Research Paper | Open Access

Key Opinion Leader, Online Consumer Reviews, and Online Group Buying

Margaret Meiling Luo *, Wan-Ping Li

[1]*Department of Information Management & Institute of Healthcare Information Management, National Chung Cheng University*
Address: No.168, Sec. 1, University Rd., Min-Hsiung Township, Chia-yi County 621, Taiwan, ROC

ABSTRACT: This study proposes to investigate the factors affecting consumers' intention to purchase group-buying products. From the literature review, we found that perceived usefulness of online customer reviews (OCRs) and social psychosocial distance have impact to purchasing behaviors. Previous studies suggest that electronic word-of-mouth (eWOM) plays a key role in purchase decision.Especially OCRs, a type of eWOM, have become an important factor in influencing consumers' shopping behavior.It was found that consumers tend to refer to other people's opinions to make shopping decisions. Due to the popularity of group buying, this study aim to study how OCRs influence consumers' decision.Group buying is one of the choices for consumers.We postulate that those who feel closer to key opinion leaders (KOLs) will shorten their perception of social psychosocial distance, which in turn will increase their willingness to join KOL-led group purchase activities.

Keywords: Online Consumer Reviews, OCRs, Electronic Word-of-Mouth, eWOM, Social Psychosocial Distance

I. INTRODUCTION

Social marketing is one of the important marketing strategies.With social marketing, consumers generate electronic word-of-mouth (eWOM), which is the process by which potential or actual consumers share information about products, services, and brands with others through the Internet, it refers to the process of people exchanging information on an ongoing basis (Ismagilova et al., 2017). eWOM is broader in scope, and online customer reviews (OCRs) are one form of eWOM(Tran & Strutton, 2020). Consumers often tend to check reviews provided by customers who have already consumed the product before purchasing it (Manganari & Dimara, 2017), thus online customer reviews become a reference point for consumers before making purchase.

OCRs refer to consumers who leave comments on the platform to express their experiences and opinions on products or services. For enterprises, OCRs enable them to grasp market information and gain insights into consumers' thoughts and opinions, and this exchange process provides them with valuable references that can help them formulate more effective strategies in the future (Sun et al., 2019; Yang et al., 2019). For consumers, OCRs can enable them to obtain product information and related experiences more quickly, and obtain more comprehensive product information through sharing among different consumers (Kostyra et al., 2016).

Given the sheer volume of information, the credibility of online reviews is crucial to consumers as they have to sift through and evaluate a large amount of information. The number of reviews has a direct impact on the trustworthiness of reviews, with consumers often believe that the more reviews there are, the more reliable the information is. In addition, the heterogeneity of online reviews reflects the diversity of opinions about a product, allowing consumers to obtain more comprehensive information about the product (Kim et al., 2021). Useful OCRs can assist other users in gaining a deeper understanding of products and services while providing them with useful guidance when making shopping decisions (Moloi et al., 2022)

Key opinion leaders (KOL) are considered to have higher credibility in social media (Akdim, 2021). Promoting products through KOLs can make their followers know more about the products and services (Liu et al., 2018) and increase the purchase rate (Zou & Peng, 2019). Enterprises' sales strategy is gradually not only focusing on advertising and marketing, but also including group purchasing as one of the sales strategies. The influence of KOLs is integrated into group purchasing as a new marketing strategy to deeply influence potential consumers, increase brand awareness and promote sales.

In the context of group purchasing, online customer reviews are regarded as a reference for consumers' purchasing behavior, especially when consumers find OCRs useful, which enhances their trust in group purchasing vendors and increases their purchase intention (Shi & Liao, 2017). The information quality of e-OCRs has a positive effect on consumers' psychosocial distance and trust, and when the information quality is higher, consumers' purchase intention will also increase (Zhao et al., 2020). This study aims to understand the factors affecting consumers' purchase intention when KOL set up group purchases based on psychosocial distance and perceived usefulness of online customer reviews, using Instagram as an example.

II. LITERATURE REVIEW

2.1 Key Opinion Leader and Online Group Buying

Key Opinion Leader(KOL) is considered as thought leaders in a particular field who are more than just providers of information but shape people's perspectives (Zou & Peng, 2019). According to Litterio et al. (2017), engaging influential people and things in branding campaigns can bring more benefits and have an impact on the decision making of potential consumers. KOL can disseminate information to their followers, especially when they post their opinions and suggestions about products, which may have an impact on product sales (Goldenberg et al., 2009). Influence, credibility of information provided, and expertise of KOLs are positively associated with consumer trust or purchase intention (He & Jin, 2022).

