The Broader Scope of the Experience Superiority—Just Listen!

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Although consumers frequently tell people about their material and experiential purchases, they also commonly find themselves in the position of listeners. This work demonstrates that hearing about others' experiences makes consumers happier than hearing about others’ objects, an effect mediated by conversation substantiveness and social connection.

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Unveiling the Social Dynamics of Word of Mouth
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Paper #1: I Rated It First! Feelings of Psychological Ownership and Consumer Ratings
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Paper #2: Dancing with the Enemy: Dynamics, Drivers, and Outcomes of Rival Brand Engagement
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Paper #3: Social Distance in Online Reviews: When Negative Reviews Prove Positive for Brands
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Paper #4: The Broader Scope of the Experience Superiority—Just Listen!
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SESSION OVERVIEW

Online and offline word of mouth are the most credible forms of advertising for consumers around the world (Nielsen 2015). What social factors influence whether and how consumers decide to initiate word of mouth communication about products and brands? On the flipside, how do social factors influence how word of mouth communication is received? The four papers in this session address these and related questions.

The first two papers focus on social factors that influence the decision to initiate word of mouth communication as well as the content of such communication. Valsesia, Nunes and Ordanini focus on online consumer ratings by examining how the number of previous ratings posted for a given product influences the ratings and reviews it receives. They show how the number of ratings already posted for a product influences future reviews due to feelings of psychological ownership for those who come first. Ilhan, Pauwels, and Kuebler investigate how fans of a brand interact with the social media ecosystem of rival brands and their fans (e.g., Samsung fans visiting Apple’s Facebook page to spoof Apple). The authors define this interactive, intercommunal, and inter-brand practice as ‘Dancing with the Enemy’ (DwE) and show how it is a behavioral manifestation of rival brand engagement in social media. They study the types, triggers, and consequences of DwE through a multi-method study combining netnography, content, sentiment, and time-series analysis.

The second two papers look at how social factors influence the receiver’s reaction to word of mouth communication and their reaction to WOM communication. Ordabayeva, Cavanaugh and Dahl look at the receivers of online product reviews to show how negative reviews can sometimes actually be good for brands. They find negative reviews from low- (vs. high-) status reviewers motivate consumers to distance themselves from reviewers perceived as different in status. Social distancing causes negative reviews from low-status reviewers to be less detrimental, albeit the effect is moderated by the consumer’s own status. Finally, Bastos and Moore look at factors that can increase feelings of social connection in word of mouth communication for the receivers of the content. They show that hearing about others’ experiential purchases makes consumers happier than hearing about others’ material purchases. They find the effect is mediated by perceived conversation substantiveness, which in turn increases feeling of social connection with the initiator of the communication.

Taken together, this research sheds new light on how social factors influence the decision to initiate word of mouth communication, as well as the reactions of the receivers of such communication. The authors in this session utilize an array of methodological approaches (ranging from laboratory experiments to content analysis and the analysis of secondary data). We expect the session to generate interest among researchers studying both online and offline word of mouth, social influence and social judgment, as well as consumer decision-making.

I Got Here First! Feelings of Psychological Ownership and Consumer Ratings

EXTENDED ABSTRACT

The rating website Yelp.com confers special status to the first individual who reviews a business on the site. Not only will the reviewer see the number of “Firsts” grow on his or her profile page, but so will other reviewers. Further, first reviews contribute to his or her chances of becoming an “Elite Reviewer,” and the reviewer’s identifying information (username) will appear prominently on the business’ page under the tag “first to review.” One obvious motivation for Yelp to introduce this type of incentive resides in its competitive strategy aimed at increasing market coverage. However, the motivation for reviewers—why they care about being the first to rate a business—is less clear.

Previous literature has argued that late reviewers might be discouraged to review a product online if they see a high number of previous ratings, because they might feel they have nothing new to add to the conversation (Wu and Huberman 2008). Moreover, the first individuals to review a product online can often times be qualitatively different compared to late reviewers in their levels of engagement towards the product (Li and Hitt 2008, Godes and Silva 2012). In this paper we argue that being among the first to review a product or service can actually influence how an individual feels about the product and hence his or her ratings and reviews. We show reviewers who rate a business early (versus late) are generally more positive due to a tendency to become psychologically attached to businesses for which they can lay claim to being early adopters.

