



How oppositional loyalties resulting from producer–user collaborations reduce new product entry: Examples of online games

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ABSTRACT

Instead of technological lock-in effects, oppositional loyalty to a product may emerge from users' collaborations in the product, which grant consumers emotional experiences with the brand, encourage personal relationships, and provide emotional benefits. Therefore, consumers may limit their allocations of resources to competing new products because they devalue a new offering's relative product performance and its user and complementary networks. Prior rate of use enhances this devaluating effect, and prior experience deepens the negative effects. In contrast, users with minimal prior experience and low usage rates more easily accept new products. This study tests these predictions in a path analysis with data pertaining to an online game, collected from consumers in cybercafés; the 296 respondents across 191 cybercafés support the hypotheses.

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1. Introduction

Played over a computer network in an open platform, an online game, such as the massive multiplayer role-playing games that are so popular today, often requires a game server that hosts players from around the virtual world. In the past decade, these games have emerged as a rapidly growing entertainment industry, largely facilitated by the significant expansion of broadband Internet access. Yet this marketplace remains dominated by a few famous games, such as World of Warcraft. A few studies offer some suggestions for why people continue to play certain online games and what kinds of characters attract people to a game (Lee & Tsai, 2010), but it remains unclear how games might ensure their widespread diffusion and the success of their sequels (e.g., Lineages II following Lineages I). Thus, new product introductions and their survival remain difficult challenges for the online game marketplace.

In users' minds, product idiosyncrasies may reflect their collaborations with the producer of the game—that is, co-creation with the software designer (Arakju & Lang, 2007) through virtual communities dedicated to the specific products. If product producers can encourage users to join and participate in virtual communities, they likely engender a sense of loyalty among these users; that sense of loyalty also implies an opposition to or rejection of competing products (Muniz & Hamer, 2001) (i.e., oppositional loyalties). Research shows that many consumers adopt adversarial views toward competing products (Thompson & Sinha, 2008). Such

oppositional loyalty constitutes a bias, in the form of more negative evaluations of competing product (Hogg & Abrams, 2003). This bias might particularly arise when users collaborate in the development of a product, which would make them less likely to adopt competitive new products (Wood, Moreau, & Page, 2006; Wood & Neal, 2009) or express lesser interest in that competing alternative.

However, no research directly links game membership with new product evaluations. Do membership and virtual community participation affect evaluations of new products? If so, how? This investigation considers potential reasons for oppositional loyalty and how it might lead to the devaluation of competing products, especially newly introduced ones. Such a bias could be triggered and deepened by collaboration, such that consumers evaluate a new product solely in comparison with their preferred product (Hogg & Abrams, 2003) and allocate fewer resources to that new product.

The next section provides a literature review, along with an introduction of important concepts, hypotheses, and our study methodology. The tests of the hypotheses entail an application to games, but we also support the generalization of our findings to other communities with similar characteristics. Finally, we conclude with a discussion and some implications.

2. Literature review

Prior research often focuses on why and how users develop loyalty for a product or websites (Chang & Chen 2008; Teng, 2010; Wu, Wang, & Tsai, 2010; Yeh, 2010; Zhou & Lu, 2011), but little research has explored how users' loyalty might reduce their preferences for competing products, such as in the context of online

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games. Customer loyalty is generally driven by a favorable attitude toward a product. This attitude, as well as the associated switching costs, leads them to develop a deeply held commitment to re-buy their preferred product (Chang & Chen, 2008). An online gamer's loyalty also depends on the customizability of a product, which benefits from human–computer interaction (Teng, 2010). The human–computer interaction reflects the unique attributes of online games, such as customization, interactivity, and complementary externality-sensitive characteristics. The externality-sensitive attributes involve the interactive interface among users, complementary services, or products that support the online game's operations (Yeh, 2010). After users have played an online game, their loyalty also reflects their gratification from playing (i.e., achievement, enjoyment, social interaction) and their experience with the service mechanisms offered. Network externalities (i.e., network effects) and the flow experience also might influence users' loyalty (Zhou et al., 2011), which encourages their proactive stickiness to a specific product (Wu et al., 2010). We posit that stickiness results from personal experience with a specific product (Sawhney et al., 2005) and thereby reduces the value of a competing product.

An evaluation of a product might be associated with its enjoyment, character competency, visual authority, or monetary value. Then the determined value should determine users' intention to purchase (Park & Chung, 2011). Although the value of an online game may stem from various elements, game performance (Yeh, 2010) can embody its enjoyment, character competency, and visual authority. From the perspective of a new product, user loyalty for an existing product creates oppositional loyalties, accumulated through emotional experiences, which influence the new product's evaluation.

