Reading of online reviews across different product types by Generation Y consumers

Jensen, Jan Møller; Pizzamiglio, Laura

Published in:
International Journal of Internet Marketing and Advertising

DOI:
10.1504/IJIMA.2016.081351

Publication date:
2016

Document version
Peer reviewed version

Document license
Unspecified

Citation for published version (APA):

General rights
Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the public portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the public portal

Take down policy
If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.
Reading of online reviews across different product types by Generation Y consumers

Abstract
This study examines the frequency and purposes of reading online reviews among Generation Y consumers across different product types. It analyses how the propensity of online review reading is affected by product relevance, perceived risk and brand commitment. Data were obtained using an internet-based questionnaire administered to 155 respondents recruited from the authors’ social networks. We find that online reviews are very popular information sources, both prior to purchasing a product and as an ongoing activity motivated by fun and curiosity. It also emerges that online review reading is more widespread for experience products than for search and credence products, and more common for services compared to more tangible, physical products. The findings support the hypotheses that online review reading is positively affected by perceived product relevance and by perceived risk, and negatively affected by brand commitment. The article closes with a discussion of the theoretical and managerial implications.

Keywords: Online review reading; search- experience- and credence products; service products; product relevance; perceived risk; brand commitment; eWOM

1 Introduction
The Web 2.0 has revolutionised the way people communicate and exchange information. Nowadays people can easily interact with other individuals online, share user-generated content on a large scale, and take part in collective discussions (Dellarocas et al., 2007). In this context, the importance of electronic word-of-mouth (e-WOM) in shaping consumer attitudes, has been well acknowledged by academics and marketing practitioners (Fu et al., 2015). Among the various types of e-WOM, online consumer reviews have gained increasing popularity: product evaluations posted by users on dedicated websites, which are easily accessible by any other user.
As a relatively new form of WOM communication, and with various levels of popularity among consumers and across different product categories, online reviews are a challenge for marketers who need to evaluate how important these comments are for their customers, and determine how they can be orchestrated. To that end, this study concentrates on online review reading among Generation Y (Gen Y) consumers, also known as Millennials, and frequently defined as the demographic cohort of people born between 1977 and 1994 (Bakewell and Mitchell, 2003; Morton, 2002; Nielsen, 2014). We focus on Gen Y consumers because they are seen as a valuable segment for marketers (Valentine and Powers, 2013), are known to be technologically savvy (Eastman and Liu, 2012; Lester et al, 2006), are dependent on online social networks (Killian et al., 2012), and more involved online purchase behaviour (Eastman and Liu, 2012; Lester et al., 2006). Gen Y thus seems to be an ideal group to focus on in an online setting in general, and with regard to online review sites in particular.

The primary objective of this study is to explore the frequency and purposes of online review reading among Gen Y consumers, across different product types, and to examine how a propensity for online review reading is affected by product relevance, perceived risk and brand commitment. To that end, the remainder of the article is organised as follows. First, we briefly review earlier literature related to the topic and build on it to define research questions and hypotheses which will be investigated and tested in the study. Second, we explain our research design. Third, we present the results and draw conclusions, and, finally, we discuss the theoretical and managerial implications of our study.

2 Theoretical background: research questions and hypotheses

2.1 Gen Y

Who are the so-called Gen Y consumers and why are they so important for modern consumer research in general, and online review sites in particular? There is no widespread agreement on the start and end points of Gen Y (Bolten et al., 2013) but our review of the literature shows that Gen Y is frequently defined as a demographic cohort of people born between 1977 and 1994 (Bush et al., 2004;
Morton, 2002; Nielsen, 2014). Gen Y consumers have consistently been characterised as the most internet- and media-savvy generation, considering mobile devices essential in their lives (Smith, 2012). They are the generation who grew up socialising via the internet and who experienced multiple generations of mobile phones and the shift towards smartphones and mobile devices in the 21st century. It is thus not surprising that Gen Y consumers are also identified as a driving force behind online shopping (Smith, 2012). Something else that clearly makes Gen Y an interesting population for this study is that they trust recommendations from peers online more than company information (Smith, 2012).

2.2 Worth-of-mouth communication in the digital age

Word-of-mouth (WOM) communication, which is defined by Solomon et al. (2010) as “the exchange of information among individual consumers on an informal basis”, has long been acknowledged as an important source of consumer information and an influential marketing tool (Arndt, 1967; Bambauer-Sachse and Mangold, 2011; Schindler and Bickart, 2012). Consumers often perceive WOM information as more trustworthy than information from marketers, who are believed to have a commercial intent (Chu and Kim, 2011). As noted in Section 2.1, this is particularly the case when it comes to Gen Y consumers (Smith, 2012).

