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Managing the uncontrollable: Empirical studies of user-generated content online

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ENGLISH SUMMARY

User-generated content online has become prominent in recent years. The internet and ever expanding social media have empowered consumers with increased access to information and growing interactivity with companies. The online buzz created by internet users may be overwhelming for companies developing their online communication strategies. Much research has been done to investigate user-generated content, especially its influence on consumer behavior (e.g., Gruen, Osmonbekov and Czaplewski, 2005) and company performance (e.g., Chevalier and Mayzlin, 2006). As both favorable and non-favorable information can now be created and circulated fast online, the “uncontrollability” of user-generated content (Dobele, Toleman and Beverland, 2005) is the main challenge for practitioners and scholars. The impact of user-generated content could differ across contexts. In many situations, the question remains: considering the influence of platforms and discussion characteristics, how can the valence and opinions expressed in user-generated content be managed and influenced in “uncontrollable” situations? And how can they influence the output of discussions in “controlled” situations?

Addressing the potential interplay between user-generated content and its “uncontrollability,” this thesis explores user-generated content in two particular typologies: structured discussions in company-administered platforms and unstructured discussions on consumer-administered platforms. While the former seemingly offers more control for companies compared to the latter, this thesis aims to identify the factors that influence user-generated content which may or may not be controlled by the companies. The study is set in two imperative empirical settings, namely, corporate social responsibility concerns and brand/product-related co-creation ideas, which are chosen for their relevance to modern business practices. User-generated content that is related to corporate social responsibility communications often poses challenges for companies. Internet users may engage in negative word-of-mouth on the topic of corporate social responsibilities, due to consumer skepticism (e.g., Du, Bhattacharya and Sen, 2010), or even initiate boycotts and anti-consumption campaigns (e.g., Koku, 2012). On the other hand, co-creation, known as the collective contribution of online crowds,

can directly benefit company performance in terms of new product development and value co-creation (e.g., Grönroos, 2011). The study examines unstructured user-generated content in response to corporate social responsibility communications in the blogosphere and explores the content of company-administered co-creation communities. Analyzing text-based content online, with the focus of these two particular emerging contexts that are developed in the two contrasting platforms, the thesis aims to unravel a noteworthy pattern of online buzz that companies should monitor among the vast information circulated on the internet.

The first two studies, chapters two and three, explore user-generated content in the blogosphere in response to corporate social responsibility communications on obesity and health issues. In recent years, food companies have increasingly been requested to take responsibility in reducing obesity and promoting health (Young and Nestlé, 2007). However, their initiatives and efforts at communication are often confronted by stakeholders who are skeptical (Schrempf, 2012). To investigate the valence of the blogs and the factors that may have influenced the direction of online buzz in response to corporate announcements, press releases from 10 major food brands and the discussions in the blogosphere following the company communications are examined. The results from the two studies show that “uncontrollable” user-generated content may exist as internet users often respond to corporate communications not directed at them. Most importantly, contrary to prior suggestions of focusing on specific dialogue participants (Korschun and Du, 2012), the findings suggest that it is difficult to pinpoint a particular blogger community exclusively involved in discussing health issues online. This makes it challenging for companies to focus their communications on finding target audiences; instead, they may have more control over the content of their communications.

Chapter two suggests that taste-related press releases generate not only more reactions but also more positive ones than knowledge-related communications. Moreover, the findings in chapter three indicates that companies communicated more product-related initiatives than promotion-related ones, with the former receiving more comments and more favorable discussions among bloggers than the latter. Based on prior research (e.g., Becker-Olsen and Hill, 2006; Dean, 2004; Erdem and Swait, 1998), the thesis argues that the differences in responses may be partially explained by the

associations that each brand has with the obesity issue, and the consistency between the corporate social responsibility initiatives. The results suggest that companies with high obesity associations generate more negative buzz, while low obesity associations lead to limited reactions in the blogosphere. On the other hand, a high fit between the initiatives and the core business practices of companies results in positive responses in general. However, companies should be careful to avoid a potential “controversial fit”, which results from initiatives that highlight the unhealthy nature of original products, such as modifications of the current products. This indicates that whether companies should communicate “quietly or with fanfare” depends on, to a certain extent, the policy contents, companies’ level of associations with the social issue and the fit level. Though the discussions online can indeed pose some unfavorable outcomes for companies, the valence and the volume of the seemingly unpredictable user-generated content can be anticipated, depending on these controllable factors.