2.1. Product value

A product on a closed platform creates technological lock-in effects, because a product designed for one platform rarely can be used on another. To attain the full productivity and functionality of a product (e.g., Microsoft Office 2011), a user must adopt and become locked into one platform (e.g., Microsoft's server technology and architecture), which means that the user might exclude competing products from consideration (e.g., Sun's and Oracle's servers). Thus prior studies have emphasized battles over technological standards (Arthur, 1989), such as the QWERTY versus Dvorak keyboard, VHS versus Betamax video tape format (David, 1985), and Sony Playstation 3 versus Microsoft Xbox 360 video game platform fights. These findings suggest a winner-take-all competition among products (Hill, 1997).

Games that adopt this closed platform approach similarly entail competition across different consoles or platforms (e.g., Playstation 3, Xbox, Dreamcast). Similar to product ecosystems, the game value relies on the evaluation of the focal product (e.g., game performance), its complementary network effects (e.g., number and variety of complementary products and services), and user networks effects (e.g., number of other players) (Frels, Shervani, & Srivastava, 2003; Zhou et al., 2011). Users' loyalty thus depends mostly on the value of the product, which also depends on the number of other players using the closed platform and the number of games that are compatible with the platform. There are serious switching cost for using a new product. For example, users may want play an Xbox game but cannot because they only own a Playstation 3 console. The stickiness they experience is often based on the type of console or games they already own. In contrast, in an open platform, players interact with others using a game server that functions over the Internet or hard-wired terminals. Each player engages in social relationships in this virtual community, such that users' loyalty to online games likely relies on the effects

and value of their collaboration. The focal product can be used within and across virtual communities, with the support of products and services from various complementary networks.

2.2. Effects of collaboration

Collaboration implies that the consumer participates in the design and development of products or services (Bendapudi & Leone, 2003). In general, product designers are more knowledgeable about technical solutions and manufacturing; users know more about their particular needs and usage situations (Franke & von Hippel, 2002). To extend such collaboration, firms might encourage users to become co-producers (Pralhad & Ramaswamy, 2000; Prahalad & Ramaswamy, 2004; Sawhney et al., 2005). In this type of collaboration, the outcomes reflect changing consumption patterns and psychological benefits, independent of the objective product (Etgar, 2008; Sawhney et al., 2005). For example, software designers might release some design attributes for users to review (Arakju et al., 2007), and then the ultimate product development reflects the users' activities and feedback.

Collaboration in online games, as defined by Yeh (2010), involves both user-created and user-generated forms (Lee & Tsai, 2010), such that users become co-developers of their personalized experiences (Sawhney et al., 2005). The collaboration enhances product idiosyncrasy, and users experience self-enhancement and sensory pleasure. In turn, users sense a relationship with the product (i.e., brand relationship), and those relationships grow deeper through their use of product attributes, externality-sensitive attributes of product reflect the greater value of a product (e.g., CD players) that arises from complementary products (e.g., increased availability of CD titles) (Basu, Mazumdar, & Raj, 2003). Accordingly, the value of a product benefits from the greater availability of (interactive and complementary) attributes that reflect users' contributions and input from complementary networks (Yeh, 2010).

In summary, customized attributes and content can create pleasurable experiences for users (Zhang, Fang, Wei, & Chen, 2010), and interactive interface (Yeh, 2010) can improve social interactions among users in a network. The complementary externality-sensitive attributes (Yeh, 2010) might facilitate perceived enjoyment (Jang, Olfman, Ko, Koh, & Kim, 2008; Lee & Tsai, 2010) by rewarding the user's activities (i.e., emotional benefits). We thus predict that collaboration leads to an accumulation of emotional experiences for users, which include brand and personal relationships and emotional benefits.

2.3. Effects of oppositional loyalties

Oppositional loyalties are the negative effects on the product loyalty toward another alternative. This form of loyalty might arise from relationships between a product and users, among users, between users and the product producer or supporting firms. Yeung, Robert, and Wyer (2004) show that consumers' product appraisals create affect-based impressions that influence their later evaluations, regardless of the judgmental criteria they normally would use. When loyalties combine with emotional experiences, the overall effect on consumer decision making should be powerful. In particular, their evaluations of new products likely are dominated by references to the incumbent product, to which they are loyal and which offers them emotional experiences that extend beyond the benefit of the product itself.

Technological lock-in effects can hinder the success of new products, even if those products offer superior performance (Arthur, 1989; David, 1985; Hill, 1997); in open platforms without lock-in effects, a similar effect might result from oppositional loyalty that has formed due to the users' collaboration in developing

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