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Why People Read Online Reviews: Scale Development to Measure Motivations

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1. Introduction

The Internet has revamped the way we look for data, the way we communicate and, above all, how we shop. There is thus, now an electronic component to the conventional word of mouth, leading to a significant stream of study — electronic WOM (e-WOM) (R. A. King, Racherla, & Bush, 2014). E-WOM enables customers to communicate socially, to exchange knowledge about products and to make informed buying choices via computer-mediated discussions forums.

More and more customers are utilizing the web resources for sharing their views and providing product data (such as internet forums for discussion and dialogue, consumer review sites, blogs, social networking sites, etc.). This new type of e-WOM communication can include both beneficial or harmful knowledge or data about a product or company produced on the Internet by prospective, real and previous clients (Cheung & Thadani, 2012).

e-WOM is defined as "*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, Gwinner, Walsh, & Gremler, 2004).

Consumer-generated information was discovered to considerably affect the buying choices of consumers through online buyer reviews. Indubitably, e-WOM was a strong advertising force. In latest years, we have seen a literature explosion concentrating on e-WOM communication's efficacy. However, studies published on e-WOM are diverse and varied making it difficult to glean coherent conclusions from them. Overall research can be classified into two levels: "*market level analysis*" and "*individual level analysis*". For the former, most of the research is concentrated on market-level parameters such as sales of products and online product reviews to assess the impact of e-WOM on sales of product (Cheung & Thadani, 2012).

The aim of this study is to develop and validate a short and easily administered instrument to assess user motivations for seeking e-WOM. This is essential because if marketers know why e-WOM is used by customers then they can better handle how e-WOM influences the purchase choices of consumers.

This paper is divided into five sections: 1) Introduction 2) Literature review 3) Methodology

4) Data Analysis 5) Conclusion and future work.

Literature Review

It has been established in literature that traditional WOM influences significantly the motivations of consumers in making purchase decisions. Since traditional WOM is conceptually similar to e-WOM, motivations for using e-WOM can be significant to consumer's purchase decisions as well (Akyüz, 2013; Burton & Khammash, 2010; Goldsmith & Horowitz, 2006; Hennig-Thurau et al., 2004; Hussain, Ahmed, Jafar, Rabnawaz, & Jianzhou, 2017; Tsao & Hsieh, 2015).

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Hennig-Thurau et al., (2004) proposed a theoretical framework that describes five categories of use of e-WOM. Their work was built upon the reasearch of Balasubramanian & Mahajan, (2001). First category is *"focus related utility"* which is the utility a consumer feels when they add value to the society. Second category is *"consumption related utility"* in which consumers make use of other's contributions for their own personal usage. Third is *"approval related utility"* which is the gratification a consumer feels when validated by other consumers. Fourth is *"moderator related utility"* in which a third person helps a consumer file a complaint. Fifth and final is *"homeostasis utility"* in which consumers want balance in their lives.

In another study, Goldsmith & Horowitz, (2006) identified 8 motivations in their study as to why people seek e-WOM. They are *"perceived risk"*, *"influence of others"*, *"price consciousness"*, *"ease of use"*, *"accidental reading of e-WOM"*, *"reading e-WOM was cool"*, *"television advertisements"* and *"need for information"*.

Burton & Khammash, (2010) further validate the motivations identified by Hennig-Thurau et al., (2004) conduct and inductive study to determine more themes for using e-WOM. These include *"decision involvement"*, *"product involvement"*, *"economic involvement"*, *"consumer empowerment"*, *"self-involvement"*, *"social involvement"*, and *"site involvement"*. Each of these themes consist of multiple motivations. Decision involvement includes risk reduction, reduction of search time and dissonance reduction. Product involvement includes learning how to consume the product and finding out new products in the market. Economic involvement includes remuneration while consumer empowerment includes trusted product opinion, non- expert opinion and unique product experience. Self-involvement includes self-improvement and self-indulgence and social involvement includes determination of social position, belongingness to a virtual community, mediated advisor, understanding people and encourage reciprocal reading and finally, site involvement includes administrative motives.

Other studies were done on similar lines. Tsao and Hsieh, (2015) show that type of e-WOM platform acts as a moderator between e-WOM quality, its credibility and purchase intention especially in search goods. Akyüz, (2013) demonstrated that perceived e-WOM credibility and consumer susceptibility to interpersonal influence were significant factors in influencing e- WOM.

Attributes of e-WOM

The influence of word of mouth on purchasing decisions of consumers is well known in consumer literature (Arndt, 1967; C. W. King & Summers, 1970; Herr, Kardes, & Kim, 1991). The emergence of the Web has broadened the possibilities for customers to collect impartial product data from other customers and offers consumers the chance to advise themselves on their consumption by using electronic mouth-of-mouth (e-WOM). Although the e-WOM has some features in common with traditional WOM, it is distinct from traditional WOM in several aspects which are enumerated below:

1. e-WOM communications have unparalleled *scalability* and *velocity* and having

    asynchronous exchange of information unlike traditional WOM communications where sharing of data occurs synchronously between tiny groups of people (Cheung & Thadani, 2012).

