

2021 Fakespot US Online Shopping Ratings & Reviews Analysis Report



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eCommerce Scams are worse than ever before

eCommerce has become an increasingly important aspect of American daily life and has done so in a relatively short period of time. In 2020 and 2021, the increasing trend of shopping online was amplified by the impact of COVID-19 which accelerated eCommerce growth as in-store shopping was difficult or impossible. However, as eCommerce exponentially grew, online scams using fake reviews, counterfeits, and unreliable sellers grew in lockstep. As a result, the need to understand the impact of eCommerce fraud has significantly increased.

Thousands of fraudsters are selling via Shopify, analysis finds

FINANCIAL TIMES



About Fakespot

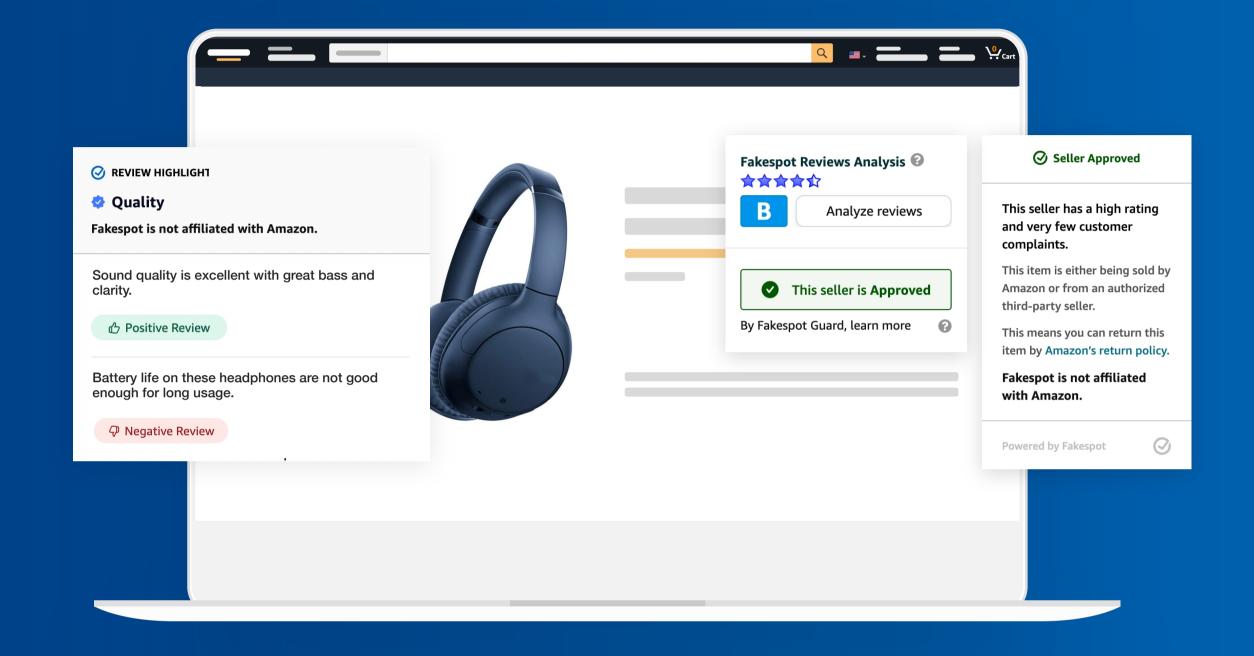
Fakespot is a US-based company whose mission is to be the Most Trust-Obsessed Company on Earth. It starts by empowering online shoppers to avoid eCommerce fraud and make informed purchases.

Fakespot currently offers consumers free analysis of reviews, sellers, and counterfeits via the following:

In-Browser Applications Chrome & Firefox Extensions

Mobile application Fakespot Pro for iOS and Android

Website Fakespot Analyzer



Trusted by Millions of users









Fakespot Engine

The Fakespot Engine's proprietary AI is constantly updated with data and algorithm improvements from a world-class team that researches known and emerging methods of eCommerce fraud.

The Fakespot Engine operates in the following ways:



Collects product data such as name, brand, marketplace, reviews, and sellers.



Analyzes data points within the reviews such as subject matter, content, review source, and more.



Utilizes machine learning against a database of more than 10B consumer reviews and 5M sellers.



Delivers results as outputs to Fakespot's free consumer products.



