

Marketing Research Seminar Series | Department of Marketing | WU Vienna

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"Channels of Impact: User reviews when quality is dynamic and managers respond"
(Judith Chevalier, Yaniv Dover, and Dina Mayzlin)

Abstract: We examine the question of why many consumers privately provide a public good by posting product and service reviews in online forums. Previous literature on motivation has focused mostly on goods with time-invariant quality such as books or movies. There, the primary motivation may be to impact the choices of other consumers. However, in dynamic-quality environments such as restaurants or hotels, consumers may additionally be motivated by the possibility that their reviews will impact the quality of the service directly. We examine this empirically by examining situations in which reviewers receive a credible signal that the service provider is listening. Specifically, we examine the “managerial response” feature allowed by many review platforms. We hypothesize that managerial responses will stimulate reviewing activity and that, because managers respond more and in more detail to negative reviews, we hypothesize that managerial responses will particularly stimulate negative reviewing activity. Using a multiple-differences specification, we show that reviewing activity and particularly negative reviewing activity is indeed stimulated by managerial response. Our specification exploits comparison of the same hotel immediately before and after response initiation and compares a given hotel’s reviewing activity on sites with review response initiation to sites that do not allow managerial response.

Bio: Dina Mayzlin is an Associate Professor of Marketing at the USC Marshall School of Business. Her primary line of research explores the firm's management of social interactions among consumers. Her second related line of research investigates the firm’s advertising and communication strategy. Professor Mayzlin’s research has won a number of awards, including the John D.C. Little Best Paper Award, the INFORMS Society for Marketing Science Long Term Impact Award (twice), and the O’Dell Long Term Impact Award. She has served on a number of editorial boards, including the boards of Marketing Science, Journal of Marketing Research, and the International Journal of Research in Marketing. Prior to coming to USC, Professor Mayzlin was an Associate Professor of Marketing at the Yale School of Management. She received both her undergraduate and her graduate degrees at MIT.