This research is the first to document how consumers who rate products and services online will have a differential feeling of psychological ownership towards the product or service (a distinct type of ownership, which is independent of legal ownership, see Pierce et al. 2003) depending on how many people have evaluated the product previously. More specifically, we show that consumers who are early to rate a product online will have a greater sense of ownership towards the product compared to those who see that many other consumers have already rated product. This is consistent with findings suggesting consumers have a more positive attitude towards products they own (Heider 1958, Beggan 1992) as well as a greater desire to generate positive word of mouth about such products (De Angelis et al 2012). Consequently, we expect reviewers who are among the first to rate a product to be more positive in their ratings and reviews compared to late raters and we expect this effect to depend on their sense of psychological ownership towards the product or service.
Five laboratory studies provide initial evidence in support of the proposed causal mechanism. Study 1 tests whether individuals do in fact systematically provide higher ratings when they are "early" to review a product as opposed to "late." We find that two hundred and seventy-eight students instructed to rate a video provide higher ratings if they thought only 2, as opposed to 100, other students had rated the video before them (M\textsubscript{low}= 9.29 vs. M\textsubscript{high} = 8.95, F(1,274)=5.38, p=.02).

In study 2, we asked three hundred and eighty-three respondents to rate the work of two contemporary photographers. Each respondent rated the work of one photographer as an "early" reviewer and the other as a "late" reviewer (the order in which they did so was counterbalanced). We find ratings to be higher when respondents believed they were early reviewers (β=.17, p<.01). Moreover, we find our effect to be driven by feelings of psychological ownership. Respondents felt they had more ownership towards the work of an artist they were early to rate (β=.16, p=.02) and this influenced their evaluation of the work (β\textsuperscript{indirect effect} = 0.05, 95% CI: 0.01, 0.10).

In study 3 we found our effect held even when respondents were told they were not responsible for discovering the product. We asked two-hundred and forty-two college students to imagine they had found a YouTube video that they really liked. The video had either 3 or 325,000 "likes". We find that respondents felt greater ownership towards the video if only three people "liked" it before them (M\textsubscript{low}=3.34 vs. M\textsubscript{high} =2.77, F(1,238)=4.67, p=.03). Moreover, they were significantly more likely to "like" the video themselves (M\textsubscript{low}=4.59 vs. M\textsubscript{high} =3.88, F(1,238)=4.60, p=.03) and this effect was driven by the higher feeling of psychological ownership (β\textsuperscript{indirect effect} = 0.24, 95% CI=0.04 0.53).

Next, in study 4 we introduce an important moderator of our effect. One-hundred and seventy-seven college students listened to one of two songs, pre-tested to be either liked or disliked by this population (Valence: Positive vs Negative). They were told that the song came from a music website where it had been rated either two or 252 times. We find respondents have a greater feeling of ownership if they listen to a song that has been rated only twice, as opposed to 252 times. Yet, this happens only if they listen to a positive song (M\textsubscript{low}=4.61 vs. M\textsubscript{high} =3.47, F(1,173)=7.69, p<.01) and not when they listened to a negative song (M\textsubscript{low}=2.26 vs. M\textsubscript{high} =2.67, F(1,173)=1.14, p=.29, F\textsubscript{interaction}(1,173)=7.53, p<.01). Once again, feelings of psychological ownership have a positive influence on the song’s ratings, but only if the song had a positive valence (β\textsuperscript{indirect effect} = 0.71, 95% CI=0.71 1.41).

Finally, in study 5 we dig deeper into the process. We asked one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment in which one-hundred and ninety students to read about a hypothetical experiment. To which together, the results suggest one reason why consumer ratings tend to decline over time is a decreasing sense of ownership among reviewers given more people have rated the product before them. Such systematic influences on reviews are important to understand for both the review sites (e.g., Yelp) and consumers who utilize these sites.

