Impact of Retailer Generated Online Content on the Perceived Helpfulness of Product Reviews

Anupama Dash, University of Maryland, Baltimore, USA
Nazrul I. Shaikh, University of Miami, Miami, USA

ABSTRACT

This article quantifies the impact of retailer generated content, such as information, comparisons, and reviews, which may not be helpful to the consumer. The article uses 42,636 reviews spanning 44 products that offer different combinations of the three-mentioned retailer generated content to isolate the impact of each. Our results indicate that such content cannot replace the utility of the review but can make a significant contribution towards satisfying the consumers need for information and help. The results also indicate that the information contained in such retailer generated content is more important for search and less so for experience goods. These results have important implications for an online retailer or review platform investing in content creation and management.

KEYWORDS

Product Reviews, Retailer Generated Content, Review Helpfulness

INTRODUCTION

Product reviews on retailer’s websites and online review platforms (ORPs) have become ubiquitous. Helpful reviews influence purchase decisions and prospective consumers use these reviews as information source as well as to gain an insight into the user experience of the product by reading about other people’s experiences (Hu, Liu, & Zhang, 2008; Park, Lee, & Han, 2007; Shen, Dai, Wang, & Gou, 2015). However, only a small fraction of the reviews is helpful; some review can be biased, provide incomplete information, or even be fake (Cheung, Luo, Sia, & Chen, 2009). Consequently, the research on online consumer reviews and the management of the review platforms has been steadily increasing in the past decade. Researchers have now established several characteristics of the products, reviews, and the reviewers that make the reviews helpful (Ghose & Ipeirotis, 2010), sorting rules that make the ORPs more convenient to navigate (Geekwire, 2016), and review summarization techniques that reduce cognitive burden and improve the prospective consumer’s experience (Geekwire, 2015).

Online retailers and ORPs are also proactive in working towards improving the user experience. They have implemented multiple ways in which a prospective consumer could navigate (search, sort, and filter) the reviews. They are trying to authenticate the reviews and obtaining reviews from experts (Geekwire, 2016). Other than this, they are also attempting to provide a richer experience to the prospective consumers by introducing additional content such as details about the product.

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features, comparisons of the products with others based on the features, and recommendations of similar products. This additional retailer generated content targets the prospective consumer’s need for objective information (Bates, 1989; Payne, 1976) and also makes the websites stickier (Holsing & Olbrich, 2012; Lin, 2007). Research in information sciences has established the value of reviews and recommendations (Pazzani & Billsus, 2007; Adomavicius & Tuzhilin, 2005; Ghose & Ipeirotis, 2010). However, the contributions of retailer generated content other than product recommendations is not well understood. On one hand, content such as technical details and product comparisons increases the cognitive burden on the prospective consumer while on the other it satisfies the consumer’s need for objective information (Chen, Shang, & Kao 2009; Gao, Zhang, Wang, & Ba, 2012; Kim, Galliers, Shin, Ryoo, & Kim 2012). This paper aims at estimating the impact that enriching the prospective consumer’s experience through retailer generated content on the product landing pages has on prospective consumers.

This research is based on an empirical study with data on 42,626 reviews that span 44 products. These reviews differ in (a) attributes such as ratings, length, age, sentiments, and count of people finding them helpful, and (b) the type of retailer generated content provided by the retailer on the product page. The products also differ in the attributes; i.e., durables versus not, innovative versus not, search versus not (complete list of products is provided in the Appendix). Results from the empirical analysis shows that additional content such as (i) recommendations for other products, (ii) product details, and comparisons with other products and (iii) information presented in product’s landing page has a significant impact on the perceived helpfulness of reviews. Further, we find that the impact that such features have on a search product is distinctly different from the impact they have on experience products. The paper also presents an automated data collection, text mining and sentiment analysis based approach to enable such a study. This approach is inexpensive and scalable, and can be seen as a precursor to the large and expensive user experience experiments.

The rest of this paper is structured as follows. Section 2 presents the background and the related work in the areas of managing and evaluating the performance of reviews and ORPs. Section 3 provides an outline of our research framework including the data collection and research methodology. The empirical results and discussion are presented in section 4 followed by section 5 that summarizes our results and conclusions.

BACKGROUND

As consumer’s transition from a brick and mortar setup to online retail, their desire for information, making side by side comparisons, and getting a touch and feel of a product before purchase is being partially satisfied by online reviews. These online reviews are often seen as manifestation of electronic word of mouth (see for example Ku & Chen 2007; Chen, Wang, & Xie, 2011; Zhang, Zhao, Cheung, & Lee, 2014; Kim & Gupta, 2017) and play a role similar to that of word of mouth (Bass, 1969) plays in traditional retail. Several researchers have established the relationship between reviews and product sales (for example, Chen et al., 2011; Chen & Xai, 2008; Chevalier & Mayzlin, 2006; Chu & Roh, 2014; Hu, Koh, & Reddy, 2014; Hu et al., 2008; Moe & Trusov, 2011; Zhu & Zhang, 2010; Liu, 2006) and report a strong positive correlation between the measures. Researchers such as Duan, Gu, and Whinston, (2008), Lee and Lee (2009), Park et al., (2008), Sen and Lerman (2007), and Zhang and Watts (2008) also report a strong relationship between online reviews and purchase intent. Online review platforms such as Yelp and online retailers such as Amazon.com have thus been presenting the reviews to the potential consumers and harnessing their potential at helping the consumers shape their decision-making process.

The last decade or so has witnessed an increased attention from the research community on predicting the helpfulness of online reviews and identifying the factors that influence the helpfulness. This research is driven primarily by the need to organize the reviews so as to reduce the cognitive
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