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IDEA WATCH

Bad Reviews Can Boost Sales. Here's Why

by Jonah Berger

MARKETING *by Jonah Berger*

Bad Reviews Can Boost Sales. Here's Why

It's a time-honored adage: There's no such thing as bad publicity. Yet studies have consistently shown that negative news hurts sales. Bad publicity about Tom Cruise is thought to have cost the 2006 movie *Mission: Impossible III* $100 million in ticket sales, to cite just one example.

Every so often, though, exceptions emerge. A $60-a-bottle Tuscan wine enjoyed a 5% spike in sales after a popular online reviewer likened its aroma to "stinky socks." Shake Weight, a vibrating dumbbell widely ridiculed in the media ("The most ludicrous fitness gadget of all time?" one newspaper asked), went on to earn $50 million in sales. Does the old adage have merit after all?

My research, conducted with Alan T. Sorensen, an associate professor at the Stanford Graduate School of Business, and Scott J. Rasmussen, then a Stanford undergraduate, demonstrates for the first time that under certain circumstances, even terrible publicity can bolster the bottom line. That largely depends, we found, on whether or not consumers are already aware of the product.

We analyzed the sales patterns of nearly 250 hardcover works of fiction reviewed in the *New York Times* from 2001 to 2003. We began by using a textual search algorithm to help classify reviews as positive or negative, and grouped titles according to how many books the author had previously published. We then looked at sales in the four weeks before and after a review to estimate its effect.

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Good reviews, as expected, increased sales across the board, with gains from 32% to 52%. For books by established authors, negative reviews caused a drop of about 15%, on average—also not surprising. But for books by relatively unknown authors, bad reviews caused sales to rise, by an average of 45%. This held even when the criticism was extreme: After one particularly scathing review, for instance ("the characters do not have personalities so much as particular niches in the stratosphere"), sales more than quadrupled.

The reason? Our analysis showed that by making consumers aware of a book they would otherwise not know about, even the harshest review can be a boon.

Time plays a role as well. In follow-up experiments in which participants were asked how likely they were to buy various books, we found that negative reviews hurt well-known authors regardless of any delay between the review and the purchase decision. In these studies, negative reviews initially hurt unknown books as well, but the detrimental effect quickly diminished. For purveyors of obscure products that get poor assessments, this is good news, suggesting that product awareness often lingers after the memory of the bad evaluation fades.

Companies understandably try to quash negative publicity, but our analysis suggests this isn't always the best tactic. When an established brand is at stake—or in a product category, such as cars, where advertising budgets and pre-review awareness are generally high—it's smart to make an effort to limit bad press. But if the negative publicity seems likely to increase brand awareness, smaller or unknown brands would often do better to let it go. They might also consider undertaking potentially controversial moves to increase their visibility. If a risky tactic gets a bad response, the attention might nevertheless increase product recognition and ultimately boost sales.

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