Dancing with the Enemy: Dynamics, Drivers, and Outcomes of Rival Brand Engagement

EXTENDED ABSTRACT

Have you ever felt the desire to spar with the fans of the opposing team, whether in sports, politics, or in other arenas? Have you ever acted on this desire, for example, like some Samsung fans who travel to Apple’s Facebook page to slam Apple’s new products? In the Apple-Samsung brand rivalry, Samsung fans’ interaction with the "enemy" Apple brand and its fans at Apple’s Facebook site reveal a new type of social media practice propelled by the eminent brand rivalry and by the connected consumers of the digital age who can easily access a number of platforms and connect with other consumers to express their likes, dislikes, and their fanaticism. When it comes to engagement among rivals, it’s not only technology brands like Apple and Samsung that garner fervent fans. We see it in consumer brands (e.g., Coca-Cola versus Pepsi, Colgate versus Crest), presidential candidates (Hillary Clinton vs. Bernie Sanders), sports apparel (Nike versus Adidas), and entertainment products (Xbox versus PlayStation). Our study is driven by real-life observations that fans of a brand engage and interact with the social media ecosystem – touchpoints and fans – of the rival brands, a practice we refer to as “dancing with the enemy” (DwE). As social media increasingly mediates the consumer-brand relations, these interbrand and intercommunal practices become common for consumers while providing immense opportunities for brand managers to respond to the competition, influence the rival brand’s customers, and amplify the brands’ WOM. Our study is guided by the following research questions: 1) How do consumers engage with the rival brands and rival brand communities in social media? (2) What are the dynamics of rival brand engagement? (3) What are the drivers and consequences of rival-brand engagement?

Consumer engagement has been defined as a positively valenced consumer state “that occurs by virtue of interactive, co-creative customer experiences with a focal agent/object (e.g. a brand)” (Brodie et al. 2011, 260, emphasis added). Likewise in practice, social-media marketing and digital brand-management efforts are limited to managing, measuring, and facilitating engagement with company-owned or operated social media accounts on Facebook, Instagram, LinkedIn, or Twitter (e.g., Roederkerk and Pauwels 2016). The brand-specific focus of academics and managers alike ignores consumers’ interaction with the rival brands. Although previous studies have identified competitors and competitive actions as a possible “strong contextual forces affecting customer engagement” (van Doorn et al. 2010, p. 258), these cross-competitive effects, their potential dynamics, and outcomes on customer engagement behavior have not yet been explored.

Before the advent of social media, marketing literature studied consumers’ relation with the rival brands mostly from the transactional perspective of purchase loyalty (e.g., Hotelling 1929) or with a relationship-marketing lens (e.g., Fournier 1998). Those studying popular-brand communities identified oppositional loyalty as a collective communal attitude that dictates consumer’s interaction with rival brands and enforces we-ness in the specific brand community (Muñiz and O’Guinn 2001). Building on the existing approaches of engaging with rival brands, we introduce a quad model that offers a new conceptualization of rival-brand engagement in social media that incorporates rival brands and their communities. Our analysis takes a quadratic approach that goes beyond the dyadic approach (consumer-brand) of loyalty and relationship studies and the triadic approach (consumer-consumer-brand) of the brand community lit-
erature and allows for an interdependent and synergistic conceptualization of rival-brand engagement in social media.

Our multimethod and multicontext study identifies rival-brand contexts that are likely to induce DwE behavior and that display varying degrees of polarization between rival brands operating in different duopolistic markets. We collect data from the main rival brands in mobile phone technology (Apple-Samsung), carbonated beverages (Coke-Pepsi), fast food (McDonald’s-Burger King) toothpaste (Crest-Colgate), and sports apparel (Nike-Adidas). We draw on several years of data from the official Facebook pages of each brand.

