Not just for the recommender: How eWOM incentives influence the recommendation audience

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A R T I C L E I N F O

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A B S T R A C T

Due to the high persuasiveness and broad accessibility of online reviews, companies have become interested in proactively managing this form of customer-to-customer communication. To date, marketers have commonly used monetary incentives to increase recommendation likelihood, thereby providing extrinsic motivation. However, in terms of the perspective of the review reader who is aware of the monetary reward, this incentive form also includes potential negative consequences, such as credibility loss of online recommendations and impairment of the company perception through consumer skepticism. This study analyzes two alternative incentive programs for increasing recommendation likelihood, addressing an altruistic form of motivation to overcome the drawbacks regarding perceptions of recommendations and of the company. A scenario-based experiment was designed to compare the effects of the eWOM incentives from a review-readers' perspective. We used attribution theory as conceptual framework to explain consumers' reaction regarding incentive-based reviews. Finally, the results are discussed and practical implications are deduced.

1. Introduction

From the company perspective, word of mouth (WOM) represents a highly important communication form in terms of influencing customers' attitudes and purchase behavior. This is because customer-to-customer communication is much more credible and persuasive compared to traditional advertising (Trusov, Bucklin, & Pauwels, 2009). Given this relevance, companies have begun looking for ways to proactively manage consumer online articulation to exploit the credibility of online reviews and their wide distribution, with incentives as motivators. The high credibility and low cost of electronic WOM (eWOM) make this a valuable alternative compared to traditional marketing actions (Ahrens, Coyle, & Strahilevitz, 2013).

Research on eWOM incentives in general is rare, and is mostly of a qualitative nature (Ahrens et al., 2013). To date, literature has mostly considered the reactions of the review writer to incentive programs, as monetary incentives have already been found effective in increasing recommendation likelihood (e.g., Ahrens et al., 2013; Wirtz & Chew, 2002). In contrast, this paper aims to extend understanding of the impact and advantage of certain incentive programs by introducing the perspective of the review reader who is aware of the incentive offered. This perspective is especially important because of the greater number of review readers compared to review writers, and the temporal stability involved in third parties' observation of online recommendations. This study considers the eWOM reader's perceptions of online reviews rewarded with incentives regarding trustworthiness, as well as their perception of the company offering the incentive. Finally, the influence on purchase intention is analyzed.

Monetary incentives entail a potential risk for the trustworthiness of incentivized online reviews. The company's interference in the customer-to-customer interaction means that rewarded online reviews are perceived as less credible compared to non-rewarded reviews (Martin, 2014). The potential availability of vested motives of the review writer introduces skepticism for review readers; therefore, the source loses trustworthiness (Godes et al., 2005). However, it is not only the perception of the review writer at risk, but the attitude towards the company providing rewards for recommendations as well. If the review reader identifies the company's attempt to receive a positive evaluation in return for a monetary incentive, the consumer may respond with lower positive attitudes (Campbell & Kirmani, 2008). Therefore, this study considers alternative incentive programs regarding their influence on the perception of incentive-based reviews and the offering company. More specifically, it considers alternatives for increasing customers' recommendation likelihood while activating altruistic motivation through incentive programs to overcome the drawbacks of monetary incentives in terms of review trustworthiness and skepticism towards incentive marketing. We used attribution theory as a conceptual framework to explain consumers' reaction regarding incentive-based reviews.

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based reviews. According to attribution theory, it is expected that the attribution of altruistic motives towards the review writer for the recommendation will generate higher perceived trustworthiness of the review compared to expected extrinsic motives. Furthermore, at least partial attribution of altruistic motives towards the company for starting the incentive program will reduce skepticism towards the marketing action, thereby enhancing the perception of the company and increasing the purchase intention compared to in the case of a monetary incentive (Becker-Olsen, Cudmore, & Hill, 2006). The study uses a scenario-based experimental group design to compare two theoretically deduced altruistic eWOM incentives, respectively, with a group offered a monetary incentive. Finally, the benefits and drawbacks of the different incentive programs are discussed to deduce theoretical and practical implications.

2. Literature review

2.1. Review trustworthiness through attributed recommender motives

Apart from the content, one key aspect of a recommendation message is its trustworthiness. The trustworthiness of online information is assessed differently compared to traditional WOM, because the source is usually anonymous and no prior relationship is present. A precondition of trusting behavior is a potentially vulnerable situation and a dependence on the good intentions of another person (Blomqvist, 1997). Therefore, a form of risk and some information about the potentially trusted person are required to cause trusting behavior (Oakes, 1990).