The Fakespot Engine has analyzed billions of reviews and millions of sellers for online product listings. It further derives statistical significance by supporting analysis of products and sellers on the following marketplaces:







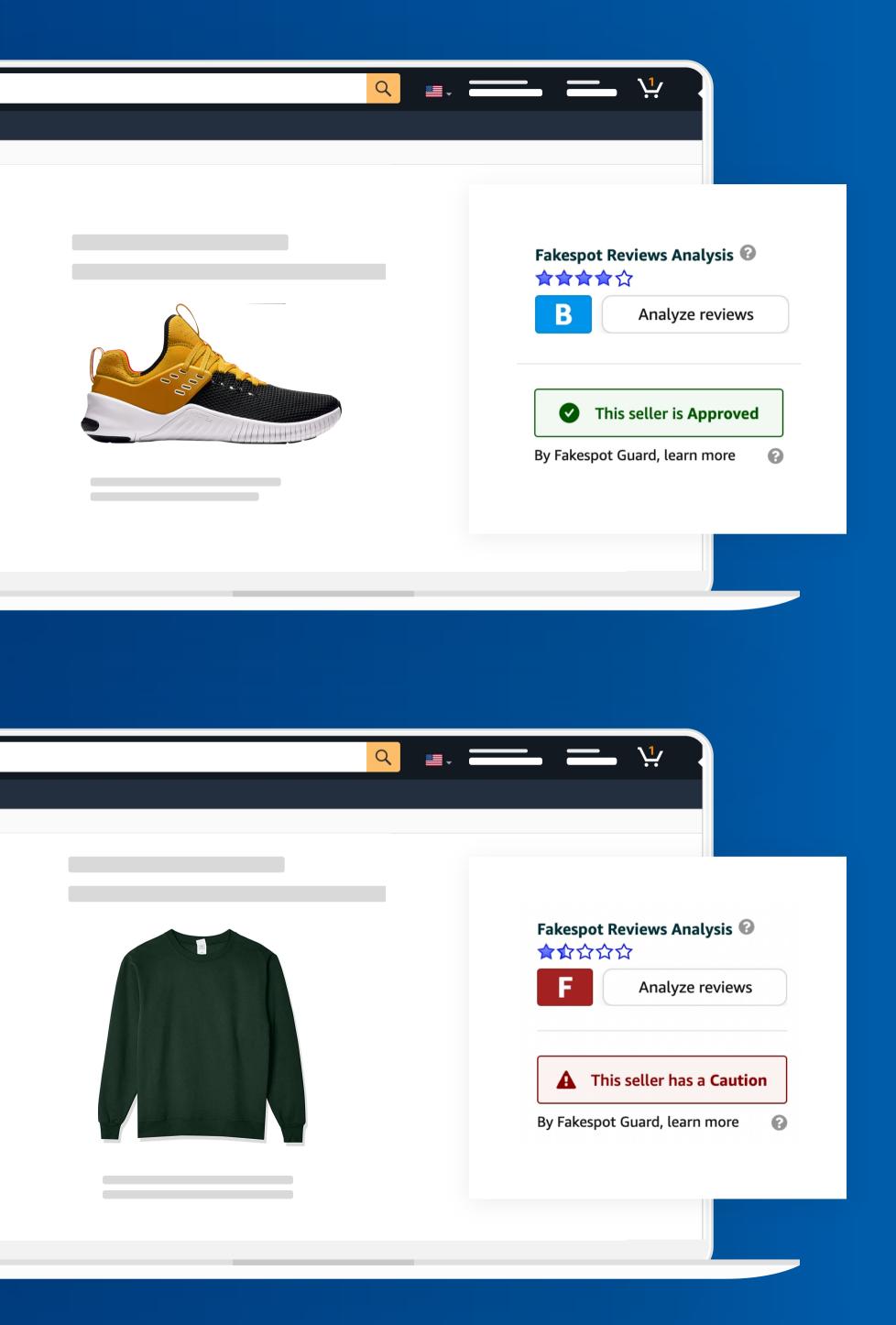


Walmart >'<

SEPHORA

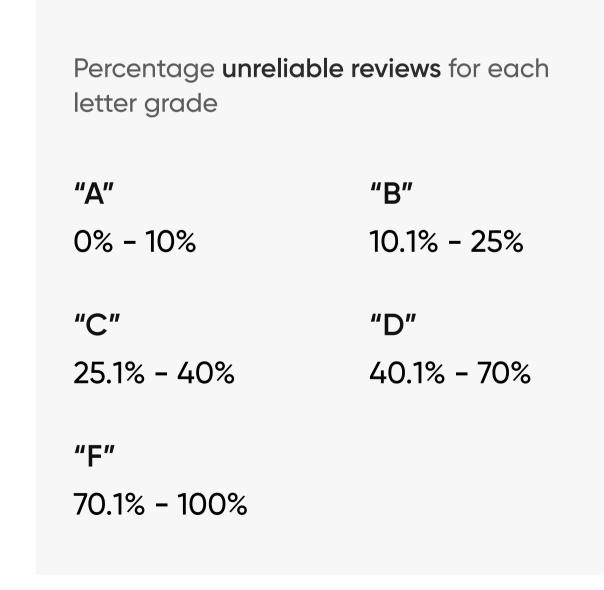
>50%

According to <u>2021 Statista data</u>, this represents well over half of all US online retail sales volume.