Through our qualitative analysis, we distinguish three types of DwE: (a) across, fans interacting with the social media of both brands in the dyad; (b) discourse, rival brand fans communicating their thoughts through words on the central brand’s social media; and (c) ripple, central brand fans reacting to rival brand fan’s posts and words on the central brand’s social media. Consistent across the studied brands, the results show that DwE occurs for 3.35% of all posts, indicating that our operationalization is distinctive. DwE Across involves 1.45% of all posts, clearly demonstrating the migratory behavior. In each analyzed industry, we observe that rival brand fans migrate and post negative comments on the Facebook page of the focal. Moreover, we note that the % of DwE is the smallest among high-tech brands (e.g. 1.10% and 1.30% for Apple and Samsung, given the higher amount of technical questions and answers), medium for fast moving consumer goods and highest for products associated with competition, such as Nike (6.10%). This aligns with our expectations and implies that DwE is even more prominent in winner-takes-all polarization such as rivaling sport teams (e.g. UCLA vs. USC) and in politics (e.g., Hillary-Bernie).

Time series analysis reveals that, for each brand, DwE Ripple is driven by both DwE Across and DwE Within. We find that DwE is a substantial dynamic driver of both Volume and Valence metrics of engagement. At the same time, these brand triggers (mostly marketing actions) do drive DwE activity, offering managers concrete levers to pull if it is desirable to increase DwE. DwE activity can be influenced by variables (largely) under managerial control.

In sum, our finding that the fans of a rival brand can positively impact the brand performance of the brands in a brand rivalry broadens the academic understanding of engagement and enriches our understanding of the dynamics of WOM. Existing social-media performance metrics are losing their significance, especially for product categories that are dominated by two major players. Going beyond the commonly adopted war analogies of rivalry, our study illustrates that competition in the dynamic, multichannel, social, and interdependent digital brand landscape is not a zero sum-game, particularly for rival brands that can benefit from collaborative and synergistic approaches to competition.

Social Distance in Online Reviews: When Negative Reviews Prove Positive for Brands

EXTENDED ABSTRACT

Prior research suggests that negative reviews generally have pervasive detrimental effects for product perceptions and sales (Chevalier & Mayzlin, 2006; Goldenberg et al., 2007). This is because negative information is considered to be more diagnostic than positive information (Herr, Kardes & Kim, 1991; Skowronska & Carlston, 1987). However, this literature has overlooked the fact that negative information or product feedback might also be perceived as threatening, especially when it is perceived as highly relevant to the self (Tajfel & Turner, 1986). Since many brands and products are highly relevant to consumer identity (Belk, 1988), negative information about such products, just like negative information about the self, may be perceived as a self-threat. We therefore propose that, under certain conditions, negative reviews of identity relevant products can be positive for brands. Our work expands the literature on the curious effects of negative reviews (Berger, Sorensen & Rasmussen, 2010). It also examines the previously overlooked effects of reviewers’ and consumers’ status in facilitating this phenomenon.

We predict that when brands and products are highly relevant to consumers’ identity, a negative review of such a product will be perceived as threatening, and it will motivate consumers to look for ways to distance themselves from the negative (but not positive) information. As a result, a negative review will have less detrimental consequences for products following the negative comments of a socially distant reviewer. Consumers’ perceptions of their own status will further determine reactions to low-status and high-status reviewers: high-status consumers will perceive greater distance with a low-status negative reviewer, while low-status consumers will perceive greater distance with a high-status negative reviewer, leading to the opposite effects of a negative reviewer’s status on purchase intentions. Provided the central role that identity threat plays in facilitating the effects of negative information, the hypothesized effects will only emerge when the product is relevant to consumers’ identity. Three studies test these predictions.

**Study 1** (N=253) employed a 2 product review valence (positive/ negative) x 2 reviewer status (low/ high) between-subjects design to examine consumer responses to an identity-relevant product (Apple Watch). Drawing on the fact that social status is often reflected in individuals’ use of language arising from developmental and educational differences (Fernald, Marchman & Weisleder, 2013), status was manipulated by adjusting language (i.e., grammar) within the review. We manipulated the valence of the review to feature either a 5-star product rating with positive comments (and hence non-threatening), or 1 out of 5 star rating with negative comments (and hence more threatening). The review length and product features covered were held constant across conditions. Participants were asked to indicate purchase intentions and perceived similarity (i.e., distance) with the reviewer.

