Decomposing Poison Pill Reviews: A Dual Process Model Approach

TREO Talk Paper

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Abstract

The steady growth of E-Commerce sales has generated increasing attention toward the online purchasing environment and its effect on consumer decision-making. Before making an online purchase, consumers seek opportunities to reduce the chance of disappointment or regret through electronic word-of-mouth (eWOM). One form of eWOM is the online consumer review (OCR), a publicly posted evaluation of a product that is generated by another consumer. OCRs allow consumers to learn more about a product through the experiences of others before arriving at a decision, and may be viewed as more trustworthy than traditional media and advertising.

Existing research has focused on how different OCR variables lead to a purchase decision. However, the ability of an OCR to do the opposite- dissuade one from making a purchase- is not as well understood. This limits the understanding of the effect of OCRs to how they can impact a consumer's evaluation of the product. As such, this research investigates the composition of negative OCRs, which provide unflattering evaluations of the product being discussed. The authors define a poison pill review as a negative OCR that conclusively eliminates a product from being a candidate for purchase. A poison pill review ultimately dissuades an OCR reader from purchasing the product being discussed. This research seeks to understand which variables lead to OCR poisonousness.

To understand how OCRs become poisonous in the minds of consumers, this research uses the Elaboration Likelihood Model (ELM), a dual process theory that offers insight into consumers' information processing and decision-making. This theory is used to explain how consumers arrive at a non-purchase decision after viewing negative OCRs. The ELM presents two different ways of processing stimuli: (1) through the central route, which involves careful processing and comprehension of the information presented, and (2) through the peripheral route, in which less cognitive effort is involved and consumers rely on heuristic cues. Past research has used the ELM to categorize OCR variables into those related to the central route (e.g., argument quality) or the peripheral route (e.g., OCR quantity). This study builds on this research to better understand how OCR variables are processed differently and contribute to a consumer's mental dismissal of a product.

A pilot study that includes both central route and peripheral route variables was conducted to select the OCR variables that will be investigated in the main study. Results indicated the need to investigate the interaction between variables, as the presence of various combinations may ultimately lead to a poison pill review. Pilot study results will be discussed in further detail during the conference presentation, where audience engagement is expected to enrich the scope of this study's analysis. The authors appreciate any feedback that can assist in further developing this study's data collection and analysis method.

The authors seek to aid companies' efforts to mitigate and respond to negative OCRs. Through investigating which OCR variables are the most detrimental to a purchase, this research may provide insight into which OCRs must be publicly responded to first in order to reduce their negative impacts on consumer purchase decisions.