WOM is traditionally defined as a face-to-face conversation, but in the Web 2.0 era the internet has altered WOM communication to a less personal and more ubiquitous form: electronic word-of-mouth (eWOM) (Schindler and Bickart, 2012). Researchers suggest that eWOM, similarly to traditional WOM communication, plays an important role in influencing consumer attitudes and purchase intentions (Bambauer-Sachse and Mangold, 2011; Hennig-Thurau and Walsh, 2003) and that it is even more effective than the offline version because of its speed, greater accessibility and wider reach (Cui et al., 2012; Bambauer-Sachse and Mangold, 2011). Among the various types of eWOM, the most popular and accessible are online consumer reviews (Zhang et al., 2010). According to Pan and Zhang (2011) an increasing number of consumers search
and post reviews about products on the internet, and review sites have become an essential part of consumer product evaluations. In recent years, several online platforms (e.g. Amazon.com, Yelp.com, Epinions.com and Tripadvisor.com) have been introduced that aggregate consumer reviews (Robson et al., 2013) and the number of reviews being generated has increased exponentially. As a result, consumers may find it difficult to assess which product reviews are the most useful and reliable among the vast quantity of reviews. In order to overcome these difficulties many review platforms have adopted a helpfulness voting and ranking system, which is considered by online shoppers to be more trustworthy and easier to understand (Wan, 2015). Although this system is intended to help consumers handle the plethora of product reviews, there are still risks of bias in product reviews posted on the review platforms. For example, Nan Hu et al. (2009) calls attention to the fact that people tend to write reviews only when they are extremely satisfied or extremely dissatisfied, omitting many averagely rated experiences from review sites. Review readers are also more likely to purchase products with higher rated evaluations compared to products with lower evaluations, thereby producing a positive skewness in the distribution of online reviews. Taken together these two biases produce what Nan Hu et al. (2009) call the J-shaped distribution of product reviews. In a similar vein, Wan (2015) introduced sequential bias, meaning that when an early-posted review is voted as most helpful it tends to attract a disproportionately higher level of attention and have a disproportionately positive influence on prospective purchasers of the product, compared to later-posted product reviews. This is due to the so-called Matthew effect, whereby “the rich get richer and the poor get poorer” (Wan, 2015). Moreover, once an early-posted review has achieved the top position in the helpfulness ranking, it usually maintains it for a long time, because of the so-called Ratchet effect (Wan, 2015).

Nevertheless, despite the risk that bias may put the validity of product reviews posted on online review platforms into question, online product reviews remain popular among consumers and, numerous empirical studies have established that online consumer reviews have a strong influence on sales (Dellarocas et al., 2007; De Maeyer, 2012; Mudambi and Schuff, 2010).
2.3. Reasons why consumers read online review websites

Consumers may read online reviews for different reasons and purposes. The marketing and consumer behaviour literature recognises both utilitarian and hedonic motivations for searching for product information in general (Arnold and Raynolds, 2003; Bridges and Florsheim, 2008; Budisantoso et al., 2016; Hoffman and Novak, 1996). Similarly, there are utilitarian and hedonic motives for searching for product information online, and many of these may also apply to reading online review websites.

One important utilitarian benefit associated with review websites is the consumer’s access to greater amounts of reliable information to support their purchase decision. Research shows that review websites are being used both by people who are going to purchase something online, and also by those who intend to buy a product or service through offline channels (Zhu and Zhang, 2010). Studies have also revealed that consumers may search for product information after purchasing a product in order to be reassured of a good decision (Bailey, 2005; Schmidt and Spreng, 1996). In this regard, research suggests that under certain conditions, word-of-mouth is used to reduce cognitive dissonance following a major purchase decision (Mitchell and Boustani, 1994). As well as searching for information support or reassurance about an intended purchase, consumers may also consult review websites in a more ongoing process, providing hedonic benefits such as entertainment or recreational experiences such as passing time and escaping boredom (Bloch et al., 1986; Holbrook and Hirschman, 1982; Jensen, 2012; Jepsen, 2007).

Several researchers (e.g. Dholakia et al., 2004; Grant, 2005; Hicks et al., 2012) suggest employing the “uses and gratifications” (U&G) perspective to explore consumer motivations for seeking information on the internet. The U&G theory concerns the reasons behind the use of particular media, and it is considered one of the most appropriate frameworks for investigating why people utilize different channels (Shao, 2009). One of the most cited and widely recognised U&G classifications is that of McQuail et al. (1972), later updated by McQuail (1983). It encompasses four common reasons for media use: integration and social interaction, personal identity, information and
entertainment. In relation to online review reading, some readers may feel as if they are being engaged in a two-way conversation with the person posting comments on the review websites. They may feel they are confirming their own personal identity when reading online reviews about products or other issues of their personal interest. Of the four U&G categories mentioned, however, we suggest that the two latter categories are of most relevance: people search for information on online review sites in order to reassure themselves about an intended purchase or they surf around review sites for their entertaining elements.

2.4 The role of product relevance and perceived risk

The literature generally acknowledges that consumer decision-making processes and, in particular, information search behaviour, can vary depending on product type (Baek et al., 2012; Cui et al., 2012) and therefore require different marketing strategies. Consequently, various attempts have been made by academics and practitioners to classify consumer products into different categories (e.g. Copeland, 1923; Lovelock, 1983; Nelson, 1970; Ratchford, 1987).

