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Contents

Disclaimer	3
Introduction	3
Tip #1: Don't Rely on Best Seller Labels	4
Tip #2: Those Review Counts May be Fake	6
Tip #3: Understanding Vine Program Reviews	8
Tip #4: Retailers May be Buying Reviews	8
Tip #5: Reviewing on Amazon is a Competitive Sport	9
Tip #6: Verified Purchase May be a Paid Review	.10
Tip #7: Multiple Listings for the Same Product	.10
Tip #8: Hot New Releases Doesn't Mean New Products	.12
Tip #9: Hiding the Price Until You Put it in the Cart	.13
Tip #10: How to Read Amazon Reviews	.14

Disclaimer

Every precaution has been taken to make sure this guide is accurate and reliable. However, you should use this information at your own discretion. We cannot be held liable for any decision you make based on having this information at your disposal.

My goal is simply to arm you with facts and information that can help consumers make the best buying decisions possible.

Introduction

Besides reviewing products physically, I read a ton of material – product reviews, manuals, product descriptions on manufacturer pages, product fliers, and industry newsletters.

Exposure to such vast amounts of information and to contacts in the industry has provided me some insider information about how manufacturers and retailers push hard to get their products into the hands of consumers.

This sometimes includes using online reviewing platforms to make a product look better.

One of the largest online shopping destinations is Amazon.com. Their rating and review system provides the social proof consumers like to see about a product when making a buying decision.

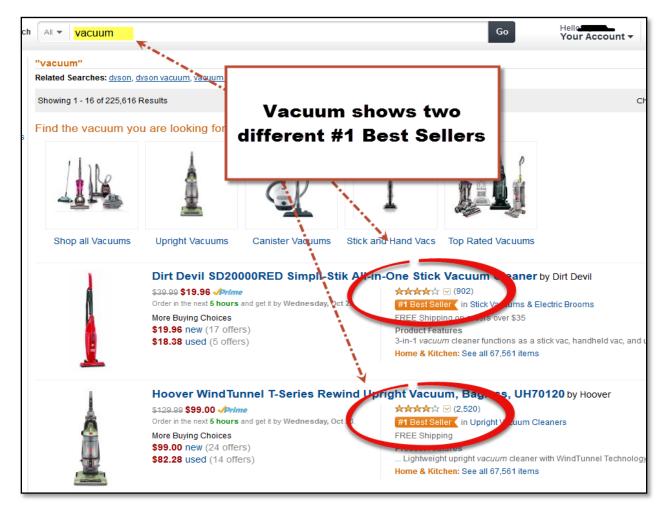
Believe me – I LOVE Amazon. I make regular purchases through their site, enjoy the vast product selection, appreciate the ability to quickly see what else I might need to go with the item I'm purchasing and, of course, the prices are hard to beat! This book is in no way intended to dissuade you from using Amazon to make any purchases.

What I want you to see, though, is how the rating and review process can sometimes mislead you into buying a product that you think is the best but really isn't or how those reviews and shiny star ratings could cause you to pay more for a product than you should. No one wants to do that, right? But if you don't peel back the layers a bit this can easily happen. So let me tell you the 10 things you need to know before you buy a big ticket item from Amazon. Armed with this information you should be able to make wise buying choices and perhaps save yourself some money along the way.

Tip #1: Don't Rely on Best Seller Labels

Amazon has lots of product subcategories. When you first type a generic description into Amazon without drilling down to a category, it can look like there are multiple #1 best sellers of a certain product in a niche.

For example, typing "vacuum" into Amazon when you first bring up the site will show you two vacuums each tagged with "#1 Best Seller".



How can you have two #1s?

4

It's the result of products being listed in different subcategories although the products are similar in nature. In this case, one is listed in the Upright Vacuum Cleaners subcategory and is the #1 Best Seller in that subcategory while the other is listed in the Canister Vacuum Cleaners subcategory and holds the #1 Best Seller title for that subcategory.

A seller could choose to put their product in a category that's not exactly the best match for their product but because the subcategory has fewer products in total it will be easier for their product to earn a #1 Best Seller label.

