



The hidden language and "wonderful experience" of product reviews

Panagiotis Ipeirotis on the phrases and formatting of effective product reviews.

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How do reviews, both positive and negative, influence the price of a product on Amazon? What phrases used by reviewers make us more or less likely to complete a purchase? These are some of the questions that computer scientist [Panagiotis Ipeirotis](#), an associate professor at New York University's [Stern School of Business](#), set out to investigate by [analyzing](#) the text in thousands of reviews on Amazon. Ipeirotis continues to [research this space](#).

Ipeirotis' findings are surprising: consumers will pay more for the same product if the seller's reviews are good, certain types of negative reviews actually boost sales, and spelling plays an important role.

Our interview follows.

How important are product reviews on Amazon? Can they give sellers more pricing power?

Panagiotis Ipeirotis: The reviews have a significant effect. When buying online, customers are not only purchasing the product, they're also inherently buying the guarantee of a seamless transaction. Customers read the feedback left from other buyers to evaluate the reputation of the seller. Since customers are willing to pay more to buy from merchants with a better reputation — something we call the "reputation premium" — that feedback tends to have an effect on future prices that the merchant can charge.



What are some of the most influential phrases?

Panagiotis Ipeirotis: "Never received" is a killer phrase in terms of reputation. It reduced the price a seller can charge by an average of \$7.46 in the products examined. "Wonderful experience" is one of the most positive, increasing the price a seller can charge by \$5.86 for the researched products.

How can very positive reviews be bad for sales?

Panagiotis Ipeirotis: Extremely positive reviews that contain no concrete details tend to be perceived as non-objective — written by fanboys or spammers. We observed this mainly in the context of product reviews, where superlative phrases like "Best camera!" with no further details are actually seen negatively.

Can a negative review ever be good for sales?

Panagiotis Ipeirotis: It can when the review is overly negative or criticizes aspects of the product that are not its primary purpose — the video quality in an [SLR camera](#), for example. Or, when customers have unreasonable expectations: "Battery life lasts only for two days of shooting." Readers interpret these types of negative comments as "This is good enough for me," and it decreases their uncertainty about the product.

What is the effect of badly written reviews on sales?

Panagiotis Ipeirotis: Reviews containing spelling and grammatical errors consistently result in suboptimal outcomes, like lower sales or lower response rates. That was a fascinating but, in retrospect, expected finding. This holds true in a wide variety of settings, from reviews of electronics to hotels. It's even the case when examining email correspondence about a decision, such as whether or not to hire a contractor.

We don't know the exact reason yet, but the effect is very systematic. There are several possible explanations:

- Readers think that the customers who buy this product are uneducated, so they don't buy it.
- Reviews that are badly written are considered unreliable and therefore increase the uncertainty about the

- Reviews that are badly written are considered unreliable and therefore increase the uncertainty about the product.
- Badly written reviews are unsuccessful attempts to spam and are a signal that even the other good reviews may not be authentic.

What's the relationship between the product attributes discussed in reviews and the attributes that lead to sales?

Panagiotis Ipeirotis: We observed that the aspects of a product that drive the online discussion are not necessarily the ones that define consumer decisions to buy it. For example, "zoom" tends to be discussed a lot for small point-and-shoot cameras. However, very few people are influenced by the zoom capabilities when it comes down to deciding which camera to buy.

This interview was edited and condensed.



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