One admired and common classification is the division of products into high involvement products (e.g. cars and major appliances) and low involvement products (e.g. toothpaste). Involvement is defined as “the perceived personal relevance of an object based on inherent needs, values and interests” (Solomon et al., 2010) and it has been demonstrated to have an impact on the degree of a consumer’s information search (Dou et al., 2012; Lastovicka, 1979; Laurent and Kapferer, 1985). Indeed, when the purchase is important and involvement is high, consumers are active information seekers and tend to maximise their expected satisfaction through an extensive evaluation process (Laurent and Kapferer, 1985; Solomon et al., 2010). Research has shown that, when dealing with high involvement goods or services, people devote more attention and exert more cognitive effort towards related information, and tend to judge this information systematically (Dou et al., 2012; Solomon et al., 2010). By contrast, when involvement is low, individuals act more on a habitual routine basis (Lastovicka, 1979) and engage in a less demanding, heuristic search (Dou et al., 2012).
Consumer researchers (e.g. Bloch et al., 1986) have identified two types of product involvement: enduring and situational. *Enduring involvement*, also referred to as *product involvement* or *perceived product relevance*, is an ongoing interest in a product category, such as being passionate about cars, computers or travels. This interest is independent of specific purchase situations and merely tied to the individual’s self-concept, values and ego (Richins and Block, 1986). In an online review context, we expect consumers showing high interest in a product category to be more likely to consult online reviews for that particular product category. Thus, we propose that:

\[ H_1: \text{A consumer’s perceived product relevance is positively related to the consumer’s propensity to read online reviews.} \]

*Situational involvement*, also referred to as *purchase involvement*, generally occurs when a purchase decision is required and the consumer wants to reduce uncertainty and risk in the decision-making process by collecting relevant product information (Laroche et al., 2003). It is strongly connected to *perceived risk*.

Six types of perceived risk have been identified in the marketing literature: financial, functional, physical, psychological, social and time risk. Financial risk involves a possible monetary loss, namely paying an excessive amount of money for a good or service; functional risk involves the prospect of receiving an inadequate performance or service; physical risk results from an unsafe or harmful product or service that can cause physical damage; psychological risk refers to the probability of an individual damaging their own self-perception by buying a certain product or service; social risk stems from a socially disapproved good or service that may potentially have a negative effect on its buyer’s reputation; lastly, time risk occurs when the purchase or the use of a good or service may result in waste of time and effort (Smith, 1990; Solomon et al., 2010).

Researchers have found a positive relationship between perceived risk and the effort put into searching for information (Guo, 2001), as the prospect of a wrong purchase extends the decision
making process (Laurent and Kapferer, 1985). It has been noted that when perceived risk is high, consumers tend to actively seek more information and to compare all the possible alternatives in detail, whereas when perceived risk is low, they do not consider it to be worth the effort (Cheong et al., 2008; Laroche et al., 2003). The same effect is likely to hold true for consumers’ use of recommendations from other consumers (Cheong and Morrison, 2008). Thus, we propose that:

H2: A consumer’s perceived risk is positively related to the consumer’s propensity to read online reviews.

2.5 The role of brand commitment

Brand commitment is an enduring desire to maintain a relationship with a brand (Chang and Chen, 2008) and is therefore closely related to brand loyalty (Kim et al., 2008). Research has demonstrated that brand commitment has a moderating role on consumer information searches (Ahluwalia et al., 2000). Consumers with high levels of brand commitment are less likely to search for information on alternative brands and even less likely to trust negative information about preferred brands (Jensen, 2011). Applying this to the online review context, we define the following hypothesis:

H3: Brand commitment is negatively related to a consumer’s propensity to read online reviews.

2.6 The role of product type

In addition to perceived risk and general product interest, the perceived ability to assess product quality is also an important antecedent of consumer motivation to search for product information. Here we present two frameworks, which are useful for understanding this variable.

Academics and practitioners acknowledge that services are more difficult to evaluate than physical products due to their fundamental nature (i.e. intangible, unpredictable in outcome). Several
studies have shown that the degree of perceived risk increases when it is related to services rather than to goods, because individuals fear what is intangible and unknown (Laroche et al., 2003; Zeithaml, 1981). Thus, it can be expected that, when it comes to services as opposed to tangible goods, consumers put more effort into quality information searches and are more likely to search for evaluative information in the form of recommendations, through online review reading or by seeking advice from authorities. In conjunction, other empirical works have found that buyers are more likely to rely on recommendations and word-of-mouth due to the experiential nature and intangibility of services (Cheng and Loi, 2014). Building on these arguments, we propose that:

H4: Consumers read online consumer reviews more often for services than for physical products.

Another often cited and regularly used classification method is the search, experience, and credence (SEC) framework originally introduced by Nelson (1970) and later expanded by Darbi and Karni (1973). Nelson defined *search products* as products with features and characteristics that consumers can easily evaluate prior to purchase or consumption, such as shoes and electronics. Products for which the consumer cannot evaluate dominant attributes prior to purchase or consumption are defined as *experience products*, highlighting the need for direct experience with a product to assess its qualities. Examples of experience products are music, foodstuffs and services such as hotels and restaurants (Cui et al., 2012; Mudambi and Schuff, 2010; Smith, 1990). Darbi and Karni (1973) added a third category, *credence products*, products dominated by certain attributes, called credence qualities, which can never be accurately appraised by the average consumer, even after purchase and use (Darbi and Karni, 1973). This category includes, for instance, medical treatment (e.g. appendix removal) or repair services (e.g. car repairs), where the average consumer is unlikely to possess the appropriate knowledge and expertise to ascertain the correctness of the diagnosis or to judge the quality of the service received (Darbi and Karni, 1973; Wan et al., 2012).
The SEC classification method is particularly meaningful when it comes to information search behaviour. Scholars suggest that information processing varies depending on whether the product of interest belongs to the search, experience or credence category (Mudambi and Schuff, 2010). People who intend to buy search products are likely to engage in a systematic decision-making process and evaluate specific attributes, while those who are willing to purchase experience or credence products require a greater amount of information and tend to rely more on extrinsic cues, such as brand name and popularity (Cui et al., 2012; Huang et al., 2009). This behaviour can be explained by the fact that experience and credence goods entail higher uncertainty and risk because qualities cannot be appraised prior to purchase, and the seller’s claims cannot be verified, thereby increasing the possibility of deception (Smith, 1990; Zhang et al., 2010).

