



The Impact of Purchase Types on Consumer's Polarized Product Opinions

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June 30, 2021

Structured Abstract: The Impact of Experiential Purchase on Consumer's Polarized Product Opinions

INTRODUCTION

In the past, consumers were more likely to be exposed to traditional word of mouth, where information came from friends or family members (Arndt 1967, Brown and Reingen 1987). However, the development of information technology has given consumers more resources to get external information before they make purchase decisions. Online platforms, such as Yelp, TripAdvisor, or Amazon's consumer review section have offered valuable feedback from other consumers to give potential buyers more references. Because of the proliferation of information sources, consumers are more likely to encounter a mix review about a product than ever. Previous research has suggested that consumers mixed opinions are common across all kinds of products (Hu, Pavlou and Zhang, 2009). On one hand, the availability of product reviews has facilitated the consumer's decision-making process, providing them more references from others' experiences. On the other hand, the existence of polarized opinions may also bring an even more difficult decision for them to make.

Admittedly, word of mouth is a critical element to impact consumer's purchase decision. A growing body of research regarding word of mouth has examined the effect of word-of-mouth volume, valence and central tendency on consumer's behavior (Chevalier and Mayzlin 2006; Mudambi and Schuff 2010), however, little work has looked into the influence of product review dispersion on consumer's purchase behaviors, more specifically, the effect of polarized opinions on consumer's purchase intention. For marketing practitioners, it is also important for them to understand how they could deal with their product review polarization situations and how to better communicate with consumers when polarizing reviews happen.

Our research work focuses on the impact of purchase type on consumer's polarized reviews. According to prior research, purchase types can be categorized into two kinds: material purchase and experiential purchase (Van Boven and Gilovich, 2003). Material purchase is about a purchase of a tangible product, such as cars, watches, where we can touch and feel the product and can keep the product for a long time. Experiential purchase is about a purchase of an experience, such as traveling, dining or music concerts. After the consumption, there is nothing left except the memory. Compared to material purchase, experiential purchase is less likely to be reversed after the consumption. That is, the experiential purchase involves an immediate consumption of the purchase and it cannot be "returned" after the consumption. Grounded on the different characteristic of two purchase types, we expect that there is more perceived risk involved for consumers who are facing a higher review dispersion of an experiential purchase (vs. material purchase). Therefore, they are less likely to choose an experiential purchase (vs. material purchase) who has polarizing review.

THEORY AND HYPOTHESES

Findings on mixed reviews

Extant research on consumer's mixed reviews shows mixed findings. Some research works suggested that polarizing reviews were related to lower sales in some product categories (Zhu and Zhang 2010) but higher sales performance in other product types (Clemons, Gao, and Hitt, 2006). Other research examined an interaction effect between polarizing review and other variables. For instance, prior work examined the interacting effect between the polarizing opinion and the WOM volume (Khare et al., 2011), suggesting that only when there is a large volume of review, consumers are more likely to choose a movie with the review polarization. Martin et al (2008) showed that for products associated with high aspirational levels, such as movies, diserts, consumers are more likely to prefer the ones with polarizing review. However, for products with low aspirational level, such as dental service, consumers are more likely to choose products with consensus review.

The above research has suggested that product's polarizing review was not examined as a primary focus and the findings regarding it were relatively mixed. However, with the development of digital platforms, consumers are more likely to rely online word of mouth to evaluate a product before making purchase decision. It seems inevitable for consumers to encounter the review polarization situations. Therefore, it is important for marketing researchers to understand their behaviors and suggest some practical implications for marketing practitioners to help them improve service or product quality for their consumers. More importantly, we are interested in exploring under what condition consumers are more sensitive to the review polarization.

Purchase types and the "unreturned purchase"

A growing body of research has shown interest in examining the differences between two purchase types: material purchase and experiential purchase. Prior research has categorized the purchase type into two categories. According to Van Boven and Gilovich (2003), a material purchase is a purchase on tangible object, which means a material possession on a product, such as a TV, a car. Instead, an experiential purchase is a purchase on an experience, that is after the consumption, there is no tangible object left but memory, for example, attending music concerts, traveling, or dining at restaurants.

Extant research has mostly focused on the impact of two purchase types on consumer's psychological well-being and social benefits. For example, compared to material purchase, experiential purchase brings more happiness to consumers (Boven and Gilovich, 2003). Consumers also perceive experiential purchase as more associated with themselves (Carter and Gilovich, 2012), having more story utility (Kuma and Gilovich, 2015), and conversational value

(Bastos, 2020). As far as we know, little work has focused on examining the impact of purchase type on consumer's purchase behavior. Although the two different purchase types have different characteristics, they are both subject to consumer reviews. Therefore, it is possible that consumers will see polarizing opinions for both purchase types. However, compared to material purchase, experiential purchase possesses more risks if consumers proceed to purchasing with review polarization. This is because experiential purchase bears more cost, such as consumer's time and money associated with the purchase and there is possibility to make a return on the "experiential purchase". Based on this, we expect that consumers are less likely to make an experiential purchase (vs. material purchase) with polarizing reviews, since there is more perceived risk involved. Thus, we formally posit

H1: Compared to material purchase, consumers are less likely to make an experiential purchase with the polarizing review.

H2: The effect is driven by the higher perceived risk associated with the experiential purchase.

METHODOLOGY

Study design

Data will be collected through experiments. The study design is a 2 x 2 mixed design. The product review polarization will be a within-subject factor. That is all participants will see a polarized review and non-polarized review. Participants will be randomly assigned to one of the two purchase types (material purchase vs. experiential purchase).

CONCLUSION AND DISCUSSION

Our paper will contribute to the research of word of mouth and extend the research on purchase type. More specifically, our research will explore how purchase type influences consumer's purchase decision while facing a product's polarizing opinions and examine its underlying process. Moreover, our research will provide important marketing implications for marketing practitioners. Specially, how marketing managers of different products should deal with mixed consumer reviews and what they should do to help improve the review consensus and product quality.

References Available Upon Request