Chapters four and five address the second context of the thesis, namely, collective crowd wisdom as structured discussions on company-controlled platforms. The two studies explore user-generated content on a firm-hosted co-creation platform, Dell IdeaStorm. Prior research has illustrated the benefits of company-controlled communities and co-creation platforms. Much research has been done to motivate more user participation (e.g., Brodie et al. 2013; Tsai, Huang and Chiu, 2012). However, little is known about why certain discussions are more popular or more positive/negative than others and why certain communities attract more creative ideas and participation than others. An understanding of which of these can be controlled or managed by companies would enhance the efficiency of the development of company-controlled communities. To answer these questions, based on social impact theory (Latané, 1996) and attribution theory (Freling and Dacin, 2010), chapter four investigates the influence of preceding user-generated content on subsequent content. The findings suggest that individual users do not formulate content in isolation. Their emotions and opinions tend to be influenced by both the immediately preceding content and that of the majority of other contributors. The aggregated user-generated content then shapes the popularity of the discussions; discussions that are not highly emotional or in agreement, and have high variance in emotions and opinions, are more likely to be popular. This indicates that in evaluating the user-generated content in a structured context, such as online

communities, companies should consider the impact of the first user-generated contents, i.e., whoever first expresses their emotions and opinions, rather than opinion leaders (Iyengar, van den Bulte and Valente 2011), light users (Godes and Mayzlin 2009), or the critical mass (Watts and Dodds 2007).

Furthermore, chapter five, introducing the concept of collective emotions (e.g., Barsade and Gibson, 1998), that is, aggregated emotions of individuals within the community, investigates its longitudinal impact on collective creativity and participation. The findings yield paradoxical effects of collective emotions, suggesting that negative collective user emotions reduce subsequent creativity, but encourage future participation. Companies can manage these collective user emotions through influencing individual emotions by adapting employees' communication styles. Drawing on the theory of emotional contagion, this chapter suggests that individual users' positive emotions can be enhanced with employees' positive emotions and reduced by employees' negative emotions. Moreover, employee task-oriented communication can evoke both negative and positive user emotions, whereas a proactive communication style can decrease the emotions. Though co-creation generally presents positive outcomes for companies, the two studies highlight the importance of understanding the ongoing development of user-generated content. Not only is it crucial to realize the significant influences of others on forming individual content online, but the collective content, emotions in particular, also plays a critical role in community development. To strike a balance of emotions embedded in the user-generated content while managing an online community is the key to successfully utilizing collective wisdom.

This thesis yields some practical managerial and future research implications. The findings from the four studies imply that sentiment analysis seems to be useful in filtering user-generated content, but the distinction between emotions and opinions should be made when analyzing content. The thesis provides explanations of some of the "unpredictable" user-generated content. In the context of corporate social responsibility communications, to maximize the efficiency of corporate communications and have a better control of user-generated content online, it seems worthwhile to embrace internet users and establish a portal with a clear target audience. Engaging in direct communications via structured communities may help concentrate efforts, generate "fans", and reduce the proportion of negative responses from non-specific internet users.

However, setting up company-administered communities did not necessarily lead to “controlled” content. User opinions appear to be influenced more by fellow users than by companies. While a moderated community is preferred by most internet users on company-administered platforms, having employees proactively engage in communities is not always preferred. Moreover, in developing co-creation platforms, it is particularly critical to monitor the development of user collective emotion as it may influence the development of communities, and have a direct impact on community performances, namely, creativity and user participation. Companies should be aware not to over-interpret user-generated content or treat it as a static entity on such platforms. As noted in the thesis, the “collective” online buzz may actually be under the influence of only a few that voice their thoughts first. Thus, it is advisable to carefully monitor those frequent and heavy users who have the tendency to comment first and subsequently influence later user-generated content. In dealing with user-generated content online, it is important for companies to be aware that the “uncontrollable” may be predicted by some controllable factors, whereas the “controllable” may be influenced by some uncontrollable factors.