Numerous studies have incorporated the SEC typology to investigate consumer information search and purchase decisions (e.g. Brucks et al., 2000) and researchers (Korgaonkar et al., 2004) have recently used this framework to investigate consumer information processing and purchasing behaviour in an online context.

The SEC classification scheme also appears to be a useful tool for understanding a consumer’s online review reading across different product types. All things being equal, consumers willing to buy products dominated by experience attributes may reduce their uncertainty through online reviews containing quality perceptions from other consumers. In contrast, with regard to products or services characterised by high levels of credence qualities, consumers may not perceive much value from relying on the experiences of other consumers since they are not, themselves, able to judge credence qualities. In these cases, advice from authorities seems more appropriate. Following these premises, it is proposed that:

H5: Consumers read online consumer reviews more often for experience products than for search products.
H₆: Consumers read online consumer reviews more often for experience products than for credence products.

While Nelson’s classification scheme was based on the fundamental intrinsic product attributes, other researchers (e.g. Klein, 1998) suggest that a product should instead be classified based on the consumer’s perceptions of it. In this view, the SEC rating of a product may differ from consumer to consumer, depending on the individual’s characteristics, such as their familiarity with the product (Wan et al., 2012). For instance, especially in the electronics and car industries, those who are experts in a product consider almost all the attributes as search attributes, whereas novices are likely to deem the same attributes as experience or credence attributes (Smith, 1990). The inability to verify credence attributes may also lie in an individual’s lack of sufficient technical expertise, or in the excessive cost or difficulty of obtaining the information that is necessary for the evaluation process (Smith, 1990). In this study we thus classify products as search, experience or credence products with reference to the consumer’s own perception rather than using further objective classifications.

3 Methodology

3.1 Survey instrument

An online survey was used to collect data. The questionnaire was composed of an introduction to the research topic, followed by a brief definition of online consumer reviews. A total of 25 questions were divided into three sections. The first section aimed to obtain a general overview of online review reading by Gen Y consumers, by asking respondents to indicate when and for what purpose they consult online review sites. Items were developed with the intention of covering a wide range of purposes related to specific purchase situations, as well as to online review reading as a more ongoing process, providing entertainment or recreational benefits. For instance, respondents were asked to indicate the degree to which they consult online reviews prior to purchasing a product online: to
choose among product alternatives, to be reassured about a good decision, or for fun and curiosity. All items were measured on a 1=‘not at all’ to 5=‘to a great extent’ scale.

In the second section respondents had to answer questions about a given list of product categories with regard to the constructs deemed central to this study. The product categories selected for the questionnaire were chosen with the aim of including products with different characteristics expected to influence consumer motivation for reading online reviews. The 20 products listed include physical products (books, cars, mobile phones, digital cameras, jeans, PCs, shoes, sports equipment, toothpaste, video games, vitamin tablets and wine) and services (car insurance, hotels, medical treatments, films, repair services, restaurants, study programmes and travel insurance). The list is meant to be a combination of products of low and high perceived relevance, low and high-perceived risk, low and high levels of brand commitment, and various degrees of search, experience and credence attributes. The choice of products and hypothesised product characteristics was mainly based on previous literature (e.g. Laroche et al., 2003 and Lastovicka 1979; Wan et al., 2012).

Given the relatively large number of product categories, we decided to use single-item measurements for our constructs in order to avoid respondent fatigue. Product relevance was assessed by the question Based on your needs, values and interests, how relevant are the following products to you? and measured on a 1=‘not at all relevant’ to 5=‘very relevant’ scale. Perceived risk was measured by the question To what extent do you think that choosing a wrong product among the ones listed below would have negative consequences for you? To frame this question’s context, respondents were briefly introduced to various risk dimensions (economic, functional, physical, psychological and social consequences) before they indicated their risk perception on a 1=‘not at all’ to 5=‘to a great extent’ scale. Brand commitment was assessed by the question How likely would it be for you to choose another brand, if your preferred brand in this product category was not available? and measured on a 1=‘very unlikely’ to 5=‘very likely’ scale. Finally, in order to assess the respondent’s own SEC-classification of the products, we asked them to indicate, for each of the
20 products, whether they believed that the product quality can be easily evaluated (A) prior to purchase/use, (B) only after trial/use, or whether it is (C) difficult to evaluate even after trial/use.

The third section included questions about the respondent’s demographics: gender, age and country of origin.

3.2 Data collection and sample

Data for this study was collected through convenience sampling. Invitations to participate in the study were disseminated via email and social media to people in the second (younger) author’s personal network. In order to reach individuals outside the author’s own “circle” and to have a more heterogeneous sample, all contacts were asked to forward the invitation to other acquaintances. The link to the online survey was kept open for five weeks, between April and May 2014.

