'Yelp' Gives it Four Stars: Consumer Attitudes towards Ratings and Reviewers

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Abstract

Consumers have never had more product options for goods and services than those available to them today. However, having virtually unlimited product choices has contributed to information overload as consumers struggle to determine which product option(s) provide the best value for meeting their individual wants and needs. Increasingly, consumers are turning to online reviews to help reduce information overload and evaluate product options (Baek, Ahn, & Choi, 2012-2013). But online reviews are only as good as the reviewers who write them. This paper will explore how consumers perceive online reviews and reviewers given differing numbers of posts by reviewers, the number of reviewer friends, and the presence or absence of reviewer badges. Whether the reviewer received a complimentary or reduced price for the product reviewed and the quality of the review are also of interest.

Online consumer reviews are available from dozens of different sources for an unlimited variety of products. Yelp, TripAdvisor, and Amazon are among the most frequented review sources used by consumers for products evaluations where reviewers can provide information on everything from a travel umbrella to a car battery, beach houses to physician quality (Gao et al. 2015). Saleh (2015) reported that 90% of consumers read online reviews and 88% trust those reviews. Additionally, 72% of consumers stated that positive reviews make them trust a local business more and 86% hesitate to purchase from a business that has negative online reviews. A one star increase on Yelp leads to a 5-9% increase in business revenue and one negative review can lose as many as 30 customers (Saleh 2015).

Given the obvious importance of online reviews to consumers, it is critical for marketers to better understand how consumers perceive both the reviews and those who write them. Research has shown that peripheral cues (the reviewer rating and reviewer credibility) and central cues (review content) both impact the consumer perception of review helpfulness (Baek, Ahn & Choi 2012-2013; Cheung, Sia & Kuan

2012; Schindler & Bickart 2012). Li et al. (2013) found source- and content-based effects, with reviews written by customers perceived as more helpful than those written by experts and content-based reviews considered more helpful than abstract reviews. In a large Yelp sample study of more than 16,000 hotel reviews, Zhu et al. (2014) found that reviewer badges and the number of reviewer friends added to a reviewer's credibility in terms of expertise and those reviews were rated as more helpful. Contrasting, Liu, Schuckert, & Law (2015) looked at reviews written by individuals having reviewer badges on Trip Advisor and found that reviewers with higher-level badges were less likely to post extreme ratings (good or bad) and proposed that companies using online incentive hierarchies (such as badges) should re-evaluate how they use online reviews. With the increased emphasis placed on reviews by consumers, the number of falsified reviews has also grown. An estimated 20% of all Yelp reviews are fake (Kugler 2014).

This is an exploratory paper posing several research questions. Given that all reviews are not created equal, when consumers read online reviews, what factors impact the evaluated usefulness of the review? Research to date has largely focused on database driven analyses of online reviews already posted. However, there is a dearth of research surveying consumers regarding individual perceptions of reviews and reviewers. Do consumers weigh reviews and reviewers based on how frequently the reviewer posts and how many friends the reviewer has? Do consumers even notice if the reviewer has review 'badges'? If so, do the badges impact the credibility of the review(er)? Do badges impact consumer choice? Does receiving product at a free or reduced price discount the value of the review in the minds of the consumer? How does review quality impact consumer choice? Essentially, what makes a review seem more reliable to consumers? A student survey, using established scales, will be conducted at a large southeastern university in order to address these questions. The results can then be used to provide a better understanding of the impact that online reviews have on the consumer choice process, which could affect how businesses use online reviews in the future.

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Keywords: *retailing, electronic word of mouth, e-commerce, online reviews, source credibility, social media, consumer behavior*

Relevance to Marketing Educators, Researchers and Practitioners: This could easily be used to generate student discussion in a number of marketing classes. This situation makes for an interesting study involving e-commerce, electronic word of mouth, online reviews, social media, and consumer behavior in a decision making context. The results of this research could impact how businesses utilize online reviews in the future.

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TRACK: Retailing

Customer Service Challenges in Omni-Channel Retailing

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Abstract

Retailers are interacting with customers via an ever-increasing number of touchpoints. The addition of social media and mobile devices to the traditional physical and virtual retail platforms has created an evolving consumer practice of using several such "touchpoints" in the course of a single purchase (the "omni-channel"). The difficulty of providing high levels of customer service has increased with the necessity of managing multiple channels under the retailer's control and coordinating formally or informally with those touchpoints not directly in the retailer's own operations. Multiple sources of potentially conflicting information (e.g., order fulfillment) can lead to miscommunication, and thus poor service experience for customers. The purpose of this paper is to describe a five-phase study in which we explore how retailers have responded to the increasing complexity. After describing the retailing environment in this new era we lay out the phases in this research program and present preliminary results from a content analysis of retailer website language regarding customer service. Implications of our findings and recommendations for further research are then discussed.

