



# The effect of online word of mouth on fantasy readers' preference stability: The moderating role of involvement and knowledge



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## ABSTRACT

A study of the persuasive effect of positive versus negative online book reviews on readers' judgment suggests that readers with high involvement were less likely to be swayed by online reviews. An experiment was conducted to test the effects of two psychological constructs in the persuasion process, namely, user's knowledge of and involvement with a literary genre. A novel aspect of the study is that the participants were exposed to reviews contradictory to their initial impression. Contrary to negativity bias widely found in previous studies of electronic word-of-mouth (eWOM), a positivity effect of online reviews was found. High and low involvement readers were found to rely on different judgment cues. Furthermore, it is argued that when applied in cultural consumption, the measurement of these constructs demands special treatment because of its "infinite variety" and strong hedonistic character. Involvement at the genre level helped enhance preference stability. However, such effects were not found with users' subjective knowledge at the genre level. Instead, similarity became an important judgment heuristic when users encountered books by unknown authors.

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## 1. Introduction

Rarely do we acquire a creative work such as a book after we have experienced it in its entirety. At best, individuals base their judgment of a book on partial information, and therefore there is inevitable uncertainty in predicting its quality (Tang, 2009; Fu & Sim, 2011). Traditionally professional critics have played the role of advisors and opinion leaders, providing guidance and references for cultural consumers (Basuroy, Chatterjee, & Ravid, 2003). The Internet has greatly expanded the diversity and availability of these infomediaries through whom readers are able to learn about a work. Individuals can now access consumer generated book reviews on e-commerce sites such as Amazon.com and social networking sites such as aNobii and LibraryThing.

Understandably, the effect of electronic word-of-mouth (eWOM) has attracted great attention from researchers and practitioners who are interested in how online decision aids such as recommender systems and online reviews affect consumer decision-making (Cheung & Thadani, 2012; Chua & Banerjee, 2014; Dellarocas, 2003; Doh & Hwang, 2009; King, Racherla, & Bush, 2014; Lee & Youn, 2009). Several studies have attempted to examine the effect of eWOM using aggregate data specifically in the realm of creative products such as books, music, and movies. For example, drawing on live data retrieved from two online book selling sites, Amazon.com and Barnesandnoble.com, Chevalier and Mayzlin (2006) found that a positive book review led to

an increase in relative sales of the book at that site. Review valence was also found to be an important factor as it was shown that the impact of negative reviews outweighed that of positive ones (Chevalier & Mayzlin, 2006). Using data from the Yahoo Movie site, Liu (2006) found the volume of eWOM predicts significantly both aggregate and weekly box office revenue, especially in the early weeks after a movie opened, though the valence of the eWOM was not found to be a significant factor. Experimental studies also showed that online book reviews played an influential role in users' purchasing decisions (Lin & Foster, 2013; Lin, Huang, & Yang, 2007).

## 2. Problem statement

Consumers' involvement with and knowledge of a product category has been shown to influence their judgment and information processing (Lee & Koo, 2012; Liu & Shrum, 2009; Park & Kim, 2009; Park, Lee, & Han, 2007; Petty, Cacioppo, & Schumann, 1983; Zaichkowsky, 1985). The present study investigates the role these psychological constructs might play in the persuasive process of eWOM in the context of book judgment. It is postulated that highly involved readers, because of their rich experience, are less likely to be swayed by consumer reviews contradictory to their first impression, demonstrating a higher degree of preference stability (Simonson, 2005). Preference stability here means how consistent a readers' judgment of a book is in light of new information contradictory to their initial impression. Furthermore, according to the dual process model (Chaiken, Liberman, & Eagly, 1989) and elaboration likelihood model (ELM; Petty & Cacioppo, 1986), the same

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information can be processed in different ways depending on consumer involvement. It is reasonable to posit that high and low involvement readers will rely on different judgment cues, including different elements of the bibliographic information such as title, description, and publisher, as well as eWOM, such as consumer reviews and ratings, in their decision making.

Specifically, the present study seeks to explore the following questions:

- How will online reviews influence readers' judgment of books? Does the influence vary with the valences of reviews?
- Do individuals with high involvement with a genre also demonstrate high degree of preference stability?
- Do individuals with high subjective knowledge about a genre also show high degree of preference stability?
- Do high and low involvement readers rely on different types of information when judging a book by an unknown author?

While previous studies have examined the persuasive role of online book reviews, this study makes original contributions in several regards. Firstly, drawing from literature in marketing, the two consumer psychological constructs of involvement and subjective knowledge are introduced as the mediating factor in the persuasive process. Involvement and subjective knowledge denote, respectively, an individual's emotional investment in a product class and an individual's self-perceived knowledge of a product class. Secondly, unlike previous experimental studies in eWOM where participants were asked to make one-time judgments on unfamiliar and sometimes fictitious products, in the present study the participants were exposed to consumer reviews after their first impression about a title had been formed, which more closely resembles real-life situations. Thirdly, as will be shown later, it is argued that some special characteristics that creative works possess make consumption and judgment of them quite distinct from those of common consumer goods and therefore merit special treatment.

