

RGC Ref. No.: UGC/FDS14/B02/14 <hr/> (please insert ref. above)

**RESEARCH GRANTS COUNCIL
COMPETITIVE RESEARCH FUNDING SCHEMES FOR
THE LOCAL SELF-FINANCING DEGREE SECTOR**

FACULTY DEVELOPMENT SCHEME (FDS)

Completion Report
(for completed projects only)

<p><u>Submission Deadlines:</u></p> <ol style="list-style-type: none"> 1. Auditor's report with unspent balance, if any: within six months of the approved project completion date. 2. Completion report: within 12 months of the approved project completion date.
--

Part A: The Project and Investigator(s)

1. Project Title

Identifying the "Fit" between Word-of-Mouth Content and Word-of-Mouth Context:

A Multi-Method Investigation

2. Investigator(s) And Academic Department(s) / Unit(s) Involved

Research Team	Name / Post	Unit / Department / Institution
Principal Investigator	Haksin CHAN/ Asso Prof	Department of Marketing/ Hang Seng Management College
Co-Investigator(s)		
Others	Sara LO / RA Irina YU / RA Vincentia YUEN / RA	Department of Marketing/ Hang Seng Management College

3. Project Duration

	Original	Revised	Date of RGC / Institution Approval <i>(must be quoted)</i>
Project Start Date	1 Nov, 2014		
Project Completion Date	30 Oct, 2016	31 Jan, 2017	1 Dec, 2015
Duration <i>(in month)</i>	24	27	1 Dec, 2015
Deadline for Submission of Completion Report	30 Oct, 2017	31 Jan, 2018	1 Dec, 2015

Part B: The Final Report

5. Project Objectives

5.1 Objectives as per original application

1. *To develop a conceptual foundation for categorizing word-of-mouth content (on the basis of discourse classification theory)*
2. *To examine a series of hypotheses on the differential effects of word-of-mouth content in different word-of-mouth contexts (with controlled experiments)*
3. *To provide ecological evidence for the hypotheses and to explore more nuanced aspects of word-of-mouth discourse (with content analysis of naturalistic word-of-mouth verbatim)*
4. *To offer guidance to practitioners looking to monitor and manage the multifaceted consumer-generated content (CGC)*

5.2 Revised objectives

Date of approval from the RGC: _____

Reasons for the change: _____

- 1.
- 2.
3.

5.3 Realisation of the objectives

(Maximum 1 page; please state how and to what extent the project objectives have been achieved; give reasons for under-achievements and outline attempts to overcome problems, if any)

Over the course of the project, the research team (consisting of the PI, a full-time RA, and two part-time RAs) performed a comprehensive review and synthesis of the word-of-mouth literature and related theoretical frameworks. This effort was supplemented by a content analysis of online review forums in different product and cultural contexts. The outcomes of this multimethod analysis (based on literature review, “netnographic” observation, and content analysis) include (1) a conference paper presented at the *2015 International Conference on Marketing, Logistics, and Management* (see 9[1] of Part C), (2) a conference paper presented at the *2016 INFORMS Marketing Science Conference* (see 9[4] of Part C), (3) a manuscript titled “Building Online Opinion Leadership in Consumer Review Forums” that is being revised for submission to *Journal of Interactive Marketing* (SSCI, SJR = 2.754), and (4) a manuscript titled “Online Platform Design and Word-of-Mouth Effectiveness” that is being prepared for possible submission to *Journal of Retailing* (SSCI, SJR = 2.556). By and large, three of the four Project Objectives (“conceptual foundation” [5.1.1], “ecological evidence” [5.1.3], and “guidance to practitioners” [5.1.4]) have been mostly achieved through these research outcomes.

The hypothesis-testing phase of the project (“differential effects of WOM content in different WOM contexts” [5.1.2]), first carried out during the summer of 2016 and then on and off throughout 2017, has run into some technical issues and will take more time than scheduled to complete. Two causes were largely responsible for the delay. First, it took the PI a long time to recruit and train up the full-time RA to engage in scholarly activities (see section 6.3 of the first Progress Report). As it turned out, the most difficult part was to get her up to speed with the intricacies of data collection. This problem was to some extent alleviated by the employment of part-time RAs (see the last section of Additional Information submitted along with the second Progress Report). The second cause of delay pertains to a flaw in the online platform (for the controlled experiments), which was designed by an external consultant. During the summer of 2016 when the pretesting of the system was carried out, missing data was a recurring problem. It took us a long time to finally fix the coding glitches. But valuable time had been lost.