In order to match our target population, the Gen Y consumers, the sample had to be checked for age. As mentioned previously, there is no widespread agreement on the start and end points of Gen Y (Bolten et al., 2013). In the present study we followed the commonly-used boundaries (e.g. Bakewell and Mitchell, 2003; Morton, 2002; Nielsen, 2014) defining Gen Y as people born between 1977 and 1994. We thus eliminated respondents not aged between 20 and 39. After eliminating non-completed questionnaires, we ended up with 155 useable questionnaires for further analysis. As shown in Table 1, the majority of the respondents were from Italy (36.1 percent), Germany (14.2 percent), Spain (7.7 percent) and Holland (7.1 percent). The sample was slightly skewed towards female respondents (61.9 percent of the total sample) and primarily represented by the younger segment of Gen Y (70.3 percent in the age group of 20-29).

Insert Table 1 about here

4 Results
The presentation of results is subdivided into three sections. The first section examines when and for what purpose Gen Y consumers read online review sites. In the second section we focus on the online review reading of Gen Y consumers across product categories. In particular, we were concerned with how the frequency of online review reading differs for physical products versus service products, and between products classified by the consumers as search, experience and credence products. Finally, in the third section we test our hypotheses about the influence of perceived product relevance, perceived risk and brand commitment on consumer online review reading.

4.1 Gen Y’s general online review reading

Table 2 shows the percentage of respondents who answered that they read online review sites to a moderate or great extent in relation to each of the nine listed purposes. Results show that online reviews are a very popular information source prior to product purchase, whether the purchase is online (96.2 percent) or offline (69.1 percent). Almost nine out of ten respondents used online review sites to choose among product alternatives and to reduce the risk of a bad decision (89.7 percent and 84.2 percent, respectively). Although 74.5 percent of the respondents report using online review sites to be reassured about a good decision, it is noteworthy that the percentage of respondents consulting online review sites after a purchase is only 18 percent. This could indicate that online review sites as a means of reassurance about good decision are primarily used just before the final purchase decision is made, and less frequently as a means to reduce cognitive dissonance after the purchase. Finally, the last two rows in Table 2 show that online review reading is not only a task-oriented activity related to purchase but it is also an ongoing activity used to increase one’s product knowledge (72.9 percent), or just for fun and curiosity (42.0 percent).

Insert Table 2 about here

4.2 Gen Y’s online review reading across different product categories and product types
Table 3 shows the percentage of respondents who classified each of the 20 given products as search, experience and credence goods, as well as the percentage of respondents reporting prior or future online review reading for that specific product. The eight service products are listed in the upper part of the table, and the twelve physical and more tangible products are exhibited in the bottom part.

*Insert Table 3 about here*

The distribution of percentages across search, experience and credence ratings shows great variation among consumers, thus evidencing the importance of assessing the SEC classification based on consumer responses instead of a more objective classification. A comparison between the percentages for the service products and the percentages for physical goods shows interesting patterns in the consumer SEC classifications within and between the two product types. Consumers appear to classify physical products as experience products to a similar extent as they do service products. Physical products tend to be classified as search products to a higher degree than service products, whereas services are more likely than physical products to be classified as credence products. The results also show some exceptions: for instance the ‘car insurance’ service is surprisingly perceived as a search product by the majority of respondents.

As expected, online review reading is generally more prevalent for services than for physical products. Online review reading is also more likely for product categories classified as experience products when compared to both search products and credence products. For example, 85.2 percent of the respondents classify hotels as experience and more than 90 percent report prior or future visits to online review sites for this product.

Table 4 illustrates the findings above from a more general perspective, comparing propensity to read online reviews across the pooled sample of product types. The upper part of the table shows the propensity for online review reading across products classified by the consumers as search, experience and credence products. It appears that online review reading is significantly (p<.01) more likely for experience-classified products compared to both search and credence products. This
supports our H5 and H6. The bottom part of the table shows that online review reading is significantly (p<.01) more likely for services compared to physical products. Thus, our H4 is also supported.

Insert Table 4 about here

4.3 The influence of product relevance, perceived risk and brand commitment

In addition to product type as antecedent to online review reading, we hypothesised that product relevance and perceived risk would increase the likelihood of online review reading, and that brand commitment would be negatively related to online review reading. In order to test these propositions, a series of multiple regression analysis were conducted, first on the pooled sample, including all products together, and then on split samples divided between search, experience and credence products, as well as physical goods versus services. VIF values for all regressions were inspected in order to ensure that there was no serious multicollinearity among the independent variables. The VIF values of the independent variables were all below 1.15, demonstrating an absence of collinearity problems.