Online group buying refer to the activities initiated by companies to promote their products or services by offering discounts on products to attract consumers to purchase them (Erdoğmus & Cicek, 2011). Online group buying not only allows consumers to enjoy lower prices for their products, but also provides a new way for businesses to sell their products, which can help increase sales and introduce a new mode of operation for both businesses and consumers (Garcia et al., 2020).

2.2 Information Acceptance Model (IACM)

The Information Acceptance Model (IACM) is an extension of the Information Adoption Model (IAM) and Rational Behavior Theory (RBT), which is used to understand how people process the information they receive and how it affects them.

In the IACM framework, the key factors affecting information usefulness and information adoption include: information quality, information trustworthiness, information needs, and information attitudes (Erkan & Evans, 2016). A Thailand study, whichutilized the IACM framework, suggests that the factors in the information acceptance model affect consumer loyalty (Park, 2020). Research on social media review platforms suggests that the more consumers feel that the information is credible, the more likely they will use the review and incorporate the advice into their decision making (Jiang et al., 2021). While another study investigated the role of information quality on the relationship between Internet word-of-mouth (IWOM) and travel intention, the findings indicated that there is a positive relationship between information quality and IWOM, and that travelers' travel intention will change due to information quality (Garg & Pandey, 2020). Therefore, we postulate that information trustworthiness and information quality influence consumers' judgment of perceived usefulness of OCRs.

2.3 Social Influence andSocial psychological distance

Social influence refers to an individual's behavioral decisions that are influenced by the advice of others when he or she feels uncertain about a situation or thing (Filieri et al., 2018). Businesses can provide a review section for consumers to leave a post-shopping experience, and through social influence potential consumers can become interested in the product and increase purchase intention (Kim & Srivastava, 2007). The concept of psychological distance can be explained by applying explanatory hierarchy theory.When an individual perceives a greater psychological distance to an object or event, it means that his/her information about it is insufficient and more information is needed to express it (Trope & Liberman, 2010); therefore, the credibility and usefulness of information decreases with an increase in psychological distance (Nguyen et al., 2019). Social distance is categorized into self and others, in-group and out-group individuals, and refers to the differences in how people feel intrinsic emotions and cognitions when making choices (Trope et al., 2007).Socialpsychosocial distance refers to the distance that individuals feel between their psychological feelings and others. Trust between consumers and firms can be understood through psychosocial distance, which can be assessed through different dimensions, which in turn provides firms with the information they need to make decisions (Chung & Park, 2017; Wang et al., 2019).

2.4 Perceived usefulness of OCRs and Purchase Intention

Perceived usefulness of OCRs refers to consumers' perception of the reliability and authenticity of reviews provided by consumers who have purchased a product in the past. When potential consumers perceive reviews to be useful, it increases their purchase intention (Li et al., 2013).Take a study in the fashion industry, potential consumers increase their purchase intention when they perceive product OCRs to be reliable (Bilal et al., 2021). Consumers' acceptance of OCRs depends on their perceived usefulness of these reviews (Tran & Strutton, 2020). A study shows that Chinese consumers are more likely to rely on shopping experiences shared by previous buyers and online reviews when making cross-border online purchases(Xiao et al., 2019),.

III. RESEARCH QUESTIONS AND METHOD

The importance of OCRs to consumers is evident from past research.It was found that information quality of eWOM has a positive effect on consumers' social psychosocial distance and trust (Zhao et al., 2020). Similarly, KOL influence the thoughts of their followers, and when they share their experiences of using a product, it enhances their knowledge of the product and their purchase intention. Therefore, this study focuses on the effect of perceived usefulness of online customer reviews on psychosocial distance in the context of KOL setting up group-buying activities. Through the previous studies, we propose that information credibility and information quality are the key factors of perceived usefulness of OCRs, and that social influence and information quality affect social psychosocial distance.

Through an extensive literature search, we found the following research questions to be important for the study of OCRs and social psychosocial distance in the group buying context:

Q1: Whether perceived usefulness of OCRs enhances consumers' purchase decisions in group buying?

Q2: To what extend information trustworthiness, social influence, and information quality influence purchase intention?

Q3: To what extend the effects of social influence and information quality influence social psychosocial distance.

IV. METHOD

To explore the areas related to the research questions, this study started with a literature search. The keyword "OCRs" (Online Consumer Reviews) was used to find relevant literature. It was found that the perceived usefulness of OCRs is very important to consumers, so we further understood the key factors affecting the perceived usefulness of OCRs.