In spite of the technical issues outlined above, we were able to collect some data to partially achieve 5.1.2. The outcomes of these online experiments include (1) a conference paper presented at the *2015 International Business Research Conference* (see 9[2] of Part C) and (2) a conference paper presented at the *2016 INFORMS International Meeting* (see 9[3] of Part C). Note that the first paper laid the structural groundwork for the second paper, which reports some effects pertaining to the interaction of word-of-mouth content and word-of-mouth context. More experiments will need to be conducted before a full manuscript can be prepared, and the PI has recently added a capable collaborator to the project.

Dr. Kevin Zeng (PhD in Psychology, HKUST) is co-authoring with the PI to “wrap up” the aforementioned manuscripts, and to assist the PI in designing new experiments to further investigate the interactive effects of word-of-mouth content and word-of-mouth context. With the support of an experienced researcher, it is expected that the manuscripts will be ready shortly, and the Project Objectives will be achieved to the full extent.

5.4 Summary of objectives addressed to date

Objectives <i>(as per 5.1/5.2 above)</i>	Addressed <i>(please tick)</i>	Percentage Achieved <i>(please estimate)</i>
1. To develop a conceptual foundation for categorizing word-of-mouth content (on the basis of discourse classification theory)	✓	Close to 100%
2. To examine a series of hypotheses on the differential effects of word-of-mouth content in different word-of-mouth contexts (with controlled experiments)	✓	Around 80%

Objectives <i>(as per 5.1/5.2 above)</i>	Addressed <i>(please tick)</i>	Percentage Achieved <i>(please estimate)</i>
3. To provide ecological evidence for the hypotheses and to explore more nuanced aspects of word-of-mouth discourse (with content analysis of naturalistic word-of-mouth verbatim)	✓	Around 90%
4. To offer guidance to practitioners looking to monitor and manage the multifaceted consumer-generated content (CGC)	✓	Around 90%

6. Research Outcome

6.1 Major findings and research outcome

(Maximum 1 page; please make reference to Part C where necessary)

There are three major streams of research outcomes arising from this project. The first stream of findings revolves around the idea of identifying and bringing influential word-of-mouth content to online review forums, which have become one of the most widely used sources of consumer information around the world. Drawing on the opinion leadership literature (and related theoretical frameworks), we conducted “netnographic” observation on a large sample of product review sites and performed content analysis on representative consumer reviews to shed new light on the relationship between review quality (i.e., word-of-mouth content) and forum design (i.e., word-of-mouth context). Our analysis reveals that online review forums can build opinion leadership through the strategic use of specific forum features—display of prior review data, interface between forum participants, etc. We also conclude that, in contrast to prior literature (which has conceived opinion leadership as *individual behavior*), online opinion leadership as manifested in product review sites is more or less a *collective behavior*. Therefore, successful online review forums may establish themselves as opinion leaders by (1) soliciting and presenting specific reviews from certain contributors and (2) attracting and influencing a diverse group of frequent users. These findings (partially reported in 9[1] and 9[4] of Part C) are incorporated in a manuscript titled “Building Online Opinion Leadership in Consumer Review Forums” that is being revised for submission to *Journal of Interactive Marketing* (SSCI, SJR = 2.754).

The second stream of findings addresses the broader issue of word-of-mouth effectiveness in online environments. Notably, this research highlights the interactive effects between message variables (i.e., word-of-mouth content) and recipient variables (i.e., word-of-mouth context). Specifically, we suggest that forum design characteristics (which are under managers’ direct control) and forum user characteristics (which are the direct result of managers’ target marketing efforts) interact to enhance or suppress word-of-mouth effectiveness. For example, some review forums seek attribute-based content (i.e., product commentaries), whereas others solicit experience-based content (i.e., consumer stories). With prior research showing dramatically different mental

processes underlying the processing of attribute-based and experience-based content, we predict that word-of-mouth effectiveness is contingent on the “match” between forum design characteristics (which prompt one type of word-of-mouth content versus another) and forum user characteristics. This research points to a range of strategies for online forum managers to maximize the influence of consumer-generated content in different contexts. These insights (partially reported in 9[2] of Part C) are incorporated in a manuscript titled “Online Platform Design and Word-of-Mouth Effectiveness” that is being prepared for submission to *Journal of Retailing* (SSCI, SJR = 2.556).

