Chapter 92

Lucky Reply Effect:

How a Company's Online Replies to Consumers' Online Comments Affect Consumers' Predictions of Randomly Determined Associated Rewards

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ABSTRACT

As social media has developed, online interaction between consumers and companies has increased rapidly. This research explores how companies' replies to consumers' past online comments affect consumers' predictions of their chances of winning randomly determined associated rewards (e.g., a random drawing). The results of two studies show that consumers who left positive comments (encouragement/appreciation) and then received a reply from the company predicted a higher likelihood of winning a random drawing than those whose comments did not receive company replies. Both the boundary and the underlying mechanism of the effect are discussed in the research. The present research contributes to the literature on companies' online reply patterns by linking their online replies with consumer predictions concerning randomly determined rewards, extends consumer efforts from offline purchases to online comments, and provides insights into the differences between consumer predictions regarding traditional offline promotional events and online promotional events.

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1. INTRODUCTION

With the development of new information and communication technologies—and in particular, with the development of the Internet and social networks—consumers' consumption habits have changed by virtue of having new channels through which to search for, assess, choose, and buy goods and services (Alves, Fernandes, & Raposo, 2016). To adapt to this changing market, companies must develop appropriate and effective Internet marketing tactics. Social media can efficiently bring consumers and companies closer to one another not only by providing companies with the opportunity to communicate with consumers through various social networks but also by allowing customers to conveniently leave negative or positive comments (complaints or appreciation) with companies (Kelly, Kerr, & Drennan, 2010). It is therefore not surprising that large companies, small and medium-sized enterprises, individuals, and even presidential candidates are effectively exploiting social media as a tool for communication and promotion (Riu, 2015). In addition, traditional marketing strategies are increasingly being employed by means of social media. For example, Hungry Jack's in Australia promotes its business with a mobile app named "Hungry Jack's Shake & Win." Consumers can win free coupons for Hungry Jack's by shaking their mobile device and checking in with their Facebook account.

Social media provide consumers a means of communicating with one another and companies (Floreddu & Cabiddu, 2016). Many companies in China promote their products and communicate with consumers through Weibo, which functions in China as the equivalent of Twitter in the U.S. One propaganda method frequently employed by companies on Weibo is called "comment, forwarding, and drawing". When companies promote new products, services and/or events, they introduce their advertising through Weibo and inform their consumers, "Comment and forward this post, and you will be entered into a random drawing to win rewards!" The speed at which the advertisement spreads accelerates as a result of this promotional method. Do consumers predict that they have the same likelihood to win a prize? Would the number of consumers' past comments influence their predictions? What would a company's replies on social media mean for consumers? Would these replies influence consumers' perceptions? The present research addresses these questions.

This research examines whether companies' responses affect consumers' perceptions and judgements by assessing consumers' predictions concerning randomly determined rewards in a drawing as part of an Internet promotion, even when the drawing is explicitly identified as random. Although the comments left by consumers on social media are typically either positive or negative, we consider only the positive comments in this research. When the comments were positive (encouragement/appreciation), consumers who received replies from the company felt they were more likely to win the drawing no matter how many comments they left previously. Consumers did not believe they would win the drawing when the company replied only to their comments because they believed their efforts (e.g., positive comments) were more valuable to the company than others' efforts. The present research contributes to the literature on companies' online reply patterns by linking their online replies with consumers' predictions of winning randomly determined rewards, promotes consumers' involvement from making offline purchases to posting online comments, and provides insights into the differences between consumers' predictions regarding traditional offline promotional events and online promotional events. In addition, the present research provides marketers with deep insights into consumers' psychology and some suggestions for drawing promotion.

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