



# Utilitarianism and knowledge growth during status seeking: Evidence from text mining of online reviews



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## HIGHLIGHTS

- The study calculates the number of words and the Fog value of each review.
- Utilitarianism results in fewer words per review during status seeking.
- Members' knowledge grows as their status rises.
- Negative reviews usually contain more words than positive reviews.

## ARTICLE INFO

### Article history:

Received 25 May 2017

Received in revised form

8 November 2017

Accepted 16 November 2017

### Keywords:

UGC

Goals

Utilitarianism

Status

Knowledge

## ABSTRACT

Websites with user-generated content (UGC) usually adopt incentive hierarchies to encourage users to contribute content continuously and to realize increasingly higher status in the online community through achieving increasingly more difficult goals. Yet the literature remains largely unclear on how these incentive hierarchies affect user behavior during status seeking. Empirical findings drawn from the data of 19,674 TripAdvisor members suggest that 1) at a lower status or earlier stage, members are more eager for quick promotion and utilitarianism results in fewer words per review; and 2) members' knowledge grows as their status rises. This study concludes by offering theoretical and managerial implications for both research and practice.

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## 1. Introduction

Online reviews are a typical kind of eWOM (electronic word of mouth) and are the most popular sources of information for consumers to make decisions, especially in the tourism market where travelers are unable to effectively judge the value and cost prior to purchase (Zhang, Zhang, & Yang, 2016). In the tourism and hospitality industry, eWOM can significantly influence online booking intention (Phillips, Zigan, Silva, & Schegg, 2015; Zhao, Wang, Guo, & Law, 2015), and more than 60% of travelers use other consumers' comments as a source of information when making travel plans (Cró & Martins, 2017; Fang, Ye, Kucukusta, & Law, 2016).

Online reviews are also a typical kind of public goods through which users can enjoy the contributions of others without exerting any effort (Chen, Harper, Konstan, & Li, 2010). This "public goods" nature of online reviews, as economic theories predict, leads to undersupply due to insufficient incentives. However, in practice, many popular online platforms are vital for the tourism and hospitality industry and perform well: TripAdvisor, Yelp, Expedia, and Agoda, for instance. Despite the huge demand for travel, the adoption of incentive systems makes it possible for these websites to stand out among the fierce competition (Liu, Schuckert, & Law, 2016).

Glory-based incentive systems motivate users to seek greater glory (higher status) through posting more reviews, and thereby change the behavior of members in the community. Several current studies have focused on the effect of online incentive systems on user effort (Goes, Guo, & Lin, 2016). However, user effort can be utilitarian. For instance, users will increase their efforts to post

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more reviews in order to earn higher status, but the number of words in each review may be reduced; thus, more reviews do not ensure more effort. In the status-seeking process, members in a community are motivated by the chance to upgrade their badge rank (Meng, Webster, & Butler, 2013). At a lower status, members may have a great desire to be promoted or upgraded: in this case, utilitarianism is at work (Anderson, Hildreth, & Howland, 2015). According to the law of diminishing marginal utility, after one has achieved enough badges, the desire to be promoted decreases. We thus propose the first research question: *Are members utilitarian when writing reviews during the status-seeking process?*

Although current studies confirm the positive effect of glory-based badges on user effort, the self-development of users during their efforts is neglected. Besides status upgrading, members in a community can be trained invisibly and knowledge growth can be induced: For instance, expression capabilities can be practiced when each review is written and posted, language organization capacity can be improved when describing experiences and feelings, communicating skills can be strengthened through discussing with other members in the community, and so on (Luo, Gu, Zhang, & Phang, 2017). We thus propose the second research question: *Does members' knowledge grow during the status-seeking process?*

The paper continues with an overview of the research backgrounds, followed by the research context and hypotheses. Then, the data collection procedures, sampling, variables, and empirical models are explained. The results and findings are then presented and discussed, including an analysis of their implications. The paper concludes with a discussion of some limitations of the present study and directions for future research.