The third stream of findings captures, with controlled experiments, the differential effects of word-of-mouth content in different word-of-mouth contexts. A series of experiments has been planned to investigate the impacts of specific types of online word-of-mouth content in different word-of-mouth contexts (e.g., purchase-minded vs. navigation-minded recipients, expert vs. novice recipients, male vs. female recipients, younger vs. older recipients, etc.). Some data have been collected in an online platform designed by an external consultant. Several pretests of the planned experiments offered encouraging results (e.g., attribute-based [experience-based] content is more influential when the recipients are expert [novice] consumers), and these results have been partially reported in two conference papers (9[2] and 9[3] of Part C). A full set of results will be integrated into a future manuscript after all the planned experiments are completed.

6.2 Potential for further development of the research and the proposed course of action (Maximum half a page)

This project has laid the conceptual foundation for follow-up research that leverages the wide availability of electronic word-of-mouth data in the public space (e.g., online product reviews) in the present era of globalization and digitalization. With the support of this FDS grant, the PI was able to develop two more funded FDS proposals that address, respectively, the dynamic nature of *online consumer reviews across different cultures* (UGC/FDS14/B10/15) and the breakthroughs in online review platforms that *circumvent the assumptions of traditional word-of-mouth theory* (UGC/FDS14/B15/17).

In particular, these follow-up projects have the potential to unlock the power of online product reviews that are instrumental to the booming online retail in Mainland China. First, given the unique linguistic and cultural characteristics of Mainland Chinese consumers (as opposed to their Western counterparts), investigating the nuanced electronic word-of-mouth behaviors of Mainland Chinese consumers should advance the theory of culture-based communication and yield valuable managerial insights for retailers around the world. Second, highly successful online retailing platforms in Mainland China such as Alibaba’s Taobao and Tmall are characterized by innovative features for soliciting and presenting consumer reviews (that are different from major Western e-tailers). An investigation into the design characteristics of e-tailing platforms in Mainland China may lead to theoretical and practical breakthroughs in online retail. Progress has been made to line up research partners in Mainland China (see section 12 of Part C below).

7. Layman’s Summary

(Describe in layman’s language the nature, significance and value of the research project, in no more than 200 words)

New communication technologies, online communities, and social media have multiplied the opportunities for consumer interactions, thereby expanding the role and scope of word-of-mouth communication in this digital age. Despite the corresponding growth in word-of-mouth research over the past decade, however, there has been very little systematic effort toward conceptualizing

and studying word-of-mouth content (i.e., what consumers actually say), much less its interactions with different word-of-mouth contexts (i.e., recipient characteristics).

By differentiating between, for example, attribute-based content (i.e., product commentaries) and experience-based content (i.e., consumer stories), this research lays the foundation for a richer theoretical understanding of word-of-mouth communication. Through controlled experiments and content analysis of online review forums and the product reviews therein, the research team has provided arguments and evidence for the importance a “fit” between word-of-mouth content and word-of-mouth context in boosting word-of-mouth effectiveness.

Today, companies are monitoring/driving consumer-generated content in discussion forums, blogs, as well as other social media sites to gain strategic advantage. A major challenge in this task is to meaningfully capture word-of-mouth content across individuals and across sites. As such, this research offers significant managerial insights for effective content management and content marketing.

Part C: Research Output**8. Peer-Reviewed Journal Publication(s) Arising Directly From This Research Project**

(Please attach a copy of the publication and/or the letter of acceptance if not yet submitted in the previous progress report(s). All listed publications must acknowledge RGC's funding support by quoting the specific grant reference.)

