

## **Perceived Deception or Perceived Relevance? The Role of Self-Regulatory Focus in Processing Negative Online Reviews**

Ran Huang, Indiana University – Bloomington  
Stacy Lee, Texas Tech University

Keywords: Negative online reviews, promotion, prevention, persuasiveness

As consumers rely heavily on user-generated content for their decision making, negative online reviews, stressing consumers' unsatisfactory shopping experiences, have been considered as credible sources to evaluate products and/or services (Godes & Mayzlin, 2004). In this sense, negative reviews can help consumers confirm or eliminate purchase options. On the other hand, some negative reviews can be extreme and unrealistic, which may lead to different consumer perceptions rather than perceived credibility of the reviews (Mayzlin, 2006). Indeed, as Mayzlin (2006) explains, consumers have doubts about the trustworthiness of negative online reviews, especially when the retail industry has witnessed some companies distribute malicious reviews to destroy online reputation of their competitors and consumers participate in online incivility behavior such as internet trolling. Thus, the way in which consumers view negative online reviews should be more complex – some perceive negative online reviews truthful and relevant in making purchase decisions, whereas others perceive the messages deceptive. To the best of our knowledge, there is no existing study to address how consumers perceive negative online reviews in terms of deception and relevance. Based on the theory of self-regulatory focus (Higges, 2002) and persuasion knowledge model (Friestad & Wright, 1999), we suggest that self-regulatory focus delineating two important consumption goals (i.e., promotion focus and prevention focus) may differently influence consumer perception of negative online reviews. Therefore, the purpose of this study is twofold: (1) to explore how self-regulatory focus as an individual characteristic impacts perceived deception and perceived relevance; and (2) to investigate how consumer perceptions lead to the persuasiveness of negative online reviews.

Persuasion Knowledge Model (PKM) suggests that consumers may have negative reactions to company-driven communication when they perceive marketing tactics to be manipulative (Friestad & Wright, 1999). More specifically, during information processing, consumers tend to feel skeptical toward the marketing content produced by companies and generate negative responses toward the messages. Such consumer responses are also found in consumer-created content such as online reviews. The level of consumer knowledge on whether product reviews are perceived to be manipulated exerts an influence on consumer evaluations of reviews themselves. When consumers consider product reviews to be manipulative, they may value the reviews less with the increasing level of deception (Bambauer-Sachse & Mangold, 2013). Moreover, the self-regulatory focus theory identifies two consumption goals that affect how consumers evaluate online reviews: Promotion focus that is concerned with positive outcomes and accomplishments and prevention focus that is concerned with negative outcomes (Higges,

Page 1 of 3

*Published under a Creative Commons Attribution License (<https://creativecommons.org/licenses/by/4.0/>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.*

**ITAA Proceedings, #76 - <https://itaaonline.org>**

2002; Zhang, Craciun, & Shin, 2010). Two self-regulatory foci influence the effectiveness of the product reviews in different ways – consumers with promotion focus pay more attention to advancement and achievement through information processing tend to perceive negative reviews less relevant, compared to consumers with prevention focus who pay more attention to avoid negative outcomes (Zhang et al., 2010). Similarly, self-regulatory focus could impact perceived deception such that promotion focus increases consumers’ perceptions of deception and yet prevention focus decreases perceptions of deception toward negative online reviews. In this study, we argue that deception and relevance as the underlying mechanisms facilitate the influence of self-regulatory focus on persuasiveness of negative online reviews. Perceived deception refers to consumers’ perceptions of deceptive tactics delivered in product reviews (Román, 2010), whereas perceived relevance refers to the extent to which a product review is related to personal needs and values (Jung, 2017). As an outcome variable, perceived persuasiveness is defined as the degree of which consumers evaluate the reviews to be convincing, reliable, and effective (Fransen & Fennis, 2014). Accordingly, in the context of negative online reviews,

- H1.** Promotion focus **(a)** increases perceived deception and **(b)** decreases perceived relevance.  
**H2.** Prevention focus **(a)** decreases perceived deception and **(b)** increases perceived relevance.  
**H3.** Perceived deception decreases perceived persuasiveness.  
**H4.** Perceived relevance increases perceived persuasiveness.