When we delved into the OCRs literature, we found that scholars often use different theories to explain the impact of OCRs on consumers' purchase intention. Therefore, this study aims to investigate the impact of OCRs on consumers' psychology by using psychological theories and setting the context of group purchasing. In this study, the keywords "online consumer review of perceived usefulness", "social psychosocial distance", and "group buying" were also used as keyword searches in order to better understand the factors of consumers' purchase intention.

Surreys will be conducted to collect empirical data. We will develop questionnaire over SurveyCake. The link of the questionnaire will be placed in several social media platform such as Facebook, Dcard (A Taiwan Website), Instagram. These are the social media currently widely used by a variety of users. By doing so, we will be able to collect samples that have different user experience. Incentives will be provided. Gift certificate of convenient store will be given to encourage participation. A lottery will be used to select the winners.

REFERENCES

[1]. Akdim, K. (2021). The influence of eWOM. Analyzing its characteristics and consequences, and future research lines. *Spanish Journal of Marketing-ESIC*, *25*(2), 239-259.

[2]. Bilal, M., Jianqiu, Z., Dukhaykh, S., Fan, M., & Trunk, A. (2021). Understanding the Effects of eWOM Antecedents on Online Purchase Intention in China. *Information*, *12*(5). https://doi.org/10.3390/info12050192

[3]. Erdoğmus, I. E., & Cicek, M. (2011). Online group buying: What is there for the consumers? *Procedia-Social and behavioral sciences*, *24*, 308-316. https://doi.org/10.1016/j.sbspro.2011.09.138

[4]. Erkan, I., & Evans, C. (2016). The influence of eWOM in social media on consumers' purchase intentions: An extended approach to information adoption. *Computers in human behavior*, *61*, 47-55. https://doi.org/10.1016/j.chb.2016.03.003

[5].   Filieri, R., McLeay, F., Tsui, B., & Lin, Z. (2018). Consumer perceptions of information helpfulness and determinants of purchase intention in online consumer reviews of services. *Information & management*, *55*(8), 956-970. https://doi.org/10.1016/j.im.2018.04.010

[6].   Garcia, J. M., Freire, O. B. D. L., Santos, E. B. A., & Andrade, J. (2020). Factors affecting satisfaction and loyalty to online group buying. *Revista de Gestão*, *27*(3), 211-228. https://doi.org/10.1108/REGE-02-2018-0037

[7].   Garg, P., & Pandey, A. (2020). Examining moderating role of personal identifying information in travel related decisions. *International Journal of Tourism Cities*, *6*(3), 621-638. https://doi.org/10.1108/IJTC-06-2019-0083

[8].   Goldenberg, J., Han, S., Lehmann, D. R., & Hong, J. W. (2009). The role of hubs in the adoption process. *Journal of marketing*, *73*(2), 1-13. https://doi.org/10.1509/jmkg.73.2.1

[9].   He, W., & Jin, C. (2022). A study on the influence of the characteristics of key opinion leaders on consumers' purchase intention in live streaming commerce: based on dual-systems theory. *Electronic Commerce Research*, 1-31. https://doi.org/10.1007/s10660-022-09651-8

[10].   Ismagilova, E., Dwivedi, Y. K., Slade, E., & Williams, M. D. (2017). Electronic word of mouth (eWOM) in the marketing context: A state of the art analysis and future directions. https://doi.org/10.1007/978-3-319-52459-7

[11].   Jiang, G., Liu, F., Liu, W., Liu, S., Chen, Y., & Xu, D. (2021). Effects of information quality on information adoption on social media review platforms: Moderating role of perceived risk. *Data Science and Management*, *1*(1), 13-22. https://doi.org/10.1016/j.dsm.2021.02.004

[12].   Kim, J. M., Lee, E., & Mariani, M. M. (2021). The influence of launching mobile channels on online customer reviews. *Journal of business research*, *137*, 366-378. https://doi.org/10.1016/j.jbusres.2021.08.048

[13].   Kim, Y. A., & Srivastava, J. (2007). Impact of social influence in e-commerce decision making. Proceedings of the ninth international conference on Electronic commerce,

[14].   Kostyra, D. S., Reiner, J., Natter, M., & Klapper, D. (2016). Decomposing the effects of online customer reviews on brand, price, and product attributes. *International Journal of Research in Marketing*, *33*(1), 11-26. https://doi.org/10.1016/j.ijresmar.2014.12.004