The practice of marketing has been both enhanced and made more challenging by the introduction of additional channel options and interaction with customers. Retailers have handled multichannel operations for many years, mostly brick and mortar, catalog, and on-line. Specialty channels, such as vending and direct sales, are additional options. Besides these traditional channel options, the past decade has seen the creation of numerous social media channels. The ensuing experimentation with ways to fold these methods of direct customer interaction into the retailer's operations has led to an explosion of studies aimed at exploring and explaining various practices that incorporate the myriad options to best effect. So cluttered has the retail landscape become, marketing scholars have begun seeking to codify the rich production of practices to achieve better understanding and cohesion in the industry. For example, two marketing journals have recently focused on omni-channel retailing. The *International Journal of Electronic Commerce* published its special issue in 2014 and the *Journal of Retailing* followed in 2015. The research opportunities remain at the forefront for marketers in 2016, with the American Marketing Association identifying the omni-channel as one of six "Big Problems" of marketing practice featured for the 2016 AMA Summer Educators Conference.

Keeping integrated marketing communication truly integrated has always been a challenge for marketers. With the rise of the omni-channel, the number of potential sources of information coincides with the number of potential cases of misunderstanding and miscommunication. For example, one of the key factors for on-line customers is order fulfillment, especially regarding how long from order to receipt will be involved, without paying for expedited delivery. Retailers have pursued omni-channel capabilities in various ways, from in-house operations (L.L. Bean) to affiliations with third party vendors (Modell's) to relying on their own manufacturer customers to provide on-line ordering capabilities for their customers (Hibbett Sports). Retailers have had enough problems communicating accurately with operations directly under their control. When heading into omni-channel efforts while relying on the promises of partners not under direct control the communication challenges can become unmanageable. Dick's Sporting Goods switched its on-line order fulfillment from third party vendors (*TechRepublic*, April 22, 2016) to an in-house model in part because of difficulties with inventory levels reported on-line not matching what it had available for its customers.

Previous research on miscommunication has highlighted differences in meaning placed on commonly used terms (Brewer & Holmes 2009). When a customer service representative states that a customer can "probably" expect to pick up a special order at the end of the week because such orders are "usually" filled and shipped within 2-6 days, he or she may have a different meaning in mind for "probably" and "usually." Miscommunication research finds a wide range of meaning for these and other probability-oriented terms, and also for other terms that refer to lengths of time, such as "soon" or "right away" (Brewer & Holmes 2009).
When such miscommunication can exist between *one* customer and *one* touchpoint (the retailer customer service representative), bringing into play *multiple* touchpoints for a single transaction can lead to even more difficulty. Retailers that have customers interacting via the retailer's Facebook page, its in-store customer service operation, and the retail website may end up with assurances based on conflicting meaning and cause confusion and discontent among its customers.

There are five phases planned for this research program. In Phase 1, already under way, we conduct a content analysis of the customer service language retailer's use on their websites. In the first steps in this phase, reported in this paper, we examine sporting goods retailers' statements on time to delivery for shipping/order fulfillment polices.   In addition, we note any use of vague language that can lead to misunderstanding and disappointed customers. The next steps in Phase 1 will explore these same elements for other retail categories. In Phase 2 a follow-up survey of retailers is planned regarding their measure of service quality, the training they provide for customer service personnel, and policies that provide these personnel empowerment to adapt to customer needs. The specific approach used in Phase 2 will be adjusted based on findings from Phase 1.

For Phase 3 we will survey customer service representatives regarding their communication practices with customers. The survey will be designed to incorporate findings from the first two phases to better communicate with service personnel and gain   their   insight.

In Phase 4 we study the four gaps in the "GAP" model of customer service (Parasuraman, Zeithaml, & Berry 1985). We will conduct a survey of omni-channel retail customer service approaches that allow retailers to 1) learn about customer expectations for service, 2) incorporate that knowledge into a retailer's service model, 3) instill in service personnel the knowledge and intended model of service provision, and 4) communicate accurately the service provided to ensure customer understanding. Phase 5 will extend the study to include other service-related functions such as inventory monitoring, product returns, other channels, etc.

The rise of the omni-channel is a rapidly evolving element in the decision matrix for retailers. While the opportunity to more completely satisfy customers is driving the many variations in retailer operations, a concurrent threat is a breakdown between and among the available touchpoints that could strain customer service to the breaking point. Better understanding how messages flowing from the various touchpoints may vary in meaning is an important goal for retailers, as it can help them improve service policies and practices, which in turn can alleviate the type of miscommunication and misunderstanding that foster failed customer service.

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Relevance to Marketing Educators, Researchers and Practitioners:

The rise of the omni-channel is a rapidly evolving element in the decision matrix for retailers, offering the opportunity to more completely satisfy customers. However, a concurrent threat is a breakdown between and among the available touchpoints that could strain customer service to the breaking point. Better understanding how

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