Insert Table 5 about here

The first row in Table 5 shows the relationship between the three proposed antecedents and online review reading on the pooled sample. All three variables are significantly (p<0.01) related to the consumer’s likelihood of online review reading and support our hypotheses that perceived risk and perceived product relevance have a positive influence, and brand commitment has a negative influence, on online review reading (H1, H2 and H3, respectively). The squared multiple correlation coefficient of .272 shows that the three antecedents explain 27.2 percent of the variance in the
consumers’ likelihood of online review reading. The most influential predictor was perceived product relevance with an estimated beta coefficient of .440 compared to .167 and -.061 for perceived risk and brand commitment, respectively. A comparison of regression models across search, experience and credence products (row two, three and four of the table) reveals interesting differences. First, the sizes of the squared multiple correlation coefficients indicate a decline in explained variance when the regressions are conducted on search (.337), experience (.263) and credence products (.193). The three antecedents appear to have the greatest effect on online review reading for search products and the lowest effect for credence products. A comparison of the beta coefficients across the SEC groups also shows that product relevance has a significant and relatively strong effect (beta scores between .359 and .459) for all three SEC groups. The same is true for perceived risk, but it is noteworthy that the beta weights are higher for search products than experience and credence products. The beta coefficients for brand commitment are generally low and only significant with regard to experience products. Compared to experience and credence products, online review reading for search products appears to be relatively more influenced by product relevance and perceived risk, and less influenced by brand commitment.

A comparison of the regression for physical goods versus services (bottom part of the table) shows that the model explains around 30 percent of the variance in both cases (.278 and .296, respectively). Interestingly, perceived risk has a significant influence on online review reading only for physical goods, whereas the influence of brand commitment is only significant for services.

5 Summary and implications

Our study contributes several important findings with regard to the online review reading of Gen Y consumers. The first part confirms that online reviews are a very popular information source prior to purchasing a product, both online and offline. Marketers, whether operating in an online setting or not, should thus pay special attention to and deal with the increasing influence exerted by consumer-generated reviews on potential customers, as they can be both an opportunity and threat to business.
It also emerges from our survey that Gen Y consumers often consult online review sites before making a final purchase decision in order to be reassured of a good decision. Consequently, it is important for marketers to encourage their satisfied customers to post positive comments online and, at the same time, exhort dissatisfied customers to express their displeasure directly to the company itself, rather than sharing their complaints with millions of online review users.

Our results furthermore suggest that, although online review reading is mostly driven by purchase intentions, Gen Y consumers also read online reviews on an ongoing basis for fun and curiosity. Marketers and review-website owners may thus attract readers to their pages by including not only purchase-related information, but also more general product-related information, for example by adding fashion and celebrity news on websites for clothing, or recipes on websites for food products.

In the second part, our analysis reveals notable patterns concerning the propensity of online review reading by Gen Y consumers in relation to product type. In accordance with prior research on consumers’ use of WOM, our results demonstrate that online review reading is more prevalent for services than for physical products. A comparison across products classified by the respondents as search, experience or credence products, suggests that online review reading is more widespread for experience products than for search and credence products. Paying attention to, and trying to coordinate, online review sites is thus imperative for marketers operating in the service sector and for those selling products dominated by experience attributes. It is important to notice, however, that online review reading also exists for physical products and for products classified as search and credence products.

Our results also reveal interesting exceptions for particular product categories within the investigated product types. For example, online review reading is not very common for the service products car insurance, travel insurance, medical treatment or repair services. One explanation for this could be that they are all perceived as credence products by a relatively high proportion of respondents, which suggests that consumers generally believe that these products are difficult for
ordinary people to evaluate. Consequently, many consumers may find less value in online reviews of these product categories based on other consumer experiences and therefore they may seek advice from third-party sources that have more authority and expertise. Marketers operating in these domains could thus set up dedicated webpages with reviews written not (or not only) by other users but by experts in the field, who are also available to answer reader questions. Another explanation for the lower frequency of online review reading for these product categories could be that they all are of low general interest to many consumers, and therefore review sites for those products do not provide hedonic benefits.

In the third part, our results support our hypotheses that perceived relevance and perceived risk have a positive influence on the propensity of online review reading. As a consequence, marketers and review website owners may attract more readers to their pages by designing the websites in a way that enhances the product relevance as perceived by readers, and emphasises the risk of making a wrong decision. Comparisons across product types reveal that the influence of product relevance and perceived risk is highest for physical goods and search products. The results also support our hypothesised negative influence of brand commitment on online review reading and demonstrate that this influence is highest for services and experience products. Marketers should thus increase the commitment of customers to their own brand in order to reduce the probability that their customers will consult online review sites that include recommendations for competing brands. This result coincides with prior research showing that customers with a high level of brand commitment are less likely to search for alternative brands, and are, to some extent, resistant to persuasion from competitors (Jensen, 2011).

6 Limitations

As with other studies, the present work has a number of limitations which also call for future research efforts. The generalisability of the results may be limited because all respondents were recruited from one of the author’s own networks. Although they were all typical Gen Ys in age, the sample was
skewed in terms of nationality and gender. The sample size of 155 respondents is also relatively small. Future research may examine Gen Y’s online review reading with larger and more representative samples and also examine online review reading in other market segments.

All constructs included in this study were assessed using single-item measurements, which may affect the reliability and construct validity. Future research could use multi-item scales to measure the constructs.

Our study subdivided products into goods and services and into search, experience and credence products, and it only included three antecedents (product relevance, perceived risk and brand commitment) as predictors of online review reading. Future analyses could also take into account alternative product classification systems, such as utilitarian versus hedonic products, and examine the influence of other variables, such as prior product experience or brand trust.

Online review reading was examined on a general level in this study, without distinguishing between purchase-related search and ongoing searches. Future research could examine the effect of product relevance, perceived risk and brand commitment on online review reading based on the above distinctions.

