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## INTRODUCTION

With the increased use of social media, the number of advertising on its platform has grown accordingly. For example, YouTube requires viewers to watch a 15-second advertisement before videos begin, while Facebook and Instagram display ads between users' newsfeeds. However, resistance to such ads remains robust. Social media users question why they should watch these ads before watching videos or in the midst of viewing their friends' daily lives. In a survey on resistance to ads on Instagram, 58.3 percent of daily users were unhappy about the increase in ads frequency since September 2015 (Rogers 2015).

To lessen this resistance to ads, many businesses make use of their consumers to promote their products and services. Especially, businesses located in the right wing of the O-continuum—a continuum that shows the extent to which companies depend on input from other people and information services (Simonson & Rosen, 2016)—rely on consumers for generating promotion on social media. The typical case of this is an independent restaurant where consumers rely on food critics such as Yelp in contrast to a chain restaurant where consumers know what to expect (Luca, 2011). The independent restaurant provides their consumers with a side dish or beverage when they post a photo of food with a few hashtags, which is a form of consumer-generated referral driven by rewards.

A few questions remain regarding the effectiveness of this referral reward program in driving existing consumers (i.e., communicators) to attract new consumers (i.e., viewers). Specifically, will an adequate number of consumers engage in posting? If so, when does its engagement level vary? From the perspective of viewers, on the other hand, are they willing to visit a restaurant upon witnessing posts generated by communicators? If not, what is the

underlying mechanism for such hesitance? All in all, this research aims to determine whether the prevalent referral reward program yields the intended positive effect and provide practical insight on how to successfully implement the referral reward program via simple posting on social media.

## **THEORETICAL BACKGROUND**

### **Posting Rewards and Communicators' Posting Intention**

Independent restaurants tend to utilize positive customer engagement behavior (CEB) in the form of blogging and word-of-mouth (WOM) as it not only helps attract new customers but retain them in the long run (Wangenheim & Bayón, 2007). In a real-life example, independent restaurants tend to benefit from food critics or from sites such as Yelp reviews where a large number of diners share opinions and evaluations (Luca, 2011). These restaurants, thus, attempt to increase CEBs by offering consumers with rewards for recommending their product or service (Biyalogorsky, Gerstner, & Libai; Ryu & Feick, 2007). Some restaurants reward consumers for posting, which they believe is a convenient means to drive consumers to be communicators. A typical type of reward is monetary reward such as side-dish or beverage provided in return for simple posting. They offer this monetary reward when their consumers post a photo of their food with a few hashtags using their social media. This direct positive financial consequence (van Doorn et al., 2010) is a strong driver of posting behavior. Other rewards may include social recognition within a desired in-group (Winterich, Mittal, & Ross, 2009) or expertise recognition (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004), which

pertains to psychological reward that serves as another stimulus for posting.

### **Moderating Role of Communicators' Prior Awareness**

It is important to unveil the boundary condition where communicators are more (or less) willing to engage in a referral in the form of posting. We expect that when the communicators are aware of similar referral reward programs in advance, they would be more likely to engage in posting. This is because the prevalence of similar referral reward programs serves as a signal that many other consumers are also participating in the program. Consumers may conform to this social pressure for two main reasons: because they want to fit in the group (normative influence) and because they believe the group is better informed than they are (informational influence) (Asch, 1951). In this case, however, normative influence would be invalid as consumers are free from criticism or penalty for not engaging in the promotion. It is their right to focus on dining without being disturbed. However, consumers are driven by informational influence since they find themselves in new situations and wish to acquire information that they do not have from others (Burger 2013). Consequently, individuals who are aware of such a referral reward program might think that they are not the only one who engage in posting and find it more natural to engage in posting than those who are unaware of them (see Figure 1).

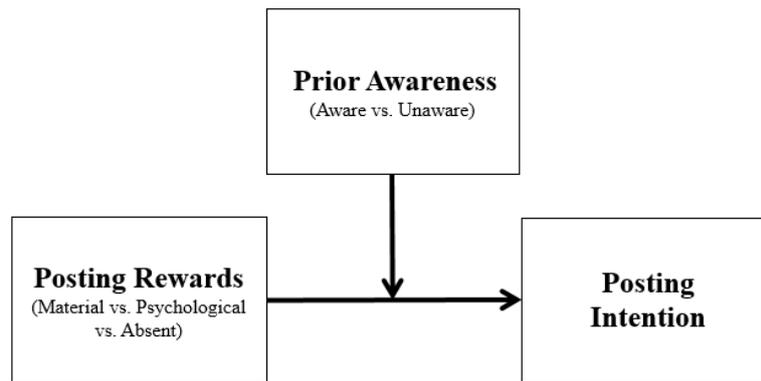


Figure 1: Research Model (Impact on Communicators)

### **Posting Rewards and Viewers' Perception of Message Credibility**

The type of posts can be either rewarded (material vs. psychological) or voluntary. Viewers are apt to consider three types of credibility: source credibility, medium credibility, and message credibility, in evaluating these posts. Source credibility is the perceived credibility of the person who posted the information (Hwang, 2013; Jain & Posavac, 1999; Park, Xiang, Josiam, & Kim, 2014), medium credibility is the perceived credibility of the social media site itself (Lee & Ahn, 2013; Schmierbach & Oeldorf-Hirsch, 2012), and message credibility is the perceived credibility of the social media content (Appelman & Sundar, 2015). This study focuses solely on message credibility, an individual's judgment of the veracity of the content of communication (Appelman & Sundar, 2015), for its particular research setting whereby communicators use their social media to promote a restaurant. Regardless of the type of post, the source is the communicator, and the medium is the social media. The only factor that differentiates the perception between the two posts (rewarded and voluntary) is the content delivered.

