23, 2018

@Mik - espionage?

Report Share 4 Recommend Reply

Epictetus Nov 23, 2018

Good article, very interesting and good depth. I wish more FT articles were like this: factual, balanced, focused on business or finance, not sycophantic to money or power, and not self indulgent virtue signalling.

Nov 23, 2018

Ad Maiora (FKA Parce Sepulto)

@Epictetus I don't read the FT so I can't comment on it, but FTAV is fiercely independent and never sycophantic to money or power (unless we count the Democratic party as power, which maybe we should?).

Report Share 3 Recommend Reply