As previously mentioned, the reliability of online product reviews may be questioned, and therefore consumers may come to perceive online review platforms as less favourable as a means to support their purchase decisions. Online review reading by consumers may in years to come thus be motivated to a larger extent by hedonic benefits such as entertainment or as recreational experiences such as passing time. In that light, the need to distinguish between purchase-related searches and ongoing searches seems pivotal when investigating consumer propensity for online review reading.

Lastly, according to Park and Nicolau (2015), users perceive extreme (positive or negative) reviews as more useful than moderate reviews. Negative reviews in particular are considered more helpful in order to overcome the information asymmetry between the buyer and the seller, whereas positive reviews are associated with a higher level of enjoyment (Park and Nicolau, 2015). Other studies suggest that the helpfulness of reviews may be determined by quantitative variables, such as
review length, as well as by the qualitative characteristics of the review and the reviewer (Huang et al., 2015). Future research may further investigate these aspects and their impact on online review reading.

References


### Table 1: Characteristics of the sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>N=155</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>96</td>
<td>61.9</td>
</tr>
<tr>
<td>Male</td>
<td>59</td>
<td>38.1</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-29</td>
<td>109</td>
<td>70.3</td>
</tr>
<tr>
<td>30-39</td>
<td>46</td>
<td>29.7</td>
</tr>
<tr>
<td><strong>Country</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>22</td>
<td>14.2</td>
</tr>
<tr>
<td>Holland</td>
<td>11</td>
<td>7.1</td>
</tr>
<tr>
<td>Italy</td>
<td>56</td>
<td>36.1</td>
</tr>
<tr>
<td>Spain</td>
<td>12</td>
<td>7.7</td>
</tr>
<tr>
<td>Other European countries</td>
<td>28</td>
<td>18.1</td>
</tr>
<tr>
<td>Asia</td>
<td>12</td>
<td>7.7</td>
</tr>
<tr>
<td>North America</td>
<td>10</td>
<td>6.5</td>
</tr>
<tr>
<td>South America</td>
<td>4</td>
<td>2.6</td>
</tr>
</tbody>
</table>

### Table 2: Percentage of respondents consulting online review sites to a moderate or great extent (N=155)

<table>
<thead>
<tr>
<th>Usage situation/purpose</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>...prior to purchasing a product online?</td>
<td>96.2</td>
</tr>
<tr>
<td>...prior to purchasing a product offline?</td>
<td>69.1</td>
</tr>
<tr>
<td>...to choose between product alternatives?</td>
<td>89.7</td>
</tr>
<tr>
<td>...to reduce risk of a bad decision?</td>
<td>84.2</td>
</tr>
<tr>
<td>...to be reassured about a good decision?</td>
<td>74.6</td>
</tr>
<tr>
<td>...after purchasing a product?</td>
<td>18.0</td>
</tr>
<tr>
<td>... whenever you want to increase your knowledge about a product category?</td>
<td>72.9</td>
</tr>
<tr>
<td>...for fun and curiosity?</td>
<td>42.0</td>
</tr>
</tbody>
</table>

**Note:** Entries shows the percentage of respondents reporting to have consulted online review sites to a moderate or great extent in relation to each of the listed situations/purposes
<table>
<thead>
<tr>
<th>Product type and category</th>
<th>Search</th>
<th>Experience</th>
<th>Credence</th>
<th>Prior visit</th>
<th>Future visit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Car Insurance</td>
<td>38.7</td>
<td>32.9</td>
<td>28.4</td>
<td>21.3</td>
<td>50.3</td>
</tr>
<tr>
<td>Hotels</td>
<td>10.3</td>
<td>85.2</td>
<td>4.5</td>
<td>94.2</td>
<td>97.4</td>
</tr>
<tr>
<td>Medical Treatment</td>
<td>7.7</td>
<td>46.5</td>
<td>45.8</td>
<td>36.1</td>
<td>41.3</td>
</tr>
<tr>
<td>Movies</td>
<td>17.4</td>
<td>80.6</td>
<td>1.9</td>
<td>85.8</td>
<td>87.1</td>
</tr>
<tr>
<td>Repair Services</td>
<td>9.7</td>
<td>71.0</td>
<td>19.4</td>
<td>33.5</td>
<td>45.8</td>
</tr>
<tr>
<td>Restaurants</td>
<td>8.4</td>
<td>90.3</td>
<td>1.3</td>
<td>95.5</td>
<td>92.9</td>
</tr>
<tr>
<td>Study Courses</td>
<td>9.7</td>
<td>62.6</td>
<td>27.7</td>
<td>68.4</td>
<td>68.4</td>
</tr>
<tr>
<td>Travel Insurance</td>
<td>29.0</td>
<td>48.4</td>
<td>22.6</td>
<td>25.8</td>
<td>38.1</td>
</tr>
<tr>
<td>Physical goods</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Books</td>
<td>17.4</td>
<td>76.8</td>
<td>5.8</td>
<td>65.2</td>
<td>76.1</td>
</tr>
<tr>
<td>Cars</td>
<td>36.8</td>
<td>51.6</td>
<td>11.6</td>
<td>26.5</td>
<td>62.6</td>
</tr>
<tr>
<td>Cell Phones</td>
<td>38.7</td>
<td>56.8</td>
<td>4.5</td>
<td>82.0</td>
<td>85.2</td>
</tr>
<tr>
<td>Digital Cameras</td>
<td>40.0</td>
<td>58.1</td>
<td>1.9</td>
<td>68.4</td>
<td>74.2</td>
</tr>
<tr>
<td>Jeans</td>
<td>35.5</td>
<td>59.4</td>
<td>5.2</td>
<td>9.0</td>
<td>16.8</td>
</tr>
<tr>
<td>PCs</td>
<td>36.1</td>
<td>55.5</td>
<td>8.4</td>
<td>81.3</td>
<td>83.2</td>
</tr>
<tr>
<td>Shoes</td>
<td>24.5</td>
<td>69.7</td>
<td>5.8</td>
<td>29.7</td>
<td>35.5</td>
</tr>
<tr>
<td>Sports Equipment</td>
<td>24.5</td>
<td>71.0</td>
<td>4.5</td>
<td>44.5</td>
<td>48.4</td>
</tr>
<tr>
<td>Toothpaste</td>
<td>35.5</td>
<td>51.0</td>
<td>13.5</td>
<td>3.9</td>
<td>7.7</td>
</tr>
<tr>
<td>Video Games</td>
<td>27.1</td>
<td>71.6</td>
<td>1.3</td>
<td>23.2</td>
<td>18.7</td>
</tr>
<tr>
<td>Vitamins</td>
<td>20.6</td>
<td>34.8</td>
<td>44.5</td>
<td>12.3</td>
<td>15.5</td>
</tr>
<tr>
<td>Wine</td>
<td>13.5</td>
<td>81.9</td>
<td>4.5</td>
<td>18.1</td>
<td>27.7</td>
</tr>
</tbody>
</table>

