Departmental Research Seminar

Anchoring or Swaying?
The Impact of Overall Average Rating vs. Most Accessible Reviews in Online Word-of-Mouth
By
Prof. Han Zhang
Georgia Institute of Technology

Date: 25 Jun 2019 (TUE)
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Abstract
Studies in the online word-of-mouth literature generally assume that a product’s overall average rating, the most prominent signal of product quality, is the primary force shaping consumers’ intention to purchase the product and driving sales. Although little research has examined the veracity of this predominant assumption, accumulating evidence suggests that individual reviews also affect consumers’ decision-making. In this paper, we compare the relative impact of a product’s overall average rating and its prominently displayed individual reviews. Drawing on the heuristics-and-biases literature, we derive two competing hypotheses that contrast the former’s anchoring effect and the latter’s swaying effect. In addition, extending the concept of belief confidence from the metacognition literature, we propose the dispersion of the product’s ratings as a boundary condition for the anchoring and swaying effects. Through two carefully designed experiments and an archival analysis of a panel dataset collected from Apple’s App Store, we find evidence that consumers’ intention to purchase the product and product sales are influenced primarily by the most accessible reviews (i.e., swaying effect), and that rating dispersion can moderate both swaying and anchoring effects. Our findings challenge the common belief of researchers and practitioners that the most critical determinant of product sales is the average product rating, and offer important theoretical and practical implications.

Prof. Han Zhang is a Full Professor of Information Technology Management (ITM) and Steven A. Denning Professor of Technology & Management at the Scheller College of Business, Georgia Institute of Technology (Georgia Tech). He received his Ph.D. in Information Systems from the University of Texas at Austin. He currently serves as the Faculty Director of the Steven A. Denning Technology & Management (T&M) Program. He was the ITM Area Coordinator from 2007 to 2012 and he served as the Faculty Director of the Executive MBA Program from 2013 to 2016. He held the Helen and John Taylor Rhett, Jr. Term Professorship from 2008 to 2012.

His research focuses on economics of information technology, online trust and reputation, online word-of-mouth, and the evolution of electronic markets. His research work on the institutional setup to help small businesses grow in the digital economy has been used as the basis for testimony before the Congressional House Committee on Small Business. He has published in MIS Quarterly, Information Systems Research, Journal of Marketing Research, Journal of Management Information Systems, Journal of the Association for Information Systems and other academic journals. He was a co-founder of the China Summer Workshop on Information Management (CSWIM) in 2007, and he served as the workshop Co-Chair of CSWIM 2007 and CSWIM 2010. He was the Program Co-Chair of the Sixth Workshop on e-Business (WeB) in 2007, 2016, 2017 and 2018 as well as the Program Co-Chair of the 14th Pacific Asia Conference on Information Systems (PACIS) in 2010. He is an associate editor for MIS Quarterly, and a senior editor for Journal of Information Systems and E-Business Management and Electronic Commerce Research & Applications. He also serves on the editorial boards of Information & Management, Information Technology and Management, Journal of Organizational Computing and Electronic Commerce, and Pacific Asia Journal of the Association for Information Systems.

He was a 2009 Hesburgh Award Teaching Fellow at Georgia Tech. He received the 2009 Georgia Tech Outstanding Undergraduate Research Mentor Award and the 2010 Brady Family Award for Faculty Teaching Excellence at Scheller College of Business, Georgia Tech. He recently received Georgia Tech Steven A. Denning Faculty Award for Global Engagement in 2018.

All interested are welcome.