RGC Ref. No.: UGC/FDS14/B15/17 (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)

- Submission Deadlines: 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

Expanding the Boundaries of Electronic Word-of-Mouth Research:

A Research Program on Designing Influential Online Review Forums

#### 2. Investigator(s) and Academic Department(s) / Unit(s) Involved

Research Team	Name / Post	Unit / Department / Institution
Principal Investigator	CHAN, Haksin / Associate Prof	Dept of Marketing / HSUHK
Co-Investigator(s)		
Others		

#### 3. Project Duration

	Original	Revised	Date of RGC / Institution Approval (must be quoted)
Project Start Date	1 Jan 2018		
Project Completion Date	31 Dec 2020	30 Jun 2021	29 Dec 2020
Duration (in month)	36 months	42 months	29 Dec 2020
Deadline for Submission of Completion Report	31 Dec 2021	30 Jun 2022	29 Dec 2020

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FDS8 (Oct 2019)

#### **Part B:** The Final Report

#### 5. Project Objectives

- 5.1 Objectives as per original application
  - 1. To advance marketing theory by providing novel insights into future-oriented e-WOM (a conceptual dimension previously unexplored in the literature)
  - 2. To examine two sets of hypotheses on how forum design shapes online reviewers' (a) future-oriented e-WOM behavior and (b) image-sharing behavior
  - 3. To discover ecological evidence concerning the correlation between forum design and e-WOM behavior (through observation and content analysis of naturalistic e-WOM data)
  - 4. To offer guidance for practitioners looking to manage the online review process for new and existing products

5.2	Revised objectives	
	Date of approval from the RGC:	N/A
	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, two co-authors, and a full-time RA) performed a comprehensive review and synthesis of the electronic word-of-mouth (eWOM) literature, particularly as it pertains to online review platforms. Following this theoretical analysis, we performed an inductive, discovery-oriented investigation into a wide range of online review platforms using a netnographic methodology. This netnographic investigation covered (1) independent review sites (e.g., Yelp) and review sites affiliated with e-tailers (e.g., Amazon), (2) general review sites (e.g., Viewpoints) and product-specific review sites (e.g., Healthgrades), (3) large-scale review sites (e.g., TripAdvisor) and review sites of a smaller scale (e.g., Judy's Book), and (4) review sites based in different geographic regions, including Australia (e.g., Productreview.com.au), China (e.g., Taobao), Europe (e.g., Reevoo), India (e.g., Zomato), and North America (e.g., Foursquare).

This research project has produced three journal publications and four conference papers. They include (1) a 2022 article in *European Journal of Marketing* (Impact Factor = 5.70), (2) a 2022 article in *Journal of Business Research* (Impact Factor = 7.55), and (c) a 2021 article in *Journal of Global Marketing* (Impact Factor = 2.93). In addition, the PI has shared the findings of this research at major conferences in the field, including *American Marketing Association's Summer Academic Conference* (2018, 2020) and *Australian & New Zealand Marketing Academy Conference* (2019, 2021). For easy reference, the three journal publications are listed below.

**Chan, H.**, Zeng, K. J., & Yang, M. X. (2022). Review platforms as prosumer communities: Theory, practices, and implications. *European Journal of Marketing*, 56, in press.

**Chan, H.**, Yang, M. X., & Zeng, K. J. (2022). Bolstering ratings and reviews systems on multi-sided platforms: A co-creation perspective. *Journal of Business Research*, *139*(February), 208-217.

**Chan, H.**, & Yang, M. X. (2021). Culture and electronic word of mouth: A synthesis of findings and an agenda for research. *Journal of Global Marketing*, *34*(3), 165-169. https://doi.org/10.1080/08911762.2021.1903642

In terms of substantive contributions, the research team has generated theoretical insights for the ever-evolving eWOM phenomenon (objective 1), revealed how platform design systematically impacts eWOM behavior (objective 2), documented specific platform features that are conducive to novel, relevant, and congruent online reviews (objective 3), and offered contextualized advice to brand managers as well as third-party platform managers (objective 4). Overall speaking, the project objectives have been achieved.

