Tulane study finds smaller companies get kinder online reviews - and empathy is the reason why

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According to a new Tulane study, researchers found that smaller companies receive more favorable online word-of-mouth than larger ones, even when the customer experience is identical. (Photo by iStock)

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Consumers often turn to online reviews to decide where to shop, eat or book services, but a new Tulane University study finds that star ratings might be influenced by something other than product quality — the size of the company.

In a large-scale, international study published in the *Journal of Marketing*, researchers found that smaller companies receive more favorable online word-of-mouth than larger ones—even when the customer experience is identical. The reason? People feel more empathy toward small businesses and are more inclined to support them with better reviews.

“This project explored the inherent biases present in online consumer reviews, and our findings reveal that big businesses tend to receive lower average ratings compared to small businesses,” said Chris Hydock, co-author of the study and assistant professor of marketing at Tulane University’s A. B. Freeman School of Business. “Interestingly, this isn't because consumers are more critical of big businesses, but rather because they are less inclined to leave positive reviews for big businesses and more likely to do so for small businesses after a good experience.”

The research analyzed millions of consumer reviews from Yelp, Amazon, Twitter and Instagram. Even when controlling for experience quality—how good or bad the service or product was—smaller companies consistently received higher ratings than their larger counterparts.

Through experiments and real-world data, the researchers discovered that customers were more likely to write glowing reviews about small companies after a good experience and less likely to post a negative review after a bad one.

“This creates an overall positivity bias for small businesses,” Hydock said. “People empathize with them more, and that empathy influences not only whether they leave a review, but what kind of review they leave.”

According to the study, empathy drives what the researchers call a “selection effect” when consumers feel a personal connection with smaller businesses and are more motivated to help them. That means they’re more likely to spread the word about a positive experience—and more forgiving when something goes wrong.

Conversely, people are more critical of larger companies, which they tend to see as less personable or needing support. The study identified the problem and tested ways larger companies could narrow the empathy gap.

"For everyday consumers, lower ratings for big chain businesses might not reflect their true quality, while reviews for small, well-known establishments could be somewhat inflated," Hydock said.

Companies that responded to reviews more personally and emotionally—by using customers' names, expressing genuine concern and writing thoughtful replies—could boost their review scores. These kinds of empathetic interactions helped humanize the brand and made customers feel more connected.

"We highlighted strategies that big companies can use to boost positive online reviews, such as employing empathetic language and addressing consumers by their real names in responses. These aren't expensive fixes. Simply being more responsive and writing back in a warmer tone can shift how people feel about a company—and how they rate it," Hydock said.

Online reviews majorly influence what people buy and where they spend their money. For businesses, especially larger ones, understanding what drives review patterns can be crucial to managing brand reputation and customer trust.

The study was a collaboration between Hydock, Jan Klostermann (University of Cologne, Germany), Anne Mareike Flaswinkel (Bielefeld University, Germany) and Reinhold Decker (Bielefeld University, Germany).