Here's an example of how a retailer selling an item on Amazon might use this #1 Best Seller potential by subcategory to get their product higher up in the Amazon search results.

If you type "cordless drill" into Amazon, the image below shows that the first two items that show up both a #1 Best Seller label.

The Dewalt drill is listed in the subcategory called **Power Drills** while the Genesis is listed in the subcategory called **Power Pistol Grip Drills**.

Top tool and DIY sites such as Popular Mechanics and This Old House do not include this drill in any of their top product lists.



Do you think that the Genesis drill would have as many sales as it has had if it hadn't put itself in a slightly different category in order to show up higher in the Amazon search results than brands like Mikita, Black & Decker, and Porter-Cable?

I would guarantee that some consumers have bought the Genesis drill because of the label on Amazon. It's a coveted label any retailer would like to have but it doesn't always mean that a product is really the best performing product – it sometimes just means the retailer was smart about getting their product to show up in the right place in search results.

Tip #2: Those Review Counts May be Fake

Let's look at exactly how that Genesis cordless drill earned a #1 Best Seller listing.

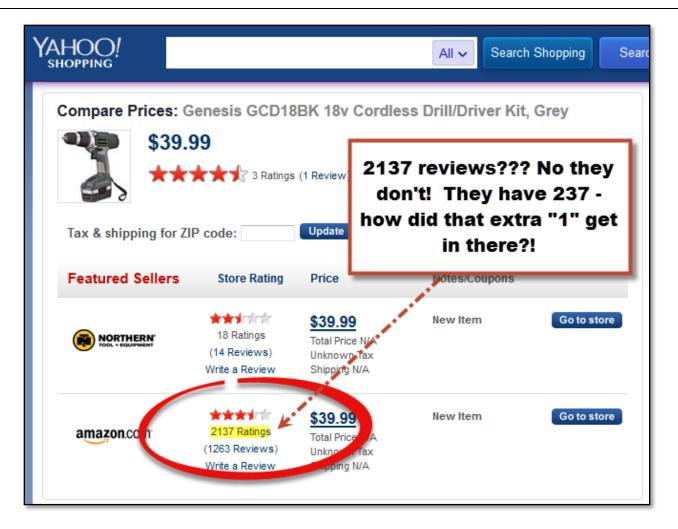
Bringing up the reviews and sorting them by date, we can see the first review was written in September 2011. There wasn't another review until May 2012. The reviews were slow in coming – one more in June 2012 and one in July 2012.

There was no activity again until September 1, 2012 but that month had a total of SEVEN reviews.

The #1 ranking Dewalt had TEN reviews in that same month. How did a no name brand drill get nearly as much activity as one of the top brands in the industry?

We can only guess but if you've read any of the news stories lately about companies who have been caught manipulating their online ratings it wouldn't be too much of a stretch to believe that someone arranged to have some additional reviews added to their product page.

To compound matters, if you happened to wander over to Yahoo's Shopping site to compare prices on this Genesis drill you'd find a bit of a surprise:



This site shows that the Genesis has 2137 reviews on Amazon with a positive rating. That number is incorrect. As of today the Genesis cordless drill has only 237 reviews – how did an extra 1 get inserted into that number on the Yahoo site?

Let's say you're shopping for a cordless drill for a present for someone. You go to Amazon and see that this Genesis is half the cost of other drills and has all these great ratings and a #1 Best Seller label. It seems like an excellent buy, right?

You might even go to other sites to get some information about it and find the Yahoo Shopping site comparison. Wow, everything's looking good!

You might buy that drill, right? Even though its #1 Best Seller label is the result of being put into a lesser used subcategory on Amazon, it may have some potentially inflated review counts on Amazon, and has extremely overstated review information on the Yahoo site.

Don't rely on those labels without doing a little research.

Tip #3: Understanding Vine Program Reviews

Another method retailers can use to build up their review count on Amazon is to offer their products for free to specially selected reviewers on the site in exchange for a review.

Amazon does a good job of highlighting these types of reviews and will show that they are part of this program by labeling them like this:

Customer review from the Amazon Vine Program (What's this?)