The Latest Status of Publications				Author(s) (denote the corresponding author with an asterisk*)	Title and Journal / Book (with the volume, pages and other necessary publishing details specified)	Submitted to RGC (indicate the year ending of the relevant progress report)	Attached to this Report (Yes or No)	Acknowledged the Support of RGC (Yes or No)	Accessible from the institutional repository (Yes or No)
Year of Publication	Year of Acceptance (For paper accepted but not yet published)	Under Review	Under Preparation (optional)						
NA			“Building Online Opinion Leadership in Consumer Review Forums” <i>Target: Journal of Interactive Marketing</i>						
			“Online Platform Design and Word-of-Mouth Effectiveness” <i>Target: Journal of Retailing</i>						

9. Recognized International Conference(s) In Which Paper(s) Related To This Research Project Was / Were Delivered

(Please attach a copy of each conference abstract)

Month / Year / Place	Title	Conference Name	Submitted to RGC (indicate the year ending of the relevant progress report)	Attached to this Report (Yes or No)	Acknowledged the Support of RGC (Yes or No)	Accessible from the institutional repository (Yes or No)
June / 2015 / Sapporo, Japan	[1] The Adaptive Nature of Online Consumer Reviews	<i>International Conference on Marketing, Logistics, and Management</i>	15	Yes	N/A (conference organizer did not allow any acknowledgement)	No

July / 2015 / Toronto, Canada	[2] The Effects of Audience Feedback on Online Word-of-Mouth Behavior	<i>International Business Research Conference</i>	15	Yes	N/A (conference organizer did not allow any acknowledgement)	No
June / 2016 / Waikoloa, USA	[3] Exploring the Biasing Effects of a Two-Sided Format on Product Reviews	<i>2016 INFORMS International Conference</i>	16	Yes	N/A (conference organizer did not allow any acknowledgement)	No
June / 2016 / Shanghai, China	[4] Building Opinion Leadership in Online Review Forums	<i>2016 INFORMS Marketing Science Conference</i>	16	Yes	N/A (conference organizer did not allow any acknowledgement)	No

10. Whether Research Experience And New Knowledge Has Been Transferred / Has Contributed To Teaching And Learning

(Please elaborate)

This project has equipped two RAs (namely, Irina Yu and Vincentia Yuen) with the skills and motivation to pursue a PhD degree. They are either enrolled in or applying for admission to PhD programs (e.g., at CUHK, HKBU, Wisconsin-Madison, HEC Montreal, etc.).

11. Student(s) Trained

(Please attach a copy of the title page of the thesis)

Name	Degree Registered for	Date of Registration	Date of Thesis Submission / Graduation
NA			

12. Other Impact

(e.g. award of patents or prizes, collaboration with other research institutions, technology transfer, teaching enhancement, etc.)

The project has allowed the PI to develop timely research ideas to capitalize on the explosive growth of online consumer activities (and the growing influence of word-of-mouth communication in the digital realm) in Mainland China. In December 2017, the PI gave a public seminar at Wuhan University on “Bolstering Online Reviews with Strategic Platform Design” (<http://ems.whu.edu.cn/en/Seminars/2017-12-14/425.html>), and has subsequently liaised with prominent scholars in such pertinent fields as online information search (Minxue Huang) and online communities (Fue Zeng) for collaborative projects. The immediate outcome of this collaboration

is a 2018 IIDS proposal tentatively titled “Innovations and Breakthroughs in the Largest Online Retail Market: Lessons for the Rest of the World.”

Further, a 2016 graduate of our College and a former RA of this project (Vincentia Yuen) has recently finished an independent study course at McMaster University (Canada). Her research (Online Review Site Design and the Sequence Effects) was an extension of this FDS project.

13. Public Access Of Completion Report

(Please specify the information, if any, that cannot be provided for public access and give the reasons.)

Information that Cannot Be Provided for Public Access	Reasons
NA	

**RESEARCH GRANTS COUNCIL
COMPETITIVE RESEARCH FUNDING SCHEMES FOR
THE LOCAL SELF-FINANCING DEGREE SECTOR**

FACULTY DEVELOPMENT SCHEME (FDS)

Completion Report - Attachment

(for completed projects only)

RGC Ref. No.: UGC/FDS14/B02/14

Principal Investigator: Haksin CHAN

Project Title: Identifying the “Fit” between Word-of-Mouth Content and Word-of-Mouth Context: A Multi-Method Investigation

Statistics on Research Outputs

	Peer-reviewed Journal Publications	Conference Papers	Scholarly Books, Monographs and Chapters	Patents Awarded	Other Research Outputs (Please specify)
No. of outputs arising directly from this research project [or conference]	0	4	0	0	0