In this study, attribution theory is adopted as an underlying approach to explain how consumers respond to incentive-based online reviews. According to attribution theory, a person’s future behavior can be inferred based on their current and previous behavior (Weiner, 1980). Customers search for logic that helps them to understand the cause assigned to an observed event (Kelley & Michela, 1980). Incentives for online reviews are an advertising strategy that activates the attributional mechanism. Consumers question why a person recommends a certain product or service (Sen & Lerman, 2007), while companies can influence customers’ causal attributions by providing favorable information to them (Wagner, Hennig-Thurau, & Rudolph, 2009). Therefore, the form of motivation addressed through different incentives to increase recommendation likelihood is decisive for trusting behavior in the online review. Alternative possible causes as explanations for writing a review can call into question the genuineness, provoke suspicion of ulterior motives, and finally decrease the review’s trustworthiness (Godes et al., 2005). In contrast, a positive attribution of the motivation for writing a review will lead to the assumption that the online review is trustworthy, in consequence of positive observed behavior. Sen and Lerman (2007) demonstrated that the effect of review valence on consumers’ perceived recommendation usefulness is mediated by causal attributions about the reviewer’s motives.

Until the mid-twentieth century, academics and practitioners believed that external rewards were absolutely necessary to motivate desired behavior, addressing extrinsic motivation (Steers, Mowday, & Shapiro, 2004). However, regarding a monetary incentive, the review reader attributes egoistic motivation to the recommender for receiving the reward, such that the online review suffers a loss of trustworthiness (Martin, 2014). Observing that the recommender received a reward for writing the review leads to the expectation that the review will be positive-biased. Recognition of potential vested motives of the review writer finally leads to decreased trust in the rewarded review (Godes et al., 2005).

However, in terms of eWOM, several studies have identified, in addition to extrinsic motivation, a degree of altruistic motivation to write online reviews about a product or service (e.g., Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004; Sundaram, Mitra, & Webster, 1998). Therefore, companies can also introduce marketing actions to motivate the writing of online reviews by stimulating the altruistic motivation of consumers. Altruistic motivation describes the desire to help others (Batson, 1987). In the context of eWOM, altruistic motivation is activated when consumers want to help others with their purchase decisions: positive eWOM involves sharing positive experiences, and negative eWOM is intended to save others from mispurchases (Engel, Blackwell, & Miniard, 1993). Another motivation for online recommendations is the consumer’s satisfaction with the product or service, in return for which the consumer wants to help the company become or remain successful (Sundaram et al., 1998). These two altruistic motives are naturally linked to the act of recommending. However, an interesting question is whether the altruistic motivation to write online reviews can be enhanced though the company’s marketing actions to increase recommendation likelihood and simultaneously overcome the drawbacks of monetary incentives.

It is expected that explicitly noting on a website or flyer that writing a review helps the company to be successful and helps other consumers with purchase decisions will motivate consumers altruistically to write a review. This attention to altruistic motives will activate or strengthen the altruistic motivation to write a recommendation; thus, altruistically incentivized consumers will be more willing to write an online review compared to consumers who were not incentivized by the company.

Due to the perception of this helping incentive, the review reader attributes altruistic motivations to the recommender for writing the review, and no vested motives in the recommender to write a positive-biased review are visible. If it is expected that the recommender wants to help other customers with their purchase decision, a truthful description of the consumer experience is assumed. Therefore, the same online review will be perceived as more trustworthy compared to one for which a monetary incentive is visible, since no alternative ulterior motive for recommending is plausible. Therefore, Hypothesis 1a is as follows:

H1a. “Helping-incentive-based reviews” will lead to higher perceived review trustworthiness compared to “monetary-incentive-based reviews”; this effect is mediated through higher attributed altruistic motivation for recommending.

Another way to initiate altruistic motivation is to enable consumers to contribute to an altruistic act, such as a donation to a social project (Mattila & Hanks, 2012). Social responsibility can be shown through a willingness to help others without asking for anything in return (Lichtenstein, Drumwright, & Braig, 2004). The desire to support a social project originates in a concern for others who are in need of help (Grant & Berry, 2011). Donating to a social project is not naturally associated with the act of writing an online review, but is a way for companies to artificially link eWOM with an act of altruism. Therefore, the recommendation likelihood of consumers will increase when they are informed through a flyer or website that they can support a social project by writing a recommendation, as explained through the activation of altruistic motivation.

When review readers are aware of this donation incentive, they attribute altruistic motivation to the recommender for writing the review, and no vested motives of the recommender to write a positive-biased review are visible. If it is expected that the recommender wants to support a social project, this observed altruistic behavior leads to the expectation that future behavior, such as writing a review, is also intended to help others due to a truthful description of the consumer experience. Therefore, a positive relationship is expected between the incentive to donate to a social project by writing a recommendation and review trustworthiness in consequence of attributed altruistic motivation of the review writer, compared to that of financially incentivized consumers. Therefore, Hypothesis 1b is as follows:

H1b. “Donation-incentive-based reviews” will lead to higher perceived review trustworthiness compared to “monetary-incentive-based reviews”.
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