You can read more about Amazon's Vine Program here: Amazon Vine

Here's a book on Amazon that used the Vine program: Don't Cry: Stories

The reviewers selected to participate in the Vine program are supposed to be more experienced in review writing and are expected to be objective. However, I can't believe that's always going to be the case.

When you find a product with lots of Vine program reviews, add up how many of them there are, how many of them rated the product a 1, 2, 3, 4, or 5 and subtract those ratings from the total counts and recalculate the average rating. I have often found that a product has a slightly lower average rating once I eliminate the Vine program reviews.

Want a sneak peek into what these reviewers talk about amongst themselves? You can see their discussion forum towards the bottom of this page: <u>Amazon Top Reviewers</u>

Tip #4: Retailers May be Buying Reviews

Yet one more method retailers have for boosting their reviews and ratings on Amazon is to BUY reviews.

First, there are full companies that do this kind of work and businesses hire them all the time to help build their online ratings but even small companies can go to a site called Fiverr.com and pay people \$5 to write a 5 star review for a product on Amazon: Fiverr Gig #1 selling Amazon reviews and ratings

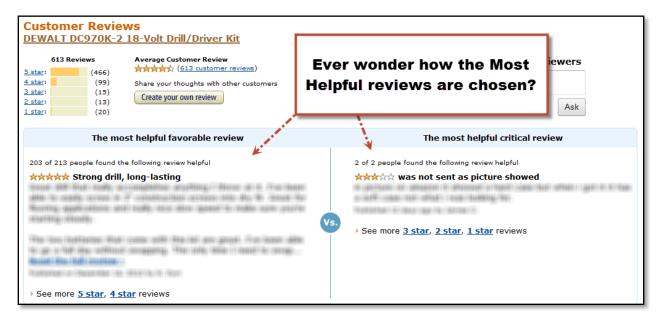
Fiverr gig #2 selling Amazon reviews and ratings

If you think businesses wouldn't really pay these people just look at the Orders in Queue to the right of each listing. They're doing it!

Tip #5: Reviewing on Amazon is a Competitive Sport

Clicking on the Reviews link when looking at a product page on Amazon brings up the full list of reviews with two reviews prominently identified as the Most Helpful.

One is the Most Helpful FAVORABLE review and the other is the Most Helpful CRITICAL review.



Those two reviews are determined by 1) the average rating of the review and 2) the number of people who marked that review as being helpful.

Remember those "experienced reviewers" I mentioned before? They get recognized by Amazon by having the most votes for helpful reviews.

Amazon rewards top reviewers – tracks them even – and those reviewers are competing with each other. This thread talks about how one reviewer was getting too many negative hits on his reviews: <u>More Whining from Al</u>.

So not only are reviewers encouraged to review and then able to receive free products in exchange for getting lots of plusses but other reviewers might give them negative votes on their reviews in order to push themselves up.

How, then, are you ever going to be sure those two most helpful reviews are REALLY the ones that should be shown at the top?

Tip #6: Verified Purchase May be a Paid Review

Amazon has made a number of changes to their review platform over the years in an effort to help consumers understand the nature of the reviews left on product pages.

They added a label to show which reviews were written by people that Amazon can confirm did purchase the product through Amazon. The implication is that these reviews should have a higher trust factor.

Amazon Verified Purchase (What's this?)

However, it is still possible that a retailer could pay people to buy the product and write a review in order to have it show up as an Amazon Verified Purchase.

Or – the retailer could offer to refund all or a portion of the product price in exchange for a review.

In fact, we know that has happened. Take a look at this New York Times article on a retailer that racked up 5 star ratings for \$10 a piece:

For \$2 a Star, an Online Retailer Gets 5-Star Product Reviews

Tip #7: Multiple Listings for the Same Product

It's not just Amazon selling on Amazon – it's many other retailers. Amazon is more than just a shopping site. It's also a payment processing and

10

fulfillment operation. Other retailers can list their products on Amazon for a fee and use Amazon to collect the payment and ship the product.

This means that a product can have multiple listings on Amazon – one (or more) for each retailer selling the product through the site.

I use a Hoover TwinTank steam mop to clean my floors. Sometimes I have to buy replacement mop pads.