2. e-WOM communication is more *constant* and *available* than traditional WOM communication. The majority of the textual data submitted on the Internet is stored and thus made accessible indefinitely (Dellarocas & Narayan, 2007; Hennig-Thurau et al., 2004).

3. e-WOM is more *quantifiable* than conventional WOM communications. Researchers can find and analyse a wide range of e-WOM messages on line (Cheung & Thadani, 2012).

4. *Platform dispersion* has been described as *"the extent to which product-related conversations are taking place across a broad range of communities"* (Godes & Mayzlin, 2004). There are two dimensions to dispersion. First, the type of platform affects e-WOM occurrence and progress. Second, it is not easy to handpick platforms to observe from a measurement point of view (R. A. King et al., 2014).

5. Another distinction is that traditional WOM comes from a sender who is familiar to the recipient, thus making the communicator *credible* whereas the credibility of sender is not known in e-WOM (Cheung & Thadani, 2012).

6. In traditional WOM, the opinion given by someone about a product may be misinterpreted as traditional WOM is based on the interaction of people. However, in e-WOM, this problem is mitigated as the reviewer's opinion is *quantified* by being assigned a numerical rating (Chevalier & Mayzlin, 2006).

7. *Interactive experience* between companies and consumers over the internet is very helpful in improving client participation, since these platforms enable marketers to leverage the impact of supporters, who in turn, participate with consumers (Blazevic et al., 2013).

In this paper, we focus only on motivations involved in seeking e-WOM i.e., why people read online reviews. While there are multiple reasons mentioned in literature as to why people seek e-WOM, we focus only on few of these motivations to construct a scale to measure the factors that motivates a consumer to read e-WOM as given below:

*Perceived risk reduction***:** This perceived risk is based on consumer emotions of probability and unpleasant consequences, as described by separate researchers, as it plays a key role in decision-making (Hussain et al., 2017). When making purchases online, the intangibility of a product, makes it hard, for customers to assess credibility of that product unlike in brick and mortar shops where customers can touch and feel a product. The information available is varied and distributed for products sold online. In such cases, it becomes difficult for the consumer to assess the reliability of a product and this creates a need for knowledge and views of other people who have already used that product (Tsao & Hsieh, 2015).

People are motivated to read online reviews because they feel it will help the in buying the best value for money. People therefore, read numerous reviews to decrease the likelihood of being misled by individual sources. They want to reassure themselves that they are not wasting money in making that purchase (Burton & Khammash, 2010). Therefore, before purchasing something online, consumers are likely to seek out e-WOM as a means of reducing risk and uncertainty regarding the credibility of the product.

Self-involvement: Self-involvement has two dimensions: *self-improvement* and *self- indulgence*. Self-improvement is associated with a person's desire to educate themselves in order to develop or enhance thir skills. People read online reviews to fulfil their curiosity and broaden their general knowledge. Buying a product is not the primary intention here, rather people read multiple reviews in order to learn something new and to broaden their horizons. Self-indulgence on the other hand, stems from a need to pass time due to boredom. It may also be because some people find reading online reviews entertaining (Burton & Khammash, 2010).

Situational Involvement: Usually consumers want more information about a product when there is a certain degree of involvement. Products with high involvement are defined by an extensive need for data and require more time and effort to make the purchasing choice (Alkailani, 2016). There are mainly two types of involvement namely situational and enduring (Celsi & Olson, 1988). While situational involvement is merely temporary in the purchase of a product, enduring involvement is to due private concern and long, stable involvement with the product.

Situational involvement reflects a "*mental state"* in the form of the temporary occupation with an object. Contrary to enduring involvement, situational involvement reflects a 'mind set', a transient entanglement with an object or a product, which is often induced by a specific cause (Michaelidou & Dibb, 2008).

Perceived popularity of product: Some popular products have too many reviews. In such situations, it becomes difficult for the reader to read to all the reviews and process so much information. A higher amount of favourable reviews seems better for the product from the view of an online customer. In such cases, there is information overload and consumers prefer to check the quantifiable measures like 5-star ratings or attribute value reviews instead of single recommendation reviews (Park & Lee, 2008).

Methodology

A questionnaire containing 37 items was used to measure why people read online reviews. These 37 items included gender, occupation, age group and frequency of shopping online. The survey was circulated amongst students of IIM Kozhikode. Students were seen as suitable research members because they have

easy access to internet on campus, and they are familiar and regular internet users (including purchases). The survey was circulated amongst both PGP and FPM students to enhance the variability in the sample.

