

Chapter 55

Online Review Helpfulness: A Literature Review

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ABSTRACT

Online platforms, such as Yelp and TripAdvisor, have facilitated ubiquitous and convenient access to a large number of online reviews about almost any product/service. Hence, it is imperative to understand what makes a review helpful for the consumers to make a decision about the adoption of the focal product/service. Drawing on Berlo's sender-message-channel-receiver model, the authors identify factors affecting online review helpfulness from the extant literature. Such understanding is critical to the review platforms and organizations to mitigate review helpfulness.

INTRODUCTION

The growth of e-commerce made online reviews more influential than ever before (Lee et al., 2021). Consumers generally seek information as they are unsure about their decision to purchase a product/service (Berger, 2014). Although they can obtain information from formal information sources (e.g., brochures, handouts, newspapers or advertising campaigns), they mostly rely on informal or personal information sources before making a purchase decision (Bansal & Voyer, 2000). This informal communication is referred to as word of mouth and is defined as “informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services or their sellers” (Westbrook, 1987, p. 261).

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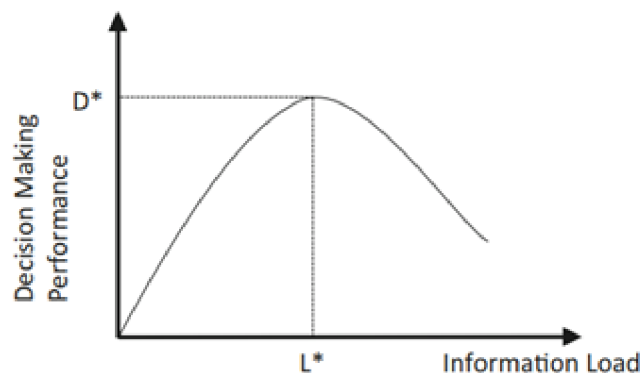
With the advances in information technology, especially web 2.0 technologies (e.g., consumer review sites or social network sites), it became easier for people to share their opinion using information technology tools, and word of mouth is evolved into Online Reviews (also called electronic word of mouth (eWoM)) and refers to as “any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet” (Hennig-Thurau et al., 2004, p39). Case in point, are the reviews posted on Yelp, TripAdvisor, and Amazon, where people express their opinions about products/services (e.g., restaurants and hotels). The importance of online reviews could be measured by the number of reviews posted on the review websites. For example, Yelp reached 265 million reviews for a variety of businesses (Yelp, 2022), and the number of reviews on TripAdvisor reached more than 1 billion for close to 8 million businesses by the end of 2022 (Tripadvisor, 2022).

Consumers rely more on informal information sources, for example, consumers rely on the opinions of other consumers found on the internet when planning a trip or a reservation at a restaurant (Jeong & Jang, 2011; Kim et al., 2011; Kimes, 2011), and 85% of consumers usually read up to ten reviews before making a decision (Mousavizadeh et al., 2022). They also affect product awareness; for example, by reading comments on Amazon.com, consumers may become aware of an unfilled product need and thus buy the product (Mudambi & Schuff, 2010). They also influence attitude toward using a service (Qahri-Saremi & Montazemi, 2016) and sales (Chen et al. 2008; Clemons et al. 2006).

BACKGROUND

Although consumers have access to a vast number of reviews available on consumer review sites, weblogs, or social network sites, this also brings additional challenges and costs. It is not only time-consuming to find and read the reviews, but the amount of information also makes it difficult for the consumer to process and judge reviews as a result of the information load. Information load refers to “a complex mixture of the quantity, ambiguity and variety of information that people are forced to process. As load increases, people take increasingly strong steps to manage it” (Weick, 1995, p. 87). Roetzel (2019) modelled this information load and decision-making process as an inverted U curve, depicted in Figure 1. As shown in Figure 1, the decision-making performance (“the probability of achieving the best possible decision” (Roetzel, 2019, p.484)) increases as the information increases up to some point. After the optimal point, the performance decreases. This may happen according to two reasons: cognitive capacity constraints and resource capacity constraints.

Figure 1. Information and decision-making performance (Roetzel, 2019)



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