An online survey was developed and distributed for two weeks in January 2019. Measurement scale of variables were adopted from previous studies, and wordings were modified to fit to the study objectives. A total of 323 participants ( $M_{age} = 44.6$ , 72.1% female) were recruited from Qualtrics. Data analysis involved in two steps. First, a well-fitting measurement model was established using Confirmatory Factor Analysis (CFA) with the maximum likelihood (ML) estimation (AMOS 24):  $\chi^2(109) = 242.893$ ,  $p = .000$ ,  $\chi^2/df = 2.228$ , RMSEA = .062, IFI = .958, TLI = .947 and CFI = .957. Reliabilities, convergent and discriminant validity were also confirmed. Second, SEM with ML estimation tested proposed hypotheses. The proposed model yielded a good fit to the data:  $\chi^2(112) = 265.131$ ,  $p = .000$ ,  $\chi^2/df = 2.367$ , RMSEA = .065, IFI = .952, TLI = .941 and CFI = .951. The results indicated all the hypotheses were supported except for H1a (Figure 1).

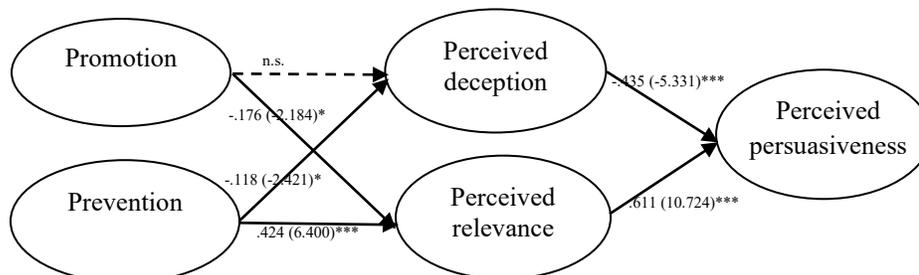


Figure 1. Resulted Model

Note. Numbers are standardized factor loadings and Critical Ratios (CRs) in parentheses. \* $p < .05$ , \*\* $p < .01$ , \*\*\* $p < .001$

Results suggest that perceived deception and relevance as the underlying processing to connect self-regulatory focus with persuasiveness of negative online reviews. Prevention focus leads to lower level of perceived deception and higher level of perceived relevance, whereas promotion focus leads to lower level of perceived relevance. In turn, deception decreases, and relevance increases perceived persuasiveness. Interestingly, the effect of promotion focus on perceived deception is not significant. In general, promotion-focused individuals are less likely to activate persuasion knowledge (Kirmani & Zhu, 2007) so as to perceive messages deceptive. Findings of this study illustrate information processing of negative online reviews varies based on individual characteristics, providing useful lessons for fashion retailer and marketers regarding word-of-mouth communication strategies.

#### References

- Bambauer-Sachse, S., & Mangold, S. (2013). Do consumers still believe what is said in online product reviews? A persuasion knowledge approach. *Journal of Retailing and Consumer Services*, 20, 373–381.
- Fransen, M. L., & Fennis, B. M. (2014). Comparing the impact of explicit and implicit resistance induction strategies on message persuasiveness. *Journal of Communication*, 64(5), 915–934.
- Friestad, M., & Wright, P. (1999). Everyday persuasion knowledge. *Psychology & Marketing*, 16(2), 185–194.
- Godes, D., & Mayzlin, D. (2004). Using online conversations to study word-of-mouth communication. *Marketing Science*, 23(4), 545–560.
- Higges, E. T. (2002). How self-regulation creates distinct values: The case of promotion and prevention decision making. *Journal of Consumer Psychology*, 12(3), 177–191.
- Jung, A-R. (2017). The influence of perceived ad relevance on social media advertising: An empirical examination of a mediating role of privacy concern. *Computers in Human Behavior*, 70, 303–309.
- Kirmani, A., & Zhu, R. (2007). Vigilant against manipulation: The effect of regulatory focus on the use of persuasion knowledge. *Journal of Marketing Research*, 44(4), 688–701.
- Mayzlin, D. (2006). Promotional chat on the internet. *Marketing Science*, 25(2), 155–163.
- Román, S. (2010). Relational consequences of perceived deception in online shopping: The moderating roles of type of product, consumer's attitude toward the internet and consumer's demographics. *Journal of Business Ethics*, 95(3), 373–391.
- Zhang, J. Q., Craciun, G., & Shin, D. (2010). When does electronic word-of-mouth matter? A study of consumer product reviews. *Journal of Business Research*, 63, 1336–1341.