

# Star ratings and review rankings: when is it deception?

Star ratings and reviews rankings exist in a grey area. They're not expressly legislated by Australian Consumer Law, but if they are ruled to be creating a deceptive impression, you might find yourself in trouble.

Studies of consumer behaviour show that high star ratings or other representations of a product or service's high quality really do make customers more likely to buy. Therefore, marketers must be mindful that they are not creating false impressions that mislead or deceive customers.

## Types of ratings and rankings

Some types of star ratings and rankings have specific meanings and uses. Be careful that you are not incorrectly using them where there is no valid reason for their inclusion in your marketing.

For example:

- Health stars or rankings designed to help consumers compare similar products' nutritional value
- Energy or water efficiency ratings or stars, often seen on whitegoods and electrical appliances. These are helpful for customers wanting to get an idea of how much electricity or water a product will consume.
- For travel and hospitality, there is a global recognition of star ratings as a reflection of the quality and level of luxury that can be expected: a basic hostel should not be advertising itself as a five-star resort!
- Car safety rating systems (such as ANCAP) reflect a specific level of safety offered by a vehicle
- Application marketplaces such as Apple's App Store and Google Play Store use star ratings and customer rankings in order to help other users

understand what other customers think about the app.

### **What does the law say?**

Under Consumer Law, you must not make false, misleading or deceptive representations to consumers. This could include the incorrect use of star imagery or rankings.

Consider, are you leading the consumer to (falsely) believe that your product or service:

- meets a certain standard as determined by a governmental or industry body? (eg. ANCAP safety rating or energy efficiency rating)
- Has been reviewed or scored by customers?
- Is of higher quality than other products or services on the market?

### **If you do the wrong thing**

The penalties for misleading and deceptive conduct have recently been increased.

Your business, if found to be misleading or deceiving consumers, can face penalties such as fines and court appearances. Your brand's reputation can also be damaged.

### **Do the right thing**

1. Do not advertise a product or service as meeting a specific standard if it does not (eg. An inaccurate energy efficiency rating).
2. If you do use a star rating or ranking, make sure that any claims can be substantiated
3. Only use genuine customer ratings and reviews, and let consumers see how many reviews went into creating the aggregate (eg. 5 stars, 2 reviews).
4. Do not offer consumers incentives for leaving positive ratings (you can

offer incentives to leave a review, but you must not provide rewards for positive feedback only. You should also make it clear to consumers reading the review that an incentive was given to the reviewer).

5. Don't making up your own star rating or industry standard and refer to it in your advertising.