TRUE
Experience
OR NOT?

Positive, Negative or Not at All? What Drives Consumers to Post (Accurate) Product Reviews?

Wendy W. Moe and David A. Schweidel

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THE AUTHORS

Wendy W. Moe,
Robert H. Smith School of Business,
University of Maryland,
College Park, Maryland, U.S.,
wmoe@rhsmith.umd.edu

David A. Schweidel,
Goizueta Business School,
Emory University,
Atlanta, Georgia, U.S.,
dshweidel@emory.edu

Will the new printer actually perform as promised in the product description? Is it easy to use and convenient to set up? To find out, consumers no longer depend on the information provided by the brand itself. Experiences of other users are readily available online in the form of product ratings, reviews, blogs or discussion groups and guide a consumer's decision to buy or not to buy a product. These sources are convenient, valuable pools of information not only for those interested in buying, but for marketers as well – at least as long as the information they contain reflects the true experiences of a typical crowd of users. But how reliable is this information? Can it actually be trusted more than official brand communication? To answer these questions, two researchers took a closer look at who actually writes such comments and examined their motives. What they found is that online opinions should indeed be interpreted with care.

Why do people post online? /// An overwhelming majority of individuals engaged with online content are “lurkers.” They read comments but do not produce posts themselves. One of the major reasons to voice one's opinion online is direct personal experience with a product. In the offline world, individuals who are extremely dissatisfied with a product are more likely to engage in word-of-mouth activities. As a consequence, offline word of mouth tends to be disproportionately negative. However, for reasons still unknown, a very different dynamic exists on the Internet. Across several studies, researchers have observed that overwhelmingly positive product ratings are being posted online. An analysis of 3,600 product ratings posted by 2,400 individual raters contributes new insights into why and how people engage in posting product evaluations.

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- > This study showed that both extremes – a high and a low post-purchase evaluation – increased the likelihood of posting. Individuals were more likely to submit ratings when they were very satisfied or not satisfied. When their evaluation was moderate, the probability for posting an evaluation was lower.
 - > In addition, the rating environment had an impact on the decision to submit a post. Virtually all individuals exhibited a preference for posting in more positive ratings environments. In other words, consumers were more likely to post an opinion when the ratings already posted were more positive.
 - > In addition to looking at the general tone of the comments (positive or negative), the researchers examined the degree of consensus among the ratings. They observed that frequent raters were more likely to post in dissentious environments, whereas less-active posters were more prone to post when consensus dominated the posting scene.
 - > The analysis of posting behavior showed that the least-active posters exhibited bandwagon effects by adjusting their posted evaluations upward when previous ratings were more positive. They were also more positive when previously posted opinions varied. To some extent, these individuals can be characterized as “low involvement.” Not only were they less engaged in terms of their level of posting activity, but they were also easily influenced by others.
 - > The most active posters stood in stark contrast to the low-involvement posters. In general, they were more negative and exhibited differentiation behavior (as opposed to bandwagon behavior) by adjusting their evaluations downward in positive ratings environments.
 - > Their posted opinions were even more negative when there was increased opinion variance. Such behavior is typical for individuals who want to be perceived as “experts.” They often try to differentiate themselves by contributing more negative opinions. Overall, these individuals appeared to be “activists” who were highly engaged and may have tried to establish themselves in the community by offering differentiated and more negative opinions designed to attract the attention of others.

What influences user comments? /// The degree of consensus not only influenced the decision to contribute a post but also the posted opinion itself. Similar effects have been noted in opinion polls during pre-election periods. Publishing their results can influence election turnout by either causing “bandwagon” behavior or an “underdog” effect. The former causes voting in favor of the leading candidate, whereas the latter benefits the trailing candidate.

KEY FINDINGS

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Individuals are more likely to submit online ratings when they are either very satisfied or not satisfied.

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Positive environments increase posting incidence, whereas negative environments discourage posting.

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Less-frequent posters are more positive and exhibit bandwagon behavior, whereas more-active posters are more negative and exhibit differentiation behavior.

How product opinion evolves over time /// The researchers used their data to simulate how overall opinion in the rating environment evolved over time. In a first simulation, they observed how the average rating and the variance of the ratings changed for a random sample of the database. As more ratings were posted, the average rating decreased and the variance across ratings increased. This dynamic was driven by a shift in the composition of the posting population. With more ratings, the ratings environment exhibited more variation in opinions, thereby attracting activists who were more negative in their evaluations and deterring lower-involvement/more-positive posters. As a result, the composition of the posting population changed, contributing to a gradual decline in average ratings. "The selection effect is central to the way in which expressed opinions evolve," co-author Wendy Moe summarizes.

In a second simulation, the researchers compared a highly polarized customer base with one that was relatively homogeneous and representative of the average opinion. As expected, the posted ratings resulting from the homogeneous customer base were relatively uniform and exhibited a slight downward trend.

FIGURE 1:

Simulated ratings evolution: Homogenous versus polarized customer base

In contrast, the posted ratings from the polarized customer base were more negative and exhibited a stronger downward trend. This dynamic was driven by the more negative baseline evaluation and the differentiation behavior of the activists who represented half of the customer population in the polarized customer base but were absent from the homogenous customer base. The contributions of this core group of posters eventually resulted in posted ratings that were dominated by extreme negative opinions and did not reflect the distribution of opinions from the overall customer base.

User comments might be biased /// The study results show that the composition of the customer base can exert substantial influence on posted online opinions. Due to selection bias and adjustment effects over time, the content posted may not necessarily reflect the customer base's overall opinion of the product. Rather, a subset of active contributors may dominate the ratings environment. These activists tend to steer the subsequently posted evaluations and deter others from voicing their opinion.

Therefore, marketers and consumers alike must exercise caution in drawing inferences from posted product ratings and reviews. The opinions they observe may not provide an accurate gauge of the overall customer base's perceptions.

It is critical that marketers understand who is contributing opinions to forums, their motives for doing so, and what influences their behavior. Even if decision-makers can gain valuable insights from the analysis of this pool of information, they should not rely on this source exclusively.

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