Note: The PI has further leveraged this RGC grant to train a PhD student, who is enrolled in the PhD program at Curtin University of Australia and is jointly supervised by the PI and a Curtin faculty member (see section 6.2 and section 11 for additional details).

#### 5.4 Summary of objectives addressed to date

Objectives (as per 5.1/5.2 above)	Addressed (please tick)	Percentage Achieved (please estimate)
1. To advance marketing theory by providing novel insights into future-oriented e-WOM (a conceptual dimension previously unexplored in the literature)	✓	100%
2. To examine two sets of hypotheses on how forum design shapes online reviewers' (a) future-oriented e-WOM behavior and (b) image-sharing behavior	✓	100%

3. To discover ecological evidence concerning the correlation between forum design and e-WOM behavior (through observation and content analysis of naturalistic e-WOM data)	./	100%
4. To offer guidance for practitioners looking to manage the online review process for new and existing products		100%

#### 6. Research Outcome

6.1 Major findings and research outcome (Maximum 1 page; please make reference to Part C where necessary)

Based on literature review and observations of online review platforms around the world, we propose that platform design is pivotal to both the content and style of eWOM (Chan and Yang, 2021). For example, some platforms invite attribute-by-attribute evaluations in the form of objective product commentaries, whereas others encourage the sharing of personal experiences in the form of subjective consumer stories. On the one hand, this theoretical work (published in *Journal of Global Marketing*) highlights platform design as a largely unexplored source of influence on eWOM behavior. On the other hand, it lays the foundation for two large-scale studies set respectively in the business-to-business context (Chan, Yang, and Zeng, 2022) and in the consumer-to-consumer context (Chan, Zeng, and Yang, 2022).

The former study (published in *Journal of Business Research*) draws on value co-creation and knowledge management research to pinpoint how the ratings and reviews (R&R) systems on multi-sided platforms may be designed to facilitate the generation and sharing of high-quality product knowledge among buyers. In the digital age, R&R systems have become a vital ecosystem that simultaneously promotes buyer welfare (by virtue of deepened product knowledge), seller welfare (by virtue of sharpened business intelligence), and platform welfare (by virtue of enhanced platform reputation). The latter study (forthcoming in *European Journal of Marketing*) draws on the theory of prosumption to depict consumers' active participation in the creation of value for self and others. In online communities such as product review platforms, consumers do not generate new content in isolation, but rather in consideration of history (e.g., prior reviews), social dynamics (e.g., peer interactions), and culture (e.g., platform norms). It follows that platform managers play an important role in today's digital information landscape as they may create platform characteristics that heighten or reduce the effects of review history, social dynamics, and platform culture.

Overall, the series of timely publications are expected to have significant implications for advancing both theory and practice on eWOM behavior (in terms of review quality) and management of online communities (in terms of platform design).

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

The PI is currently co-supervising a PhD candidate at Curtin University on a dissertation topic that builds on and extends this RGC project (Dissertation Title: Platform Design and Electronic Word-of-Mouth Adaptability: A Construal Level Perspective). Under the supervision of the PI and the Curtin co-supervisor, the PhD candidate has conducted several lab experiments to test a number of hypotheses on how platform design might influence eWOM content and style. The results have largely supported the hypothesized effects of platform design on eWOM behavior.

With two more experiments to be conducted within the next few months, we are excited about the potential of this dissertation. By conservative estimate, we expect to publish this research in a good outlet (if not a top-tier journal).

In addition to the lab experiments, we are also planning to perform content analysis on real-life eWOM data extracted from review platforms such as *TripAdvisor* and *Yelp*. The content-analytic results are expected to complement those of lab experiments and to shed new light on the dynamic, evolving e-WOM behavior in this digital era.

#### 7. Layman's Summary

(Describe <u>in layman's language</u> the nature, significance and value of the research project, in no more than 200 words)

Online product reviews are a vital part of today's information ecosystem that significantly impacts both consumer welfare and business performance. For example, 84% of online shoppers trust anonymous product reviews as much as they do product advice from known personal sources; moreover, 82% of in-store shoppers do online research beforehand and they often read online reviews while shopping in a physical store. Given the power of online reviews, it is natural to ask this fundamental question: How can review platforms guide ordinary (non-expert) consumers to collectively contribute high-quality review content over time?