## 2. Backgrounds and hypotheses

### 2.1. Incentive hierarchies and user effort

To encourage users to contribute more reviews, websites with user-generated content (UGC), such as online travel agencies (OTAs) and online Q&A communities, usually deploy online incentive hierarchies comprised of progressively more challenging goals and increasingly higher status. Incentive hierarchies provide a uniform ranking system against which all members can easily be compared with each other and the status of every member in a community can be identified (Goes et al., 2016). In this system, users can achieve increasingly higher status by posting more reviews and a higher rank can only be attempted when all previous ranks have been reached.

Online incentive hierarchies such as badges are designated by the website with explicit criterion for each rank/level. TripAdvisor, for instance, categorizes its badges into five ranks (Recently, TripAdvisor introduced a “New Reviewer” rank for members who have posted one review) based on user activity. As Fig. 1 shows, to gain the status of “Reviewer” one must produce at least three reviews; after posting six reviews, a badge of “Senior Reviewer” is earned; with more than 10 reviews, one becomes a “Contributor”; with 21 reviews, a badge of “Senior Contributor” is obtained; and the “Top Contributor” badge is rewarded once 50 reviews are contributed (Liu et al., 2016). The badge ranks a member obtains are

prominently displayed on his/her public profile, and they serve as symbols of the member's status in the community (Anderson et al., 2015).

The badge rank is a direct indicator of travel activity and experience because the more attractions an individual has visited, the more reviews he/she can contribute (Liu & Park, 2015). Recent studies have found significant effect of such incentive hierarchies on user effort among different online UGC platforms. Liu et al. (2016) analyzed a dataset of TripAdvisor members and found that the cumulative effect of online incentives appears to be temporary and decreases as time passes. Goes et al. (2016) employed a dataset collected from an online Q&A website and found that glory-based incentives motivate users to contribute more before the statuses are obtained. Cavusoglu, Li, and Huang (2015) assessed the extent to which users are motivated by earned badges and provided empirical evidence of the positive effect of badges on users' voluntary participation.

### 2.2. Goals, utilitarianism, and status seeking

Status among peers is a powerful motivator (Anderson & Brown, 2010), and each level of the badge ranks represents a milestone in a member's status trajectory within the online community. Current studies have consistently found that individuals pay close attention to their status, even if it is represented by seemingly trivial symbols in a community (Anderson et al., 2015; Liu et al., 2016). A higher status commands more respect and admiration from peers, and thus the seeking of status continues.

Badges are the status signifiers of members in a community, indicating reputation, experience, and honor/glory. Research has shown that individuals are motivated to approach rewards or goals (Elliot, 2006; Hull, 1932), and as they approach a reward or goal, the motivation to obtain it intensifies (Kivetz, Urminsky, & Zheng, 2006; Wadhwa & Kim, 2015). Online status-seeking behavior focuses on achieving increasingly higher status in the community, and the pursuit of each status (badge rank) can serve as goals and lead to goal-directed online behaviors (Cheema & Bagchi, 2011). The desire for such upgrades motivates members to contribute content continuously.

In particular, according to the goal-setting theory, individual effort will change before and after an individual reaches each goal. Within an online incentive hierarchy such as the badge ranks of TripAdvisor, members work hard to reach each goal. At the initial status, where distance to the ultimate goal is greatest, members are desperate for promotion (Earley, Connolly, & Ekegren, 1989; Koo & Fishbach, 2008; Liberman & Förster, 2008). This motivation makes members seek quick benefits and results in the quick production of reviews; thus, the number of words in each review decreases (utilitarianism). After achieving certain goals, enough badges have been accumulated and the law of diminishing marginal utility applies. In this case, members may experience less benefit from achieving, and have less motivation to achieve, the next goals (higher badge ranks) since the marginal benefit of each goal/badge reduces with the increase in badge level (Bonezzi, Brendl, & De Angelis, 2011; Liu et al., 2016). Therefore, members who have already attained, or are very close to, their ultimate goal will post reviews unhurriedly without thinking about upgrades. We thus hypothesize as follows:

**Hypothesis 1a.** At a lower (higher) status, members are more (less) eager for quick promotion and thus use fewer (more) words in each review.

**Hypothesis 1b.** At an early (late) stage, members are more (less) eager for quick promotion and thus use fewer (more) words in each review.



Fig. 1. Badge ranks.

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