Product Review Grades

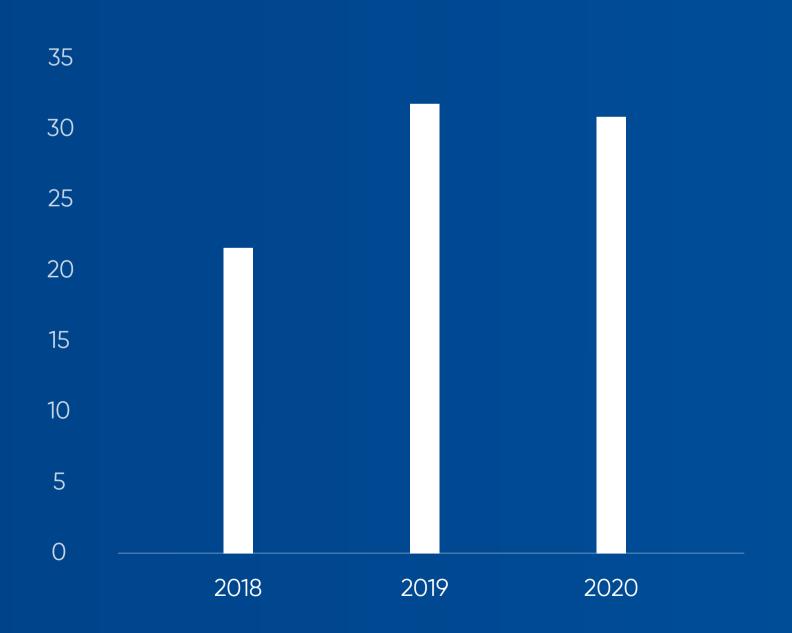
Fakespot uses the standard US grading system of "A", "B", "C", "D", and "F". These grades are utilized and outputted by the Fakespot Engine to determine the authenticity of product listing ratings and reviews with "A" being the highest and best rating and "F" being the worst and lowest rating.





Total Percentage of Fake Reviews 2018 to 2020

Annual analysis of eCommerce fraud in ratings and reviews across all Fakespot supported marketplaces has steadily been on the rise since 2018 with a decrease in 2020 due to marketplaces beginning to finally address the fake review problem towards the end of the year after an uptick during the pandemic lockdown months.



2021 annual data is not included because the results would not include the peak holiday shopping season.

21.6%

Fake reviews in 2018

32.5%

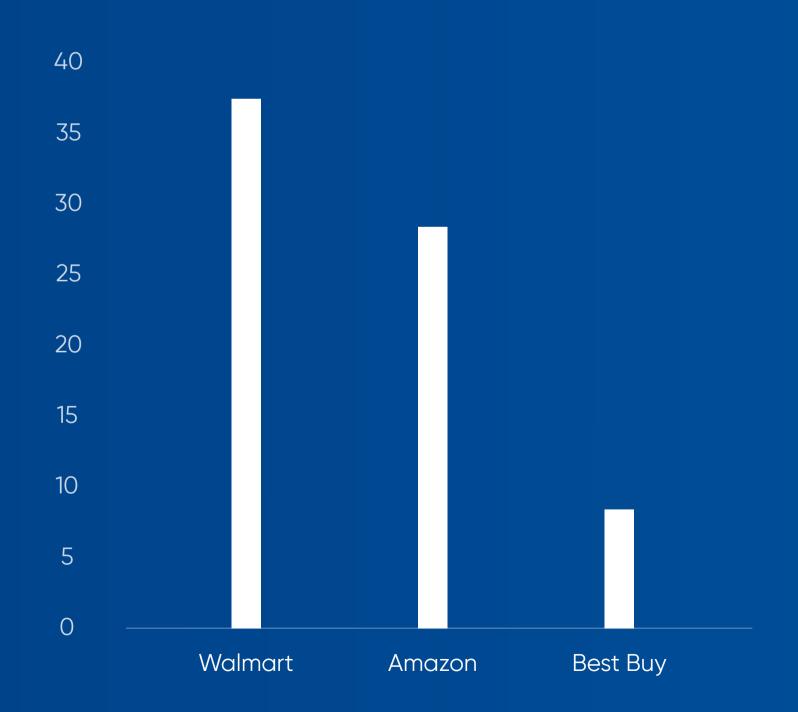
Fake reviews in 2019

30.9%

Fake reviews in 2020

Fake Reviews by Marketplace 2018 to 2021

In an online marketplace comparison of Amazon, Walmart, and Best Buy from 2018 to 2021, Walmart has the highest incidence of unreliable reviews and Best Buy has the lowest.



2018-2021 Percentage fake reviews by storefront. Does not include peak holiday season for 2021. 37.6%

Fake review percentage on Walmart

27.3 %

Fake review percentage on Amazon

8.1%

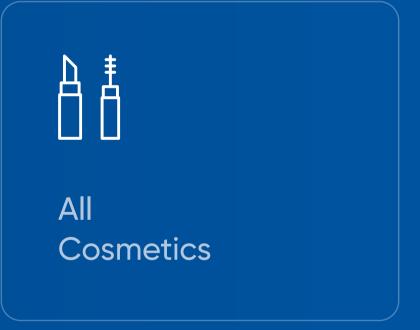
Fake review percentage on Best Buy

Most Fake Reviews by Category

5 Amazon shopping categories with the high incidence analyzed fake/unreliable reviews:





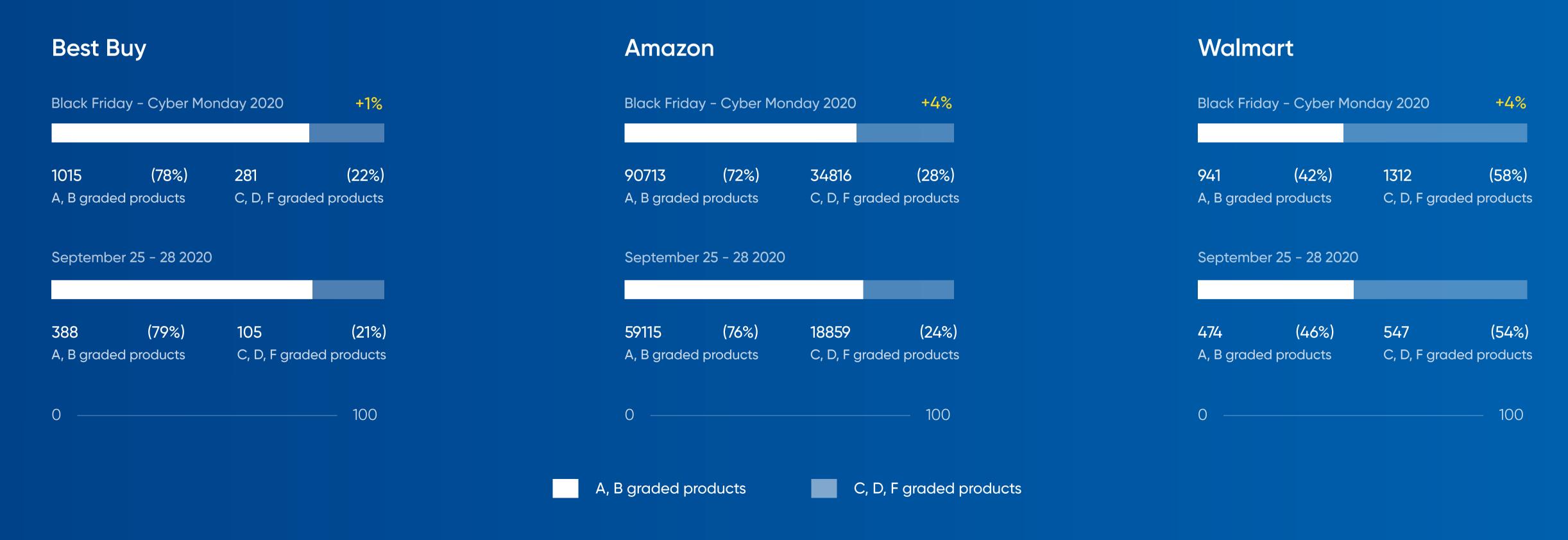






Black Friday - Cyber Monday Fake Review Percentages

Black Friday to Cyber Monday represents the highest level of retail and online shopping transaction volume in the US for any period that is less than one week. It also experiences increases in fake reviews when compared to similar time periods during the year.





Thank you. For more information please contact:

Saoud Khalifah saoud@fakespot.com

Fernando Blanco fernando.blanco@fakespot.com