[15].   Li, M., Huang, L., Tan, C.-H., & Wei, K.-K. (2013). Helpfulness of online product reviews as seen by consumers: Source and content features. *International Journal of Electronic Commerce*, *17*(4), 101-136. https://doi.org/10.2753/JEC1086-4415170404

[16].   Litterio, A. M., Nantes, E. A., Larrosa, J. M., & Gómez, L. J. (2017). Marketing and social networks: a criterion for detecting opinion leaders. *European Journal of Management and Business Economics*, *26*(3), 347-366. https://doi.org/10.1108/EJMBE-10-2017-020

[17].   Liu, Y., Gu, Z., Ko, T. H., & Liu, J. (2018). Identifying key opinion leaders in social media via modality-consistent harmonized discriminant embedding. *IEEE Transactions on Cybernetics*, *50*(2), 717-728. https://doi.org/10.1109/TCYB.2018.2871765

[18].   Manganari, E. E., & Dimara, E. (2017). Enhancing the impact of online hotel reviews through the use of emoticons. *Behaviour & Information Technology*, *36*(7), 674-686. https://doi.org/10.1080/0144929X.2016.1275807

[19].   Moloi, M., Quaye, E. S., & Saini, Y. K. (2022). Evaluating key antecedents and consequences of the perceived helpfulness of online consumer reviews: A South African study. *Electronic Commerce Research and Applications*, *54*. https://doi.org/10.1016/j.elerap.2022.101172

[20].   Nguyen, T., Carnevale, J. J., Scholer, A. A., Miele, D. B., & Fujita, K. (2019). Metamotivational knowledge of the role of high-level and low-level construal in goal-relevant task performance. *Journal of personality and social psychology*, *117*(5), 876. https://doi.org/10.1037/pspa0000166

[21].   Park, T. (2020). How information acceptance model predicts customer loyalty? A study from perspective of eWOM information. *The Bottom Line*, *33*(1), 60-73. https://doi.org/10.1108/BL-10-2019-0116

[22].   Shi, X., & Liao, Z. (2017). Online consumer review and group-buying participation: The mediating effects of consumer beliefs. *Telematics and informatics*, *34*(5), 605-617. https://doi.org/10.1016/j.tele.2016.12.001

[23].   Sun, Q., Niu, J., Yao, Z., & Yan, H. (2019). Exploring eWOM in online customer reviews: Sentiment analysis at a fine-grained level. *Engineering Applications of Artificial Intelligence*, *81*, 68-78. https://doi.org/10.1016/j.engappai.2019.02.004

[24].   Tran, G. A., & Strutton, D. (2020). Comparing email and SNS users: Investigating e-servicescape, customer reviews, trust, loyalty and E-WOM. *Journal of Retailing and Consumer Services*, *53*, 101782.

[25]. Trope, Y., & Liberman, N. (2010). Construal-level theory of psychological distance. *Psychological review*, *117*(2), 440. https://doi.org/10.1037/a0018963

[26]. Trope, Y., Liberman, N., & Wakslak, C. (2007). Construal levels and psychological distance: Effects on representation, prediction, evaluation, and behavior. *Journal of consumer psychology*, *17*(2), 83-95. https://doi.org/10.1016/S1057-7408(07)70013-X

[27]. Xiao, L., Guo, F., Yu, F., & Liu, S. (2019). The effects of online shopping context cues on consumers' purchase intention for cross-border E-Commerce sustainability. *Sustainability*, *11*(10), 2777. https://doi.org/10.3390/su11102777

[28]. Yang, B., Liu, Y., Liang, Y., & Tang, M. (2019). Exploiting user experience from online customer reviews for product design. *International Journal of Information Management*, *46*, 173-186. https://doi.org/10.1016/j.ijinfomgt.2018.12.006

[29]. Zhao, Y., Wang, L., Tang, H., & Zhang, Y. (2020). Electronic word-of-mouth and consumer purchase intentions in social e-commerce. *Electronic Commerce Research and Applications*, *41*, 100980. https://doi.org/10.1016/j.elerap.2020.100980

[30]. Zou, Y. & Peng, F. (2019). Key Opinion Leaders' Influences in the Chinese Fashion Market. In: Kalbaska, N., Sádaba, T., Cominelli, F., Cantoni, L. (eds) Fashion Communication in the Digital Age. FACTUM 2019. Springer, Cham. https://doi.org/10.1007/978-3-030-15436-3_11