

Online shoppers swayed by customer reviews of physical products—not experiences

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Cindy Chan, an assistant professor of marketing at U of T Scarborough, studied the effectiveness of online reviews on Amazon. Credit: Ken Jones

We live in a world of online reviews. Before spending on everything from restaurant meals to a new pair of jeans or even a European



vacation, many of us often check Amazon, Yelp or TripAdvisor first.

But not all <u>customer reviews</u> are created equal. In fact, we put more trust in reviews about material items than we do about experiences.

That's according to new a University of Toronto study published in the *Journal of Consumer Research* that looked at the effectiveness of online reviews in influencing buyers about material items and experiential items like trips, concerts and events.

"We feel that our <u>experiential purchases</u> are more central to our selfidentity than our material purchases," says study co-author Cindy Chan, an assistant professor of marketing in the department of management at U of T Scarborough who is an expert on consumer relationships.

"Past research shows that when we think of purchases that define who we are, we tend to associate it more with experiences than material items because we feel much closer to our past experiences."

With study co-authors Hengchen Dai and Cassie Mogilner Holmes of the University of California, Los Angeles Anderson School of Management, Chan looked at more than 6.5 million Amazon reviews and ran four lab studies. For the Amazon study, items were sorted into 26 product categories and rated by study participants on a scale of one to nine, with one being purely material and nine being purely experiential. Products like shoes, watches and jewelry were rated by participants close to a two, while videos, music and TV shows were closer to seven.

Participants were also asked to rate how helpful the reviews were and how likely they were to change their mind about buying a product based on them. The researchers found participants were more likely to change their opinion about a possible material <u>purchase</u> than an experiential one.



Chan, who is cross-appointed to U of T's Rotman School of Management, says the reason why we trust experiential reviews less comes down to perceptions about objective quality.

"People feel that reviews of material items contain more information about objective quality, and they find that helpful and informative."

She adds that past research shows people simply find it easier to compare different material purchases than different experiential purchases.

"Comparing an iPhone to a Galaxy feels more like comparing apples to apples, but people don't feel the same when comparing trips to two different countries, for example," she says.

The researchers did find one important exception: In one study, when experiential purchases were assessed using explicit descriptions about their objective quality, buyers became nearly as reliant on the reviews as they would about material items. It wasn't that the product itself had changed, but rather how reviewers were describing it.

"What this suggests, at least for consumers, is that we may be to some extent underestimating the helpfulness of reviews for experiences," says Chan.

"In other words, you may not want to discount another person's experience if you are considering making the same purchase they have."

For marketers wanting to increase the persuasiveness of reviews, Chan suggests building in some objective measures when asking customers for a <u>review</u>, including specific details about how they would rate the quality of a particular purchase.



More information: Hengchen Dai et al. People Rely Less on Consumer Reviews for Experiential than Material Purchases, *Journal of Consumer Research* (2019). DOI: 10.1093/jcr/ucz042

Provided by University of Toronto

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