Sample

The sample size for the study was 112. Number of male respondents was 59 and number of female respondents was 53. 62 respondents belonged to the ages 26-30 year, 33 respondents belonged to the age group 20-25 and 11 respondents belonged to the age group 30-35 years. 27 respondents identified themselves as employed, 58 of them were research fellows and the rest 27 were unemployed. Additionally, while 53 of the respondents said they were monthly shoppers, 19 of them said they shopped every three months, 18 of them shop weekly and 12 of them shop every fortnight.Thus, the sample consisted largely of young people who were regular online shoppers with the economic ability to purchase products.

Exploratory and Confirmatory Factor Analyses

In the beginning, the 33 items (excluding gender, occupation, frequency of shopping and age group) measuring various motivations behind users reading online reviews were analysed in order to identify the dimensionality of all the items using Principal Factor Analysis (PCA) in SPSS software. Kaiser eigenvalue criterion was 1.0 and minimum cut off for factor loadings was 0.6. The initial factor solution was rotated using varimax rotation method.

After PCA analysis, it was discovered that not all items fulfilled the inclusion criterion requirements in the scale. Consequently, these items were removed and the process was repeated. In this fashion, it was found that 24 out of 33 items did not meet the inclusion requirements. This resulted in a four-factor solution consisting of 9 items. Each factor had minimum 2 items as seen in Table 1. Total variance extracted was 80. 458%. KMO measure of sampling adequacy was 0.605. Varimax rotation was used to rotate the factors.

	Component			
	1	2	3	4
PR1		0.889		
PR2		0.886		
SELF1	0.76			
SELF2	0.883			
SELF3	0.822			
SIT2			0.83	
SIT3			0.874	
POP5				0.838
POP10				0.902

Table 1. Rotated Component Matrix after PCA

Then, these 9 items were factor analysed using Structural Equations Modelling in AMOS to measure dimensionality, construct validity, and construct reliability of the scale. Single measurement model was used comprising of the four factors mentioned in the literature review and their items. Confirmatory Factor Analysis (CFA) was used to measure the relationship between each item with the factor representing the construct they were supposed to measure i.e., convergent validity and the absence of any relation between items and factors they were not supposed to measure i.e., discriminant validity while considering errors in measurement.

Figure 1 shows the Structural Equation Modelling done in AMOS. There are four constructs with minimum two items associated with each. "*PerceivedRiskReduce*" pertains to the motivation of perceived risk reduction as discussed in the literature review section. Similarly, "*SituationalInvolvement*" pertains to situational involvement construct, "*ProductPopularity*" pertains to perceived popularity of the product and

"*SelfInvolvement*" pertains to self- involvement construct. The items associated with each construct are elucidated in Table 5. The model was found to fit the data from the results as seen in Table 2.

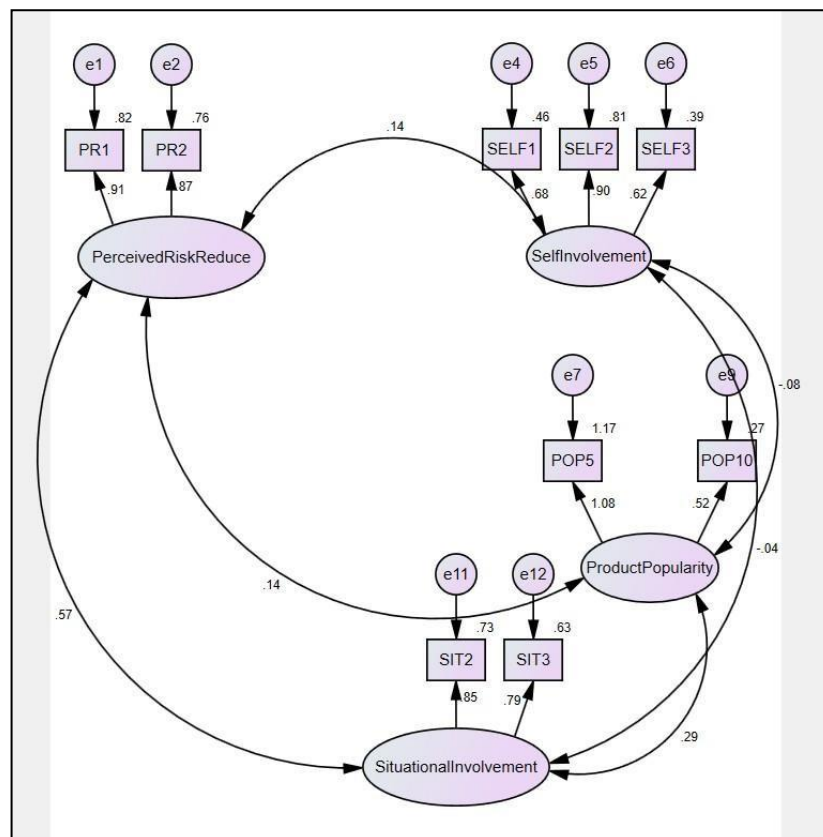| Chi-square, df	43.15, 21
CMIN	2.055
CFI	0.939
RMSEA	0.097
TLI	0.895