There are multiple listings on Amazon for these pads and they don't all have the same price.

Here's a blatant example of how this can cause you to pay more than you should.

The first example below is Amazon's listing for two replacement mop pads at a cost of \$10.67:



Here's another retailers listing for the same product at more than twice the price!



11

To be sure you're getting the best deal you might search for the item you want from Amazon using different search terms and see if you find different listings. Every now and then you'll find something for a lower price than the other listings.

Tip #8: Hot New Releases Doesn't Mean New Products

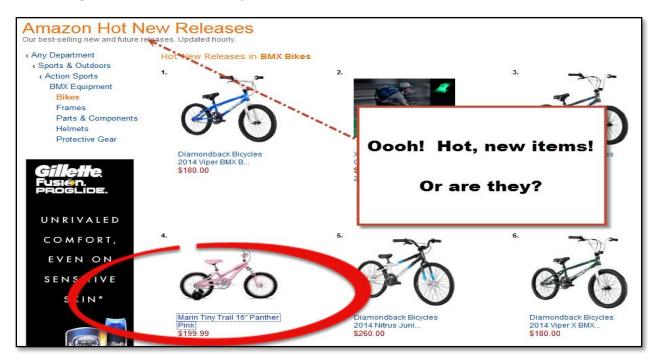
Did you know Amazon has a <u>Hot New Releases</u> page? They have one for each subcategory.

You might think this refers to products that are new to the market but that's not true. A product showing up on a Hot New Releases list only means that the LISTING is new on Amazon – not that the product is new.

This can be misleading and disappointing if you're trying to buy something new and different - especially as a present.

Let's say it's Christmas and you want to buy your daughter a great new bike – some style her friends won't all have already.

You go to the Hot New Releases page for bikes and see this really cool, pink bike for girls – the Marin Tiny Trail 16" Panther Pink bike. Perfect!



However, when I look in Google to see if there's anything else online for that bike I find a page from over a year ago where someone is selling their used version of this same bike that they bought two years ago. That means this bike has been around for at least three years already.



Don't use Amazon's Hot New Releases pages to find products that are new to the market.

Tip #9: Hiding the Price Until You Put it in the Cart

Have you ever come across a listing on Amazon and wondered why you have to put the item in your cart before they'll show you the price?



It has to do with the manufacturer's attempt to control the perception of their pricing and product quality. They don't want their prices showing up in search engines like Google.

There's a short, well done video explanation of why this happens on Bloomberg Businessweek: <u>Minimum Advertised Pricing</u>

Tip #10: How to Read Amazon Reviews

You've made it through nine incredibly important tips to help you understand what might go on behind the scenes in Amazon but don't freak out – that doesn't mean the reviews on the site are worthless. Compared to some competitors, Amazon does a great job trying to keep that rating and review process as useful and as clean as possible.

So how do you read those reviews and the site and feel good about the products you decide to buy?

Well, if you're going to buy a product I've showcased on my site you know that I've already done this step for you armed with the information and experience I have about how to determine a good product from a bad one but I can't be there for every product decision you make.

Here are the 5 things you need to do before you buy a big ticket item on Amazon:

- 1. Remember that Vine Program reviews were those written by someone who got the product for free in exchange for writing a review
- 2. Remember that Amazon Verified Purchase doesn't mean that someone didn't get paid to write the review
- 3. READ the reviews don't rely on the star ratings alone. Look for reviews that sound honest, mention some positives and negatives, and give clues that the person has some experience with the product. If the review writer is trying too hard to convince you to buy the product, it could be a sign that it's a fake review.

- 4. Ignore irrelevant reviews and ratings. If someone complains that the shipper left the product at the wrong address and gave the product a single star rating don't let that weigh into your buying decision.
- 5. Always search for the product a couple of different ways to make sure you're looking at the lowest priced listing available on Amazon

I hope you found this information useful. I'll continue to send you tips to make sure you're getting great deals, learning about accessory sales and specials, and finding the sewing machine that's perfect for you!

Síncerely,

Erín Rhodes

erin@erinsayssew.com

http://www.erinsayssew.com