The extant literature is largely mute on this important question. Through our research effort, we have discovered that online reviewers can be motivated to engage in three distinct value-adding processes: (1) history-based co-creation (by heeding prior reviews), (2) audience-based co-creation (by interacting with peers), and (3) norm-based co-creation (by adhering to platform culture). These processes correspond, respectively, to three key dimensions of review quality—novelty, relevancy, and congruency—that can be managed through platform design. These findings have great contemporary significance, as online review platforms have become unquestionably the most widely used and arguably the most trusted source of consumer information.

#### Part C: Research Output

# 8. Peer-Reviewed Journal Publication(s) Arising <u>Directly</u> 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.)

Tì	ne Latest Stati	us of Publica	ations		Title and Journal / Book				
Year of Publicatio n	Year of Acceptance (For paper accepted but not yet published)	Under Review	Under Preparation (optional)	Author(s) (denote the correspond- ing author with an asterisk*)	(with the volume, pages and other	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)
	2022			Haksin Chan*, Kevin J. Zeng, Morgan X. Yang	Review platforms as prosumer communities: Theory, practices, and implications, European Journal of Marketing, 56 (in press). https://doi.org/10.1108/EJM-10-2021-0819	No	Yes (Annex I)	Yes	Yes (https://rese arch hsu.ed u.hk/project /?project_tit le=Expandi ng%20the% 20Boundari es%20of%2 0Electronic %20Word-o f-Mouth%2 0Research: %20A%20 Research% 20Program %20on%20 Designing% 20Influentia 1%20Online %20Review %20Forums )
2022				Haksin Chan*, Morgan X. Yang, Kevin J. Zeng	Bolstering ratings and reviews systems on multi-sided platforms: A co-creation perspective, Journal of Business Review, 139 (February), 208-217. https://doi.org/10.1016/j.jbusres.2021. 09.052	No	Yes (Annex II)	Yes	Yes (https://rese archdb.hsu. edu hk/view /publication /202200053)
2021				Haksin Chan, Morgan X. Yang*	Culture and electronic word of mouth: A synthesis of findings and	No	Yes (Annex III)	Yes	Yes (https://doi. org/10.1080/ 08911762.20 21.1903642)

		an agenda for research, Journal of Global Marketing, 34(3), 165-169.		
		doi: 10.1080/089 11762.2021. 1903642		

## 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)
Dec 2021, Melbourne, Australia (Virtual)	Managing Buyer-Generated Reviews on Multi-Sided Platforms: A Co-Creation Perspective	Australian & New Zealand Marketing Academy Conference (ANZMAC)	No	Yes (Annex IV)	Yes	Yes (https://rese archdb.hsu. edu.hk/view /publication/ 202100235)
Aug 2020, San Francisco, USA (Virtual)	The Interaction of Culture and Forum Design in Online Reviews	American Marketing Association's (AMA) Summer Academic Conference	No	Yes (Annex V)	Yes	Yes (https://rese archdb.hsu. edu.hk/view /publication/ 202000259)
Aug 2019, Chicago, United States	Product Review Forums as Learning Communities	American Marketing Association's (AMA) Summer Academic Conference	Yes (2019)	No	Yes	Yes (https://rese archdb.hsu. edu.hk/view /publication/ 201900377)
Dec 2018, Adelaide, Australia	Opinion Leadership in Product Review Forums	Australian & New Zealand Marketing Academy Conference (ANZMAC)	Yes (2019)	No	Yes	Yes (https://rese archdb.hsu. edu.hk/view /publication/ 201800327)

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

(Please elaborate)

Yes. As mentioned above, the PI has trained a full-time RA and is training a PhD candidate whose dissertation topic (Platform Design and Electronic Word-of-Mouth Adaptability: A Construal Level Perspective) is an extension of this RGC project.

#### 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

Note:			

#### 12. Other Impact

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

N/A
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#### 13. Statistics on Research Outputs

	Peer-reviewed Journal Publications	Conference Papers	Scholarly Books, Monographs and Chapters	Patents Awarded	Other Rese Output (please spe	s
No. of outputs arising directly from this research project	3	4	Ô	0	Type N/A	No.

### 14. 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
N/A	