Scale for Measuring Effectiveness of Online Review Websites

TREO Talk Paper

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Abstract

Online reviews are opinions about products or services written by consumers on company or third party websites. These reviews have become ubiquitous and an integral part of most of the ecommerce platforms which aim to provide their consumers with supplemental data in the form of these reviews to aid in decision-making. As such, consumers use the reviews for a diverse array of objectives like purchasing products, booking accommodations, trips, dining, soliciting services and many more. Consequently, online reviews have received significant attention from the academic research community and especially from the disciplines like information systems and marketing. Research in this domain has focused mostly on the attributes of the reviews like the review text, title, dates, ratings as well as those of the reviewers and their relation to the decision making objectives of the consumers. However, research on the effectiveness of the online review website, the information system enabling this phenomenon needs further investigation. Thus, this work aims to develop a standard scale for measuring the effectiveness of the websites hosting reviews and in the process develop an understanding of the attributes that contribute significantly. The unit of analysis adopted in this study is the website, which can be a dedicated review-hosting website like TripAdvisor or Yelp or a supplementary element of a website like the review sections of Amazon or Ebay.

The effectiveness of the review website can be attributed to the success of the underlying system in achieving its objective and the adoption of the system by the consumers. Thus the IS literature on information systems success and technology adoption formed the basis for this scale development project. This study adopted constructs from the aforementioned two theoretical bases. A survey was designed using items from established scales for the constructs and administered to sample of undergraduate students of a business school. The initial exploratory study revealed information quality, system quality, perceived usefulness and ease of use to be the important factors contributing to the effectiveness of online review websites. We plan to conduct more elaborate studies engaging subjects from diverse backgrounds and also including qualitative methods to supplement the quantitative findings. The initial exploratory study resulted in a measure with an acceptable reliability (Cronbach's alpha 0.943). However, to establish the scale as a standard and to demonstrate its validity (convergent, discriminant, nomological and predictive) further intricate studies are required.

The primary motivation of this scale development study was to provide a standard measure that can be used in future research undertakings. The study can also provide practitioners valuable insight into the significant features that the consumers desire in online review websites.