

The FTC looks to take on fake reviews and endorsements

Article

The news: The US Federal Trade Commission (FTC) is taking the first steps toward creating new rules that crack down on what it calls the “fake reviews and endorsements” industry.

- Those rules dovetail with the FTC’s efforts to combat influencer industry; the commission last year sent letters to over 700 companies warning them they can be fined for secret sponsored content and bogus ratings.

- The fake reviews industry causes significant harm, as it influenced roughly \$152 billion in global spending last year, per a [World Economic Forum report](#).

Amazon is an ally in the fight: Amazon has also been making a marked push to shut down fake review brokers.

- On Thursday Amazon filed a criminal complaint in Italy and a lawsuit in Spain. Together with 10 other [lawsuits](#) it recently launched in the US, the efforts target bad actors who Amazon claims operate more than 11,000 websites and social media groups that attempt to orchestrate fake reviews on Amazon and other stores in exchange for money or free products.
- Amazon's efforts to ensure reviews are legitimate help reassure shoppers they can trust the reviews they read online and help keep the FTC out of its hair.

The big takeaway: It's clear that fake reviews harm the online shopping experience. Given that the rulemaking process can take years to complete, retailers would be wise to follow Amazon's lead and take on fake review brokers.

*This article originally appeared in Insider Intelligence's **Retail & Ecommerce Briefing**—a daily recap of top stories reshaping the retail industry. Subscribe to have more hard-hitting takeaways delivered to your inbox daily.*

- Are you a client? [Click here to subscribe](#).
- Want to learn more about how you can benefit from our expert analysis? [Click here](#).