

Antecedents of Online Reviews' Usage and Purchase Influence: An Empirical Comparison of U.S. and Korean Consumers

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Abstract

We propose a model linking consumer characteristics (consumer susceptibility to interpersonal influence and Internet shopping experience), attitude toward online reviews (perceived usefulness), and the outcome of online reviews (usage frequency and purchase influence). We advance hypotheses on the interrelationships among these factors and on the moderating effects of national culture on some of the relationships. We test the hypotheses on survey data collected from U.S. and Korean consumers. The results show that national culture has important moderating effects on the relationships among online reviews and its antecedents. The results suggest that an attitude-oriented marketing communication strategy is more effective for Korean consumers while a behavior-oriented strategy is more effective for U.S. consumers.

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Introduction

Proactive online consumers are rapidly changing marketing communications (Shankar and Malhotra 2007). They create, communicate, and deliver large amounts of marketing information that influences other consumers' decisions. Research on global interactive marketing (Barwise and Farley 2005), virtual communities (Bagozzi and Dholakia 2002), message boards on Web sites (Chiou and Cheng 2003), online peer recommendation (Smith, Menon, and Sivakumar 2005), and online social network (Brown, Broderick, and Lee 2007) reflects this changing marketing environment. The Internet is changing the nature and power of word-of-mouth (WOM) communications and the directions and volume of communication among the firm and consumers (Shankar and Hollinger 2007; Ward and Ostrom 2002). The Internet has extended consumer options for gathering unbiased product information from other consumers, providing opportunities to offer consumption-related advice by

engaging in electronic WOM (eWOM) (Hennig-Thurau et al. 2004). The wide dissemination of eWOM communications and the high level of acceptance by consumers suggests that eWOM exerts considerable influence on consumer buying and communication behavior, and, consequently, on the success of products in the market (Stauss 1997).

The Internet's facilitation of this form of communication increases the importance of understanding how WOM can powerfully impact the consumer decision-making process (Schindler and Bickart 2002). In the electronic environment, the opinions that consumers post to the Web are seen by millions, are available for long periods of time, and may be encountered by purchasers at precisely the time they are searching electronically for information about a particular product or service (Ward and Ostrom 2002).

Online consumer reviews are, therefore, an important source of eWOM communication (Chatterjee 2001). Online consumer reviews provide information on, comments about, and evaluations of a company, product, and service. Internationally, most Internet shopping sites have consumer reviews about goods or sellers, and many online communities participate in consumer reviews. As a result, online consumer reviews have become an important means of marketing communication because many

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consumers search for online reviews as the first step in shopping. Indeed, online reviews play an important role in forecasting the sales of many products, including motion pictures (Dellarocas, Zhang and Awad 2007).

There have been several studies on the effect of negative online reviews on retailers and products (Chatterjee 2001), motives for reading consumers' online reviews (Hennig-Thurau and Walsh 2003), and factors contributing to eWOM behavior (Hennig-Thurau et al. 2004). Previous research has made a significant contribution to online marketing communication literature by identifying *what* factors cause consumers to read or write online reviews. However, one important question remains unanswered: *How* do the various antecedents of online reviews affect consumers' purchase decisions? Moreover, does national culture influence these relationships? There is a dearth of cross-national marketing research on how online consumer reviews affect purchasing decisions (Shankar and Meyer 2009).

The main purpose of this study is to investigate the *structural process* of how online consumer reviews influence purchase decisions and examine the role of national culture on these relationships by comparing U.S. and Korean consumers' behaviors. Our research contributes to the online marketing communication literature by developing a conceptual model and empirically validating the relationships among the antecedents of the effect of online reviews.

Conceptual development

Fig. 1 presents our proposed model of the relationships among the antecedents of the purchase influence of online reviews. We developed the conceptual model based on a consumer characteristics–attitude–outcome theoretical framework. The key research questions are: (1) What kinds of

consumer characteristics affect attitudes toward online reviews (perceived usefulness of online reviews)? (2) What kinds of outcomes can be expected from the positive attitudes toward online reviews? (3) Is there any significant difference in the path coefficients between U.S. and Korean consumers? We examine two consumer characteristics: 1) consumer susceptibility to interpersonal influence (CSII)—internal (psycho-graphical) characteristic and 2) Internet shopping experience—external (behavioral) characteristic. We propose that these consumer characteristics affect attitudes toward online reviews (perceived usefulness). We expect attitudes toward online reviews to affect consumer behavior related to online reviews. We consider two kinds of online review-related outcome variables in the research model: 1) usage frequency (secondary outcome) and 2) purchase influence (primary outcome). We assume that positive attitudes toward online reviews increase online review usage, and increased usage frequency affects consumer purchase decisions. Finally, we compare the path coefficients between U. S. and Korean consumers.

Consumer susceptibility

CSII is defined as the tendency to learn about products and services by seeking information from others (Bearden, Netemeyer, and Teel 1989, p. 474). Consumer research has documented the effect of interpersonal influence upon individual decision processes (Cohen and Golden 1972). Consumers highly susceptible to interpersonal influence have been shown to be more influenced by others when making purchase decisions (Schroeder 1996).

CSII can be utilized in the context of eWOM behavior. An individual with a greater propensity to be influenced by others is likely to attach more weight to eWOM information than an individual who is less susceptible to influence. The previous

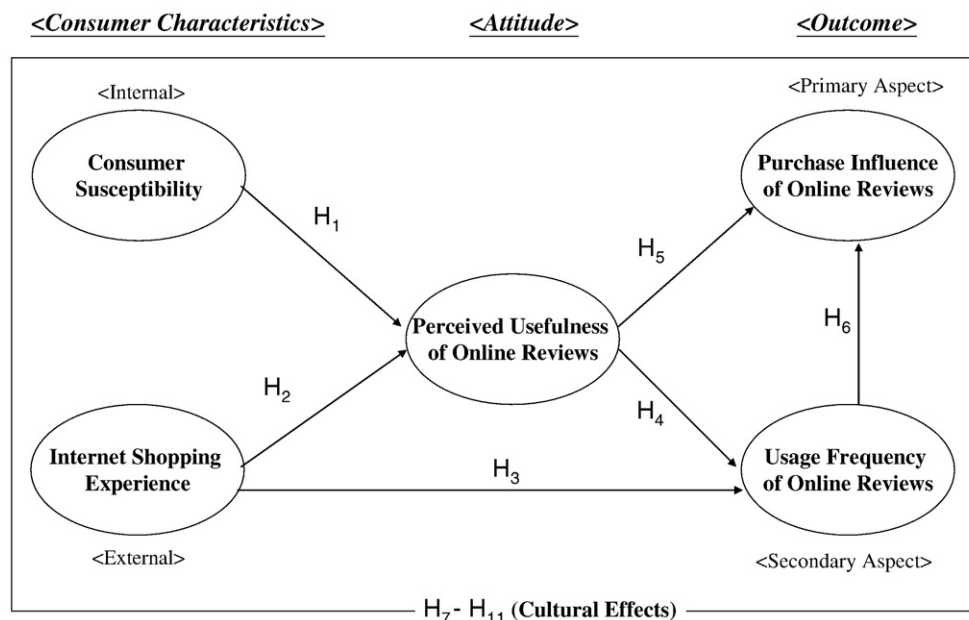


Fig. 1. Conceptual model.

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