### 3. Literature review

#### 3.1. The persuasive effect of eWOM

Experimental studies of the impact of eWOM afford researchers the advantage of testing the moderating effect of a variety of variables involved in the influence process, including the nature of shopping goals (Sen & Lerman, 2007; Smith, Menon, & Sivakumar, 2005), consumer characteristics such as product knowledge and involvement (Park & Kim, 2009), frequency of consumption (Chakravarty, Liu, & Mazumdar, 2010), and personality traits such as skepticism (Sher & Lee, 2009). For example, Chakravarty, Liu, & Mazumdar, (2010) looked into how frequent and infrequent moviegoers might process editorial and online reviews differently. Frequent moviegoers were influenced more by editorial reviews, whereas casual moviegoers found consumer reviews more persuasive. Previous studies also suggest that consumer commitment to (Ahluwalia, Burnkrant, & Unnava, 2000), involvement with (Ahluwalia, 2002), and familiarity with (East, Hammond, & Lomax, 2008) a brand might also mitigate negativity bias, the widely accepted principle that negative information tends to carry a heavier weight in judgment (Fiske, 1980; Skowronski & Carlston, 1987). In the framework of accessibility-diagnostics theory, negative information is often considered more diagnostic, or useful, because of its rarity in the judgment situation where positive information is more prevalent (Fiske, 1980). Yet it has been pointed out that the negativity effect was often found in experimental settings where the subjects strived to give an accurate assessment of an unfamiliar and sometimes fictitious target. Negativity bias might not be as prevalent if one considers the moderating role of the individual's involvement with a familiar product, a factor that is ever-present in the natural environment (Ahluwalia, 2002; Ahluwalia et al., 2000). Product types might also moderate the

effect of the valence of the reviews. An interaction effect between valence of reviews and types of product was found by Sen and Lerman (2007), who determined that negative consumer reviews were considered to be more useful and carried more weight in utilitarian products, while positive reviews were more likely to be considered useful and had a larger impact on product attitude in hedonic products such as books, movies and CDs. Drawing from attribution theory (Mizerski, 1982), they demonstrated that when consuming utilitarian products, consumers are more likely to attribute the negative opinions to product-related motivation, whereas they are much more likely to attribute negative opinions to reviewers' subjectivity when in a hedonic purchase situation. It has also been found that consumption goals moderate the effects of review valence on persuasiveness (Zhang, Craciun, & Shin, 2010). These findings suggest that the persuasive effect of eWOM is far from universal, and that various consumer psychological characteristics and product attributes might play roles in how eWOM is received and interpreted.

#### 3.2. Preference stability

There have been two polar views regarding the nature of consumer preferences. While in economics consumer preference is often considered fixed and inherent, studies in marketing suggest that consumer preferences are easily influenced by information cues that are made salient at the time of judgment (Bettman, Luce, & Payne, 1998; Payne, Bettman, & Johnson, 1993; Slovic, Griffin, & Tversky, 1990). There have been calls for a synthesis of these two seemingly competing school of thoughts (Kivetz, Netzer, & Schrift, 2008). A more nuanced analysis of preference was offered in Simonson's (2005) theorization of preference development in the context of exploring how consumers of different preference structure might respond to personalized recommendations. Simonson challenged the fundamental assumption underlying personalized recommendations that individuals have well-defined and stable preferences and can always identify the options best fitting their preferences. He speculated that users' responses to recommendations are subject to influences from various contextual factors such as users' preference development, trust, presentation format, and the nature of the goods recommended. In Simonson's research, customer's preference development was characterized according to preference insight, which denotes the degree to which one is aware or able to articulate his/her true preference; and preference stability, which indicates whether one's preference is well-developed and relatively stable.

It is easy to imagine that when entering a new domain or facing previously unknown items, individuals are more likely to construct their preference on the fly. Yet, with feedback from their experience they will be able to develop a more stable preference. The view that preferences are learned and developed with experience over time has been empirically demonstrated (Hoeffler & Ariely, 1999; West, Brown, & Hoch, 1996). West et al. (1996), for example, found that the provision of consumption language facilitates the forming of better-defined and more consistent preferences. Instead of viewing preference as static and inherent, the present study takes a preference development perspective which views preference as something dynamic and evolving with experience and knowledge. With more consumption of creative products, individuals tend to accumulate more knowledge that enhances their appreciation of future consumption (Caves, 2002). The accumulated cultural capital or literary competence (Saarinen & Vakkari, 2013) also helps individuals acquire a more discerning taste and more knowledge about sources where they can find works of interest. It has been found that experienced readers—because of their knowledge about genres, authors, and trusted information sources—often have well-developed heuristics for making choices (Saarinen & Vakkari, 2013; Ross, 1999). It is reasonable to postulate that readers' knowledge would influence how they process online reviews, which, in turn, might influence their judgment of the book reviewed.

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