**Note**

- **a** Percentage of respondents indicating that product quality can be easily evaluated prior to purchase/use.
- **b** Percentage of respondents indicating that product quality can be evaluated only after trial/use.
- **c** Percentage of respondents indicating that product quality is difficult to evaluate even after trial/use.
- **d** Percentage of respondents reporting prior online review reading with regard to the specific product category.
- **e** Percentage of respondents reporting that future online review reading with regard to the specific product category is likely or very likely.
### Table 4 Respondent online review reading across product types

<table>
<thead>
<tr>
<th>Product type</th>
<th>N(^a)</th>
<th>Prior Visit(^b)</th>
<th>Future Visit(^c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search products</td>
<td>746</td>
<td>37.1(^A)</td>
<td>46.9(^A)</td>
</tr>
<tr>
<td>Experience products</td>
<td>1946</td>
<td>51.7(^B)</td>
<td>58.8(^B)</td>
</tr>
<tr>
<td>Credence products</td>
<td>408</td>
<td>36.5(^A)</td>
<td>41.2(^A)</td>
</tr>
<tr>
<td>Physical products</td>
<td>1860</td>
<td>38.7(^A)</td>
<td>46.0(^A)</td>
</tr>
<tr>
<td>Services</td>
<td>1240</td>
<td>57.6(^B)</td>
<td>65.2(^B)</td>
</tr>
</tbody>
</table>

**Note:**
- \(^a\) Figures in the first three rows represent number of products classified by consumers as search-, experience- and credence products, respectively, i.e. classifications as search products accounted for 746 of the total of 3100 product classifications.
- \(^b\) Figures in the last two rows are frequency of physical products and services, respectively, as defined by the authors.
- \(^c\) Percentage of respondents reporting that future online review reading with regard to the specific product type is likely or very likely.

Entries with different letters differ significantly based on z-test at the 0.01 level.

### Table 5 Regressions testing the relationship between online review reading and the suggested antecedents across product types

<table>
<thead>
<tr>
<th>Product type</th>
<th>N(^a)</th>
<th>Product relevance</th>
<th>Perceived risk</th>
<th>Brand commitment</th>
<th>R(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sample</td>
<td>3100</td>
<td>.440(**)</td>
<td>.167(**)</td>
<td>-.061(**)</td>
<td>.272(**)</td>
</tr>
<tr>
<td>Search products</td>
<td>746</td>
<td>.459(**)</td>
<td>.239(**)</td>
<td>-.022</td>
<td>.337(**)</td>
</tr>
<tr>
<td>Experience products</td>
<td>1946</td>
<td>.437(**)</td>
<td>.152(**)</td>
<td>-.066(**)</td>
<td>.263(**)</td>
</tr>
<tr>
<td>Credence products</td>
<td>408</td>
<td>.359(**)</td>
<td>.170(**)</td>
<td>-.040</td>
<td>.193(**)</td>
</tr>
<tr>
<td>Physical products</td>
<td>1860</td>
<td>.402(**)</td>
<td>.241(**)</td>
<td>-.015</td>
<td>.278(**)</td>
</tr>
<tr>
<td>Services</td>
<td>1240</td>
<td>.484(**)</td>
<td>-.011</td>
<td>-.170(**)</td>
<td>.296(**)</td>
</tr>
</tbody>
</table>

**Note:**
- \(^a\) Figures in the first three rows represent number of products classified by consumers as search-, experience- and credence products, respectively, i.e. classifications as search products accounted for 746 of the total of 3100 product classifications.
- Figures in the last two rows are frequency of physical products and services, respectively, as defined by the authors.

Entries represent beta weights from multiple regressions with likelihood of future online reading as the dependent variable and product relevance, perceived risk and brand commitment as independent variables.

\(**\) p <.01 (one-tailed)