Table 2. Model fit

Figure 1. Measurement model in AMOS

The reliability and validity of all the factors were evaluated as recommended by Fornell & Larcker, (1981). All four factors have construct reliability of at least 0.75 up till 0.81 as seen in Table 5. Discriminant reliability was also supported as the average variance extracted (AVE) for each factor was greater than shared variance between one factor and other factors as seen in Table 3. In Table 4 we see construct reliability (CR), AVE and maximum shared variance (MSV) for all factors. Cronbach alpha was found for individual factors (as seen in Table 5) and overall value of Cronbach alpha was found to be 0.683 for the scale.

Factors	AVE	Situational Involvement	Perceived Risk Reduction	Self-Involvement
Situational Involvement	0.677	-	-	-
Perceived Risk Reduction	0.757	0.329476	-	-
Self-Involvement	0.554	0.001444	0.0196	-
Perceived Popularity of the Product	0.717	0.082944	0.018769	0.006241

Table 3. Discriminant validity

Factors	CR	AVE	MSV	MaxR(H)	Situational Involvement	Perceived Risk Reduction	Self-Involvement
Situational Involvement	0.807	0.677	0.329	0.813	0.823		
Perceived Risk Reduction	0.757	0.757	0.329	0.757	0.574	0.870	
Self-Involvement	0.784	0.554	0.006	0.853	-0.038		
Perceived Popularity of the Product	0.818	0.717	0.083	1.177	0.288	0.137	-0.079

Table 4. Scale Reliability

Factor name	Indicator	Factors			
Construct Reliability/ Cronbach's alpha		1	2	3	4
Factor 1: *Perceived risk reduction* CR=0.757/ α = 0.882	*...I read online reviews depending on product type to reduce uncertainty about the product*	0.889			
	...Depending on the type of product I am buying, I read reviews because it helps me evaluate reliability of the product	0.886			
Factor 2: *Situational Involvement* CR=0.807/ α = 0.805	*...I only read online reviews when I am buying for someone I care about or is important to me*		0.83		
	...I only read online reviews when I have to gift someone		0.874		
Factor 3: *Self involvement* CR=0.784/ α = .768	*...I sometimes read online reviews out of interest for that product (for e.g., when a new phone or gadget releases)*			0.76	
	...I sometimes read online reviews to be abreast of what is happening (like tech product reviews or new restaurant reviews)			0.883	
	...I read online reviews to gain personal knowledge			0.822	
Factor 4: *Perceived popularity of the product* CR=0.818/ α = 0.711	*...I only look at 5-star rating if there are too many reviews*				0.838
	...If I am satisfied with the 5-star rating, I do not read reviews.				0.902

Table 5. Factor Structure for motivations behind seeking e-WOM

Conclusion and future work

The findings of our research indicate that customers use e-WOM for a multitude of reasons. While prior literature elucidates numerous motivations for giving and seeking e-WOM, in this study we focus on only four motivations behind people seeking e-WOM. These four constructs are perceived risk reduction, situational involvement, self-involvement and perceived product popularity. The questionnaire initially consisted only 33 items pertaining to these four constructs. However, after PCA it was found only 9 items were significant. Subsequently a measurement model was developed in AMOS which showed model fit. The model fit also satisfied construct reliability and discriminant validity.

Understanding different reasons why people depend on online reviews of products or services can help managers and businesses tailor their products to influence the buying decisions of the consumer. Since risk reduction is a significant motivation, businesses can provide additional details and information about a product to help assure consumers. Certain products are situation or event specific and a consumer might want to buy that product only in that situations. Firms can target events like birthdays, festivals, anniversaries etc that are event specific and tailor their products accordingly. Since self-involvement has also emerged as a significant factor, firms should take care and give detailed specification of their products. Sometimes, people

don't read reviews because products are so popular. Firms can take advantage of this to increase their sales and focus on increasing the popularity of their products.

The study however has some limitations. First, due to lack of resources and time, our study includes only four motivation constructs. Future work can draw from extant literature to include all motivations and create a comprehensive scale for measuring reasons behind people seeking e-WOM.

Second, our sample was largely a student sample. Perhaps if a more varied sample is used, the results might differ. Future work can therefore, include a more varied demographic group of people as sample for the study.

Third, all the motivations present in literature for seeking e-WOM may not be exhaustive and there might yet be more undiscovered reasons. Future work can include qualitative studies to uncover more motivations and then build a scale, thereby expanding the research.

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