Results revealed that purchase intentions were generally higher after positive (vs. negative reviews and after low-status (vs. high-status) reviewers. However, these main effects were qualified by a significant valence x reviewer status interaction (F(1,249)=5.10, p=.025). Whereas the status of the reviewer did not influence purchase intentions for positive reviews, purchase intentions were higher after negative reviews written by low-status reviewers rather than high-status reviewers. Perceived similarity ratings revealed an identical pattern of results: participants distanced themselves more from the low-status (vs. high-status) reviewer but only when reviews were negative. Perceived distance mediated the effect of the valence x reviewer status interaction on purchase intentions.

**Study 2** (N=140) tested the moderating role of consumer status and product identity relevance using a 2 product identity relevance (manipulated: high/ low) x 2 reviewer status (manipulated: low/ high) x consumer status (measured: low/ high) within-subjects design. Participants read descriptions and negative reviews of the same web series (i.e., episodic scripted videos released on the Internet) written and produced by students at the same university (high identity relevance) or by students at another university (low identity relevance). They then indicated their interest in each series and assessed their own status.

Results revealed a negative marginal effect of reviewer status (product interest was higher after a low-status than a high-status reviewer), which was qualified by a significant three-way reviewer status x product identity relevance x consumer status interaction effects.
Reviewer status and consumer status did not significantly change interest in identity-irrelevant series. However, for identity-relevant series, high-status consumers distanced themselves more and expressed greater interest in the series following the negative review by low-status (vs. high-status) reviewers, while low-status consumers distanced themselves more and expressed greater interest following the negative review by high-status (vs. low-status) reviewers.

To enhance generalizability, Study 3 manipulated consumer status and manipulated reviewer status differently. Study 3 (N=121) consisted of a 2 consumer status (high/low) x 2 reviewer status (high/low) between subjects. Drawing on Galinsky, Gruenfeld and Magee (2003), participants recalled a time when they had higher (vs. lower) status (defined as a social and a financial position) than people around them. Next, all participants read negative reviews. We manipulated reviewer status by providing a short profile of the reviewer including their occupation (vice president vs. receptionist), education (Ivy League vs. community college) and wardrobe staple (Prada vs. Payless shoes). A pre-test verified that the high-status profile created significantly higher perceptions of the reviewer’s social status than the low-status profile.

Results revealed a significant two-way consumer status × reviewer status interaction \(b=-1.45, p=.001\). From the viewpoint of a high-status consumer, a product was perceived to be more attractive if the negative review originated from a low-status rather than a high-status reviewer. However, from the viewpoint of a low-status consumer, a product was perceived to be more attractive if the negative review originated from a high-status rather than a low-status reviewer.

Taken together, our findings demonstrate that negative online reviews are not always detrimental for the reputation of brands and sales of products. Rather, when brands and products are identity relevant, consumers seek to defend them from negative information, particularly when this information comes from sources perceived as socially distant. Hence, the interplay of reviewer status and consumer status is important to managing and understanding the impact of negative reviews.

The Broader Scope of the Experience Superiority—Just Listen!

EXTENDED ABSTRACT

Experiences advance more happiness than objects (Van Boven and Gilovich 2003), and we now know an array of reasons for and boundary conditions of this experiential superiority (e.g., Nicolao et al. 2009). Of note, this thriving field has focused solely on the person making the purchase, so, what we do not yet know is whether the experiential superiority can manifest outside of the actual purchaser’s realm. The present work broadens the scope of this research stream and investigates whether the experiential superiority reaches people in other situations. A situation when we are exposed to purchases without necessarily being purchasers ourselves is when we participate in conversations and listen to others share about their own experiences and objects. Does listening to others share about their experiences versus objects bring us different levels of happiness? If so, why?

