Determining consumers' most preferred eWOM platform for movie reviews: A fuzzy analytic hierarchy process approach

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ABSTRACT

In light of the sheer number of movie releases each week, consumers seek out online reviews to help them decide which movies to watch. Although there are numerous Web 2.0 platforms offering online reviews, the standard of some platforms leaves much to be desired. Accordingly, this research aims to determine consumers' most preferred electronic word-of-mouth (eWOM) platform for movie reviews and examine the criteria that form an effective eWOM platform. The Fuzzy Analytic Hierarchy Process (FAHP) was used to evaluate the eWOM present in a personal blog, review site, social networking site and instant messaging site according to two global criteria: information quality and source credibility. A decision tree containing the two global criteria and their sub-criteria was evaluated in a systematic manner through subjective ratings by actual movie-goers. Source credibility was found to be more important than information quality with review sites emerging as the most preferred eWOM platform. The results showed that FAHP provides a non-biased and transparent assessment approach for ranking platforms and determining the platform that individuals prefer when receiving their information. FAHP also identified the important attributes of an effective eWOM platform, thus rendering it a useful and valuable tool for decision makers.

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1. Introduction

Word-of-mouth (WOM) is known to be a powerful form of communication that plays a major role in influencing consumers' adoption and use of products and services (Godes & Mayzlin, 2004). The advent of the Internet has given this traditional form of oral communication an entirely new medium in which to spread. WOM has successfully transitioned into cyberspace in the form of person-to-person virtual communication or eWOM. eWOM refers to any positive or negative statement made by potential, actual, or former customers about a product or company that can be accessed by a multitude of people and institutions via the Internet (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). Advancements in web technology have created opportunities for WOM communication to be disseminated through various means, such as e-mail, instant messaging, homepages, online discussion forums, electronic bulletin board systems, and newsgroups. eWOM communication by far exceeds the limitations of conventional WOM because of the variety of ways or channels by which consumers can share product information with each other; the anonymity and discretion, as consumers do not have to disclose their real identities when searching

and offering advice; the lack of geographic and time restrictions; and the permanence of consumers' online conversations (Gelb & Sundaram, 2002). In addition, the unprecedented speed of information transmission via the Internet enables consumers to contribute and obtain information instantaneously without the need for face-to-face interaction. As the Internet opens up tremendous possibilities for the spread of eWOM, there has been an increase in the consumer use of Web 2.0 applications to read and write online reviews.

An online review is an interactive venue for sharing information and voicing personal opinions, recommendations, complaints and grievances regarding experiences with a variety of goods, services and companies (Chatterjee, 2001). Typically disseminated through Web 2.0 applications such as blogs, review sites, social networking sites and instant messaging sites, online reviews have become a major informational source for consumers to aid them in their consumption or purchase decisions (Lee, Shi, Cheung, Lim, & Sia, 2011). Because the reviews and opinions come from customers themselves, these articulations are believed to reflect truthfulness and information richness (Dellarocas, 2003). Consumers perceive such articulations to be useful because they are informed about the positive aspects of products/services as well as the negative aspects through the experiences of other consumers. Furthermore, reviews posted online are usually comprehensive in their information, covering an extensive source of customer opinions about

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products and services (Lee & Lee, 2009). Compared to other sources of information, such as monthly magazines or books, information gathered from online reviews is timelier. There are also reviews posted online that originate from knowledgeable and expert contributors, thus providing consumers with relatively credible and trustworthy information.

1.1. eWOM in the movie industry

These days, one can find online reviews about virtually anything on the Internet. One of the popular topics of discussion revolves around movies – an accessible form of entertainment that can be enjoyed by consumers from all walks of life. Every year, hundreds of new films are released by Hollywood and independent filmmakers. From big-budget summer blockbusters to the lesser-known independent films and from movies featuring A-list actors to those featuring equally tasteless C-grade acting, consumers have come to depend on the reviews of other consumers and critics when deciding what movies are worth their time. eWOM communication posted on movie review websites, such as *movies.yahoo.com* and *IMDB.com*, cover a wide range of topics, including cast and plot, set gossip, test screening results and reviews and recommendations about whether the movie is worth watching on the big screen. Featuring comments from regular movie-goers as well as critics, these websites have become a constant source of information for movie-goers as well as buyers and renters of DVDs. Generally, eWOM is believed to strongly affect consumers' movie selection. Movie-goers, particularly the infrequent ones, are easily persuaded by negative reviews from the mass movie-goers, whereas frequent movie-goers tend to be influenced by negative reviews contributed by professional movie critics (Chakravarty, Liu, & Mazumdar, 2010). Indeed, industry experts cite eWOM as a critical determinant underlying a movie's staying power, which, in turn, can ultimately lead to the movie's financial box-office success or failure (Elberse & Eliashberg, 2003). The box office successes of the low-budget film The Blair Witch Project and the "sleeper" hit My Big Fat Greek Wedding were largely due to the eWOM these movies generated (Dellarocas, Zhang, & Awad, 2007).

