

September 16, 2019

The Honorable Bob Menendez United States Senate 528 Hart Senate Office Building Washington, DC 20510

The Honorable Richard Blumenthal United States Senate 706 Hart Senate Office Building Washington, DC 20510

Dear Senators Menendez and Blumenthal,

Thank you for your letter dated August 12, 2019, regarding Amazon's Choice.

Amazon strives to be Earth's most customer-centric company, where people can find and discover virtually anything they want to buy, with an emphasis on vast selection, low price, and fast delivery. Amazon works hard to earn and maintain customer trust.

Amazon's Choice seeks to help customers by making it easy to select items in our store. When browsing our store, customers may see a product highlighted as "Amazon's Choice" for their specific shopping request. Amazon's Choice highlights highly-rated, well-priced products that are available to ship immediately. Amazon's Choice is our choice for a product we think customers may like, and customers can always shop for any brand or product that they want to purchase.

We know that customer trust is hard to earn and easy to lose, so we strive to protect customer trust in Amazon's Choice selections. When deciding to badge a product as Amazon's Choice, we proactively incorporate a number of factors that are designed to ensure a trustworthy shopping experience for our customers. When we identify a product that has been badged as Amazon's Choice but does not continue to meet our high bar for products we feature for customers, we immediately remove the badge.

The answers to your questions are as follows:

1. Provide a detailed explanation of the process Amazon undertakes to determine which products receive the "Amazon's Choice" badge.

Amazon's Choice simplifies product discovery and selection for customers, and helps them by suggesting highly-rated, well-priced products that are available to ship immediately. As the name implies, "Amazon's Choice" is our choice, and we consider a broad variety of factors, including popularity, available inventory, customer reviews and ratings, pricing, customer service contacts, return rates, and product quality. Amazon's Choice features products sold by Amazon Retail and third-party sellers. Products sold by third-party sellers represent more than 56% of units sold with an Amazon's Choice badge.

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a. Does Amazon use an algorithm to make this decision? If so, do Amazon employees verify the algorithm's results before publicly assigning the badge to a certain product?

Yes. Amazon uses a number of tools, including algorithms, to assess factors like popularity, available inventory, customer reviews and ratings, pricing, customer service contacts, return rates, and product quality. Evaluating these factors enable us to make Amazon's Choice selections across our broad selection of products, to help our customers more easily find products we think they'll love.

We work hard to ensure that the products we highlight as Amazon's Choice will be good choices for customers, as we know that customers who are happy with their purchases are more likely to return to our store, and customers who are dissatisfied will be less likely to return. While employees do not manually review every one of the more than 2 million products badged as Amazon's Choice each month, we continuously monitor and review the program to refine and improve how we choose products we think customers will love. In the rare instances when we become aware of concerns with products we feature, we act quickly to address those concerns, including removing the Amazon's Choice badge.

b. Do Amazon employees personally review the products that receive the badge to ensure they meet a certain quality threshold?

No. We constantly monitor and review Amazon's Choice to ensure our choices meet our high bar for customers.

2. What metrics does Amazon take into consideration when making its determination?

We look at a broad variety of factors to determine eligibility, such as popularity, available inventory, customer reviews and ratings, pricing, customer service contacts, return rates, and product quality.

a. Does Amazon take into account a product's reviews when assigning the "Amazon's Choice" badge? If so, how does Amazon ensure that it is not basing its determination on fraudulent reviews?

Yes. Amazon's Choice benefits from the extensive resources and efforts Amazon expends to ensure reviews remain high quality across Amazon. Amazon employs more than 5,000 employees worldwide to fight fraud and abuse, which attempt to threaten our customers and the success of our selling partners.

Reviews abuse is an industry-wide problem and at Amazon we have a dedicated team that is relentless in its efforts to protect the integrity of reviews. Any attempt to manipulate customer reviews is strictly prohibited. To identify inauthentic reviews, we use a combination of automated technology and teams of trained human investigators who analyze multiple data points such as reviewer, selling partner, and product history. In the last month, over 99% of the reviews read by customers were authentic. We use machine learning to analyze all incoming and existing reviews, and remove all detected inauthentic reviews.

Our teams of investigators also remove abusive reviews and suspend and ban bad actors from our stores. We feed the information about the actions taken by the human investigators to our machine learning technology so it continues to improve and becomes more effective in catching abuse proactively.

b. What steps has Amazon taken recently to remove fraudulent reviews from its platform?

We are constantly refining, improving, and inventing new methods to address behavior by bad actors and protect our store from inauthentic reviews. In the last 12 months, we continued to invest significantly in technology and personnel to protect our customers from inauthentic reviews. We added to our automated systems and artificial intelligence technology to identify and remove inauthentic reviews faster. We added additional policies such as a limitation on how many non-Amazon Verified Purchase reviews a customer may write in response to the higher risk associated with reviews from accounts that did not purchase the product. We introduced a delay into publishing reviews so that each review passes through our systems for evidence of abuse before it ever gets published and before a customer ever sees it. We also increased our investigator workforce to investigate reports of abuse from our customers, train our artificial intelligence technology, and handle the appeals from reviewers and selling partners incorrectly affected by our abuse mitigation actions.

c. How does Amazon penalize the sellers and reviewers that engage in this fraudulent practice?

Amazon strictly prohibits the solicitation or purchase of inauthentic customer reviews, and we suspend, ban, or take legal action against the selling partners who create the demand for inauthentic reviews as well as individuals and organizations who supply them. Our automated systems evaluate each review for evidence of abuse before publishing the review and before the customer ever sees it. In addition, after reviews are published on the site, we continuously monitor and evaluate published reviews through our manual and automated systems for evidence of abuse. Our human investigators evaluate each report of abuse filed by our customers. When a review violates our community guidelines, we remove it from the site. We reserve the right to take further action, including removing reviewing privileges, delisting products from the site, and banning the selling partners from our stores. We have brought lawsuits against more than 1,000 defendants for reviews abuse, provided evidence for a recent Federal Trade Commission case brought against bad actors purchasing fraudulent reviews. We work with social media sites to take action on incentivized review groups – in 2018 alone, we reported hundreds of these groups to social media sites resulting in removal of the groups.

3. Amazon has described "Amazon's Choice" as "highly rated, well-priced products available to ship immediately." How does Amazon define "highly rated"? How does Amazon define "well-priced"?

Amazon's Choice uses product star ratings to identify whether products are "highly-rated." Product star ratings depend on the dynamics of each category. In the vast majority of categories the requirement to qualify for Amazon's Choice selection is an average of 4.0 stars or above and is never less than 3.5 stars. In addition, we may exclude products from Amazon's Choice eligibility if they have a high percentage of 1 star ratings. We also use a number of factors to identify whether products are "well-priced," including comparing prices within our store and in other stores, and analysis of past customer decisions when shopping for similar products.

4. Describe the efforts undertaken by Amazon to combat the practice of review recycling?

Any attempt to manipulate ratings or reviews, such as "review recycling," is prohibited by our Seller Policies. Amazon groups variations (e.g., different colors, sizes) and merges duplicates of the same product onto one detail page so customers have an easy and intuitive shopping experience. We have clear guidelines about when products should be grouped or merged together, and we have guardrails in place to prevent products from being incorrectly grouped and merged, either due to human error or abuse. When we discover detail pages with abusive grouping or merging to re-use reviews, we take the appropriate enforcement actions against the product listings and the associated bad actors, and we use these learnings to inform our proactive abuse prevention mechanisms.

5. Are sellers on Amazon able to apply, or pay, to receive the "Amazon's Choice" badge?

No.

However, for a very small number of products (currently 73 unique products) in categories with many similar product variations, like laptops and televisions, we do work with vendors to offer high-quality products with great pricing, guaranteed shipment availability, and strong product capabilities and features. In all cases this selection must meet our Amazon's Choice criteria of being highly-rated, well priced, and available to ship immediately to receive the Amazon's Choice badge.

a. If no, does Amazon receive financial compensation in any other form from the sellers of products that receive the "Amazon's Choice" designation?

No.

6. Is the "Amazon's Choice" badge specifically tailored to each buyer? Does Amazon take into consideration a buyer's browsing and purchasing history to determine which products will be assigned the "Amazon's Choice" badge in that buyer's search results?

No.

We will be happy to meet with you to discuss these efforts if you have any additional questions. Thank you for your interest in this issue.

Sincerely,

Brian Huseman Vice President, Public Policy