Looking at the listener, we demonstrate that the superiority of experiential (vs. material) purchases also manifests in people who did not make the purchase and whose only link to it is a conversation. Moreover, we identify a two-step serial mechanism that underlies this effect: conversation substantiveness and social connection (see figure). We conceptualize conversation substantiveness as an involving conversation where meaningful information is transmitted (Mehl et al. 2010); and social connection as “a person’s subjective sense of having close and positively experienced relationships with others in the social world.” (Seppala et al. 2013, 412).

Supporting the first pathway, research indicates that experiential purchases are closer to a person’s self (Carter and Gilovich 2012), making them particularly suitable for self-narratives. Additionally, conversations about experiences (vs. objects) have a typical narrative structure with a beginning, a middle, and an end (Van Boven and Gilovich 2003), allowing for captivating storytelling and, consequently, a more involving interaction between conversation partners.

In line with the second pathway, research suggests that sharing substantive information is a critical component for the verification of social relationships (Jourard 1971). This perspective is consistent with social penetration theory, holding that interpersonal relationships improve as individuals share continuously deeper information (Altman and Taylor 1973). By the same reasoning, experience-related conversations carrying higher levels of substantive information appear particularly favorable to social bonding.

In support of the third and final pathway, social connections are one of the most important factors in the cultivation of happiness (Argyle and Lu 1990). In fact, past evidence suggests that healthy social connections are a necessary factor for happiness (Diener and Seligman 2002).

We test these relationships across 3 studies which involve actual, recalled, and hypothetical conversations.

Experiment 1 used a between-subjects design to test the social connection link. Seventy-four participants were randomly assigned to the role of either a teller or a listener. Next, each group was taken to a separate conference room. In the tellers’ conference room, participants were given a questionnaire that asked them to recall and write about a previous material or experiential purchase they had made. Next, the questionnaire instructed the tellers about the upcoming sharing activity. In general, they were asked to share about the purchase as they normally would with a friend.

Simultaneously, in a separate conference room, listeners were instructed about the upcoming sharing activity. In general, they were asked to listen to the teller and react as they would in a normal conversation with a friend.

Next, tellers and listeners rejoined and formed pairs of one teller and one listener. Then, each pair went into an individual room. Before starting the sharing activity, they engaged in a two-minute ice-breaking activity designed to get them familiar with each other and acclimated with the idea of conversing. Finally, they began sharing.

Upon the end of the sharing activity, tellers and listeners returned to their initial conference rooms. Listeners answered 7-point scales (1=Not at all; 7=Very much) designed to assess happiness (How much happiness did you draw from listening about that purchase?), and social connection (e.g., How likely is it that you could be friends with this person?).

As expected, experiential listeners reported greater happiness \(M=4.65, SD=1.66\) vs. \(M=3.59, SD=1.41\), \(F(1,36)=4.28, p=.046\); and this effect is mediated by their perception of having built a stronger bond with their conversation partner (indirect effect: \(b=-.64, SE=.31, CI(95%)=-.07,1.34\)), confirming the explaining role of social connection.

In experiment 2, we tested the replicability of experiment 1’s finding and, importantly, examined our model in its entirety.

Sixty-one Mturk participants were asked to recall and write about a time when someone shared with them about either objects or experiences. Next, participants answered a two-item measure on substantiveness (e.g., “The topics of our conversation were involv-
ing,” \( r=0.587 \), an extended five-item measure on social connection \( (\alpha=0.916) \), and an extended four-item measure on listener happiness \( (\alpha=0.974) \).

Results confirmed that participants gained more happiness from conversations about experiences \( (M_{\text{exp}}=4.94, \text{SD}=1.86 \text{ vs. } M_{\text{obj}}=3.62, \text{SD}=1.89, F(1,59)=6.86, p=0.011) \), and that the serial mechanism via substantiveness and social connection (PROCESS, model 6) accounts for that effect \((\beta=0.31, \text{SE}=0.14, CI(95\%)=0.08,0.65)\).

Together, findings from experiments 1-3 support the following conclusions: Listeners of experiential sharing gain more happiness from the interaction than do listeners of material sharing; and conversation substantiveness and social connection sequentially mediate that effect. This research shows that the scope of experiential purchases’ superiority is wider than previously known.

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