

# **A Tangled Web: the effects of biased feedback on consumer behavior**

Vadim Nelidov & Giorgia Romagnoli

## **Abstract:**

Online feedback plays an increasingly important role in determining businesses' success and customer attraction (Chevalier and Mayzlin, 2006; Luka, 2016). At the same time, online feedback tends to be largely biased towards extremely positive values and too few negative reviews (Hu et al., 2009; Horton and Golden, 2015). While millions of consumers deal with these feedback systems daily, it is not clear if they adjust their behavior to successfully tackle these biases. Existent literature provides very few answers to this question, in particular since it is very hard to evaluate the decision quality in the field. We present the design for a series of lab experiments that investigate whether feedback users make consistent mistakes and disregard some of the information contained in feedback.