Most of the research conducted on the effect of eWOM (including WOM) on the consumption of movies seemed to have one objective in common: to examine the impact that movie reviews have on the financial performance of a movie. Basuroy, Chatterjee, and Ravid (2003) found that both positive and negative reviews are correlated with weekly box-office revenues over an 8-week period, though the impact of the negative reviews, in contrast to that of the positive reviews, diminishes over time. Liu (2006) explained that eWOM offers significant explanatory power for both aggregate and weekly box-office revenue, especially in the early weeks after a movie's opening. However, most of this explanatory power originates from the volume of eWOM and not its valence, as measured by the percentages of positive and negative messages.

In their study of several websites (variety.com, Yahoo! Movies website, and box-office movies websites), Duan, Gu, and Whinston (2008a) noted that box-office sales are significantly influenced by the number of online postings, but the ratings of online user reviews have no significant impact on box-office sales. Noting that most of the studies undertaken in the context of motion pictures considered eWOM to be exogenous, Duan, Gu, and Whinston (2008b) set out to model eWOM as both a precursor to and an outcome of box-office revenue. They succeeded in proving that (i) box-office revenue and eWOM valence both significantly influence eWOM volume, and (ii) eWOM volume, in turn, leads to higher box-office performance.

Moon, Bergey, and Iacobucci (2010) investigated how movie ratings from professional critics, amateur communities and movie viewers influence movie revenues and new movie ratings. The authors found that high early movie revenues enhance subsequent movie ratings and that high advertising expenditures on movies supported by high ratings maximize the movies' returns. Karniouchina (2011) investigated both movie buzz as well as star (celebrity) buzz and found that, while movie buzz is instrumental in boosting box-office receipts throughout the whole theatrical release of a movie, star buzz can enhance box-office receipts during opening week and build public anticipation prior to the movie's release as well.

1.2. Research problems and objectives

While these studies contribute to the body of knowledge on eWOM's relation to consumption, their focus was mainly on the effects of eWOM on its associated outcomes, such as box-office success (or failure) and viewership. There are still remaining issues that warrant further investigation in the quest for better understanding the overall impact of eWOM, however.

At present, the sheer number of weekly movie releases is overwhelming for consumers as they consider their options. Consumers are constantly having to choose among the many newly released and the existing movies on the market. To make their decisions, they often turn to information sources such as online reviews when deciding which movies to watch, thus giving rise to another problem that consumers face. With so many Web 2.0 platforms offering consumers the opportunities to obtain movie reviews, which platform is the most widely preferred by the consumers? In addition, as there is almost unlimited freedom of expression and posting of ideas, opinions and experiences on the Internet, it is possible that the quality of some online information could be compromised. Therefore, it is crucial that message recipients be able to differentiate between quality information and information that is less reliable. Based on this concern, what are the important criteria that consumers look for when deciding their most preferred eWOM platform for movie reviews?

With these two issues in mind, this study addresses two relevant objectives: (1) to identify the most preferred eWOM platform for movie reviews, and (2) to determine the criteria necessary to create an effective eWOM platform. These research objectives provide an enhanced understanding of the emphasis consumers place on each requisite criterion of the eWOM platform. This is important as web developers seek to create successful eWOM platforms. The rest of this paper is structured as follows. The paper provides a description of the alternative platforms for eWOM and the criteria for evaluating eWOM followed by a description of the study methodology. Next, is a section on the conducted analysis, which then leads to a discussion of the findings. We conclude the paper with important highlights and limitations of the study followed by suggestions for future research.

2. Alternative platforms for eWOM

While eWOM in the movie industry assumes many forms, including review systems, discussion boards, chat rooms, blogs and wikis, in this study, we focused on four types of Web 2.0 applications that are currently prevalent in the online environment, namely, personal blogs, review sites, social networking sites and instant messaging sites. These applications are commonly used as platforms by members of the public to share opinions, experiences and consumer satisfaction. As such, they can be regarded as a source of product information (Subramani & Rajagopalan, 2003). These various platforms are also increasingly being recognized as influential sources of information that impact the adoption and use of products and services. The four selected platforms are briefly described as follows: