

The Effects of Valence of eWOM on Perceived Message Credibility

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This study was conducted to examine the effects of valence of electronic word-of-mouth (eWOM) messages on perceived message credibility. Additionally, this study examines the moderating role of regulatory focus on the between the valence of eWOM and message credibility. Each participant was exposed a 10-message set in a single board. Three groups were manipulated in terms of their ratios of positive, neutral, and negative messages. The result showed significant differences across the valence of eWOM messages. Moreover, negative review had a stronger influence on perceived credibility about message than positive review. And the moderating effects of regulatory focus were founded. Prevention-focused participants had more credible negative review than positive one. On the contrary, no differences were detected for promotion-focused participants.

Keyword : eWOM, Message Credibility, Regulatory Focus

Introduction

Over the past decade, online shopping has been shown to provide customers with a convenient and efficient purchasing opportunity. However, online shopping has also resulted in some disadvantages, such as product uncertainty and transaction risk. Since customers cannot always experience the true features of a product purchased via the Internet, there are difficulties in making the correct purchasing decision. Online customers need accurate product information when they are not familiar with a product, and thus must assess it.

For this reason, eWOM (electronic word-of-mouth) has become an important influence on consumers' product evaluation. Prospective customers visit Web sites and read reviews from other customers (eWOM) to learn more about a product before making a purchase. And Word-of-mouth communication (WOMC) is an important marketplace phenomenon by which consumers receive information relating to organizations and their offerings. It is so influential because consumers generally trust peer consumers more than they trust advertisers or marketers (Blackshaw 2006; Sen & Lerman 2007). WOM is typically independent of marketers' selling intents and is thus considered to be more trustworthy and credible (Bone 1995; Bickart & Schindler 2001; Lau & Ng 2001) and important in persuading consumers to try products. Especially, In South Korea, while traditional media have shown a drastic decline as information sources, 80% of consumers refer to the postings about products or customer reviews on the Internet when they need product information.

The power of WOM to influence consumers' decision-making processes has long been known to researchers and practitioners; the power of WOM has recently become even more important with the advent of the internet (Bickart & Schindler 2001; Dellarocas 2003; Hennig-Thurau *et al.* 2004; Sun *et al.* 2006). Product review websites (e.g. consumer review.com), retailers' websites (e.g. amazon.com), brands' websites (e.g. forums.us.dell.com), personal blogs, message boards and social networking sites (e.g. Facebook, MySpace) are all examples of the types of online WOM platforms (Bickart & Schindler 2001).

The power of eWOM is expanding. There are several critical antecedents of eWOM effects. First, the direction of eWOM messages affects the customer's response: customers are more likely to rely on eWOM messages if the directions of the messages are all the same. Second, Research widely agree that consumer psychological factor such as a regulatory focus influences consumer decision making.

There are many risks to search information which goes through an Internet. Therefore People have sufficient information and cognitive capacity to arrive at fully objective measures of risk and then make decisions to maximize utility.

The purpose of this study is to more fully explore how the direction of eWOM message influences information adoption. And the current study also investigates the moderating effect of a regulatory focus on the relationship between the valence of eWOM message and message credibility.

Literature Review

Electronic word-of-mouth

WOM includes any information about a target object transferred from one person to another either face to face or via some other communication medium. Traditional word-of-mouth (WOM) has proven to play a major role in consumer buying decisions by influencing consumer choice (Katz and Lazarfeld, 1955; Arndt, 1967; Engel et al., 1969; Richins, 1983; Richins and Root-Shaffer, 1988). Past research has also illustrated that WOM is more effective than traditional marketing tools of personal selling and conventional advertising media (Katz and Lazarfeld, 1955; Engel et al., 1969). In recent years, the Internet has emerged as a powerful medium for the transmission of WOM, which is a significant form of online interpersonal communication and serves as a critical tool for facilitating the diffusion of information throughout online communities (Sun et al., 2006).

Electronic word-of-mouth (eWOM) communication refers to any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet (Hennig-Thurau et al., 2004). It can also be considered as the extension of traditional interpersonal communication into the new generation of cyberspace. Senecal and Nantel (2004) examined how eWOM influences product choice using an experimental study of consumers' use of online recommendation sources.

The various platforms themselves, which facilitate eWOM such as discussion boards and other online communication tools are also increasingly being recognized for how they influence the adoption and use of products and services (Subramani and Rajagopalan, 2003). Researchers are interested in investigating the motives for seeking eWOM (e.g. Goldsmith, 2006; Goldsmith and Horowitz, 2006) and for sharing or articulating the eWOM (e.g. Hennig-Thurau et al., 2004; Lee et al., 2006), providing implications for marketers to better understand online consumer behavior.

Regulatory Focus

Regulatory focus theory (Higgins 1997) posits two motivational orientations: a promotion focus and a prevention focus. Regulatory focus theory has emerged as a powerful new theory for predicting how advertising persuasion may depend on a viewer characteristic called viewer's regulatory focus. Proceeding from the fundamental principle that people approach pleasure and avoid pain, the theory distinguishes between two modes of motivation and self regulation termed as promotion goals and prevention goals (Higgins 1997; 1998). Promotion goals relate to attaining positive outcomes such as accomplishments and aspirations, and prevention goals relate to avoiding negative outcomes such as responsibilities, obligations, and security (Higgins 1997).

These distinct goals can be served by different strategic means. That is, promotion focus uses an approach strategy to goal attainment, whereas prevention focus uses an avoidance strategy to goal attainment (Higgins 2002). Higgins et al. (1994) found that when a promotion focus was primed by asking participants how their hopes and goals had changed over time, they had better recollection of means that conform to approach strategies. By contrast, when a prevention focus was primed by asking participants how their duties and obligations had changed over time, they had better recollection of means that conform to avoidance strategies.

It has been found that these two types of consumers demonstrate strikingly different behaviors in the marketplace. For example, relative to promotion-focused consumers, prevention-focused consumers have stronger preferences for the status quo (Chernev 2004), are less likely to repurchase a

product after experiencing positive emotions (Louro, Pieters, and Zeelenberg 2005), and place greater weight on the substance of an ad message than on their affective responses to the ad message (Pham and Avnet 2004).

Theoretical Development

Effect of the valence of eWOM on message Credibility

Consumers are exposed to both positive and negative product experiences of fellow consumers on eWOM. Researchers have found that unfavourable information is generally more influential than favorable information (Fiske 1980; Skowronski & Carlston 1987; Chiou & Cheng 2003). Prior researchers have argued that when forming overall product judgements, negative information tends to be weighed more heavily than positive information because consumers perceive negative product information as more diagnostic than positive information (Herr *et al.* 1991; Bone 1995).

Negative product information helps consumers to categorize the product as low quality because negative attributes are held mostly by low-quality products (Skowronski & Carlston, 1987, 1989; Herr *et al.* 1991; Bone, 1995). On the other hand, positive (versus negative or neutral) product information is perceived as more ambiguous (Herr *et al.* 1991; Bone 1995). Because any products can have some positive attributes, it is difficult to categorise the product as high in quality as a result of reading the positive product information (Herr *et al.* 1991; Bone 1995). A negative message reduces the possibility that the information is actually posted by marketers or by someone who would like to promote the product. It may also be because people tend to avoid taking risks. Believing in the negative WOM would help them avoid making a wrong purchase decision.

H1: Negative eWOM will be perceived as more credible than positive and neutral eWOM

Moderating of Regulatory Focus

Consumers are exposed to positive, neutral, or negative experiences of fellow consumers on eWOM. Regulatory focus seems likely to moderate the effects of valence of message on perceived message credibility. In persuasion research, it has been found that viewers experience a natural fit when advertising highlights behavior consequences that are relevant to viewers' regulatory focus. Promotion focused people display greater eagerness in striving toward a positive outcome (posted message) than away from its absence. Prevention-focused individuals are concerned about the presence of a negative outcome more intensely than they are concerned with its absence (Idson et al. 2000).

If a target market is heterogeneous with respect to regulatory focus, (i.e., half are prevention focused and the other half are promotion focused), it may be advantageous for marketers to use two types of messages to appeal to both segments of the market. A promotion focused message can be used to address the promotion focused segment's interest in advancement, and a prevention-focused message can be used to address the prevention focused segment's concerns about safety and security. We predict that persuasive messages that emphasize promotion or prevention benefits that are compatible with one's active goal related to positive or neutral versus negative message will lead to enhanced persuasion effects.

H2: There would be interaction effects between the regulatory focus and the valence of message on the perceived message credibility

Method

Overview

Participants were randomly assigned to one of six conditions in a 3(eWOM Valence: Positive, Neutral, or Negative)