We expect that rewarded posts are likely to lack message credibility from the viewers'

perspective. This is because posting method is projected to be significantly simpler for rewarded posts than for voluntary posts. Specifically, in the case of voluntary posting, communicators would attempt to elaborate their reviews with more photos and hashtags. However, communicators who post in return for a reward—whether it be material or psychological—would focus solely on meeting the requirements presented by restaurants. This way of posting would result in the lack of accurateness, authenticity, and believability, which are the three dimensions that constitute message credibility (Appelman & Sundar, 2015).

### **Perceived Message Credibility and Viewers' Visit Intention**

The posts that lack message credibility are likely to reduce viewers' visit intention. Viewer's judgment of the message credibility serves as a key to learning and adopting the received message in the persuasion process (Wathen & Burkell, 2002). This process also applies to the on-line context, such as on-line reviews or recommendations (Sussman & Siegal, 2003). As explained by McKnight, Choudhury, and Kacmar (2002), the viewers' perceived information credibility has a positive influence on their willing to accept the information online. In the same manner, a viewer who perceives that the message of a post is credible is likely to use it for making decisions to visit. On the other hand, if the post is viewed as less credible, viewers will be unlikely to depend on the post for their future choice of restaurant. Thus, perceived message credibility will have a positive effect on viewers' visit intention (see Figure 2).

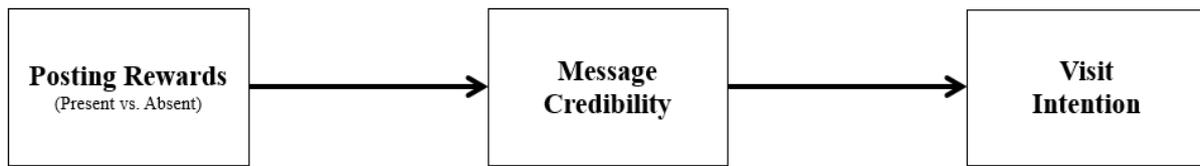


Figure 2: Research Model (Impact on Viewers)

## STUDY 1

The purpose of Study 1 is to examine the effects of posting rewards (material vs. psychological vs. absent) on communicators' posting intention. This study also examines a moderating role of communicators' prior awareness in driving their posting intention. A pretest regarding the wording of the questions, the survey layout, and the need for any additional manipulation questions was performed on a sample of 23 respondents. The helpful feedback collected from the pretest sample was incorporated into the actual study.

### Method

*Participants and Procedure.* The researchers designed a scenario-based experiment and recruited respondents from undergraduate students in a major private university in South Korea in return for course credit along with a small material reward (i.e., water bottle). We initially obtained a sample of 302 respondents, but later eliminated 46 samples through the reality assessment (16 respondents who reported less than four out of seven for the reality assessment question) and the manipulation check (23 respondents without social media account and seven respondents who reported less than three and more than five out of seven for the food quality manipulation check question). The final sample for analysis is composed of 256. All of the respondents were in their 20s (i.e., our target sample) and 58% of them were male. Once

recruited, the respondents were randomly assigned to three different posting driver conditions: material (101), psychological (95), and absent (60). The samples which were rewarded (196) were again divided into those who were aware of similar referral reward programs (145) and those who were not (51). In summary, they were assigned to conditions in a 3 (posting rewards: material vs. psychological vs. absent)  $\times$  2 (prior awareness: aware vs. unaware) between-subjects design.

Respondents in the rewarded condition—both material reward and psychological reward—were initially provided with visual examples of referral reward programs (see Appendix A) and were asked to answer questions on prior awareness (i.e., whether they are aware of similar referral reward programs shown) and technological readiness (i.e., whether they have any social media account). They then read scenarios where they assumed to visit a new restaurant and were told to post a photo of food and a hashtag (“Famous Restaurant in Busan”) in return for rewards, as shown in the posting guidelines (see Appendix B). In both scenarios, the food was neither very high nor very low in quality. Afterward, they answered a series of questionnaires on the reality of scenario, food quality, posting intention, and social demographics. Respondents in the reward-absent condition, on the other hand, simply read the scenario where they were supposed to visit a restaurant with their friends and ate food that was medium in quality. The respondents skipped a question on prior awareness of similar referral reward programs since the condition was absent of any reward.

*Scales.* The reality was measured to confirm whether respondents perceived the given scenario as realistic. Food quality was also measured to determine whether these respondents perceived the taste of food as neither very good nor very bad. Posting intention used a three-item measure adapted from Rise, Kovac, Kraft, and Moan (2008) which originated in Ajzen

(2002) scale. They were “I intend to post on my SNS”; “I expect to post on my SNS”; and “I will try to post on my SNS.” For each question, a 7-point scale was used with very unlikely and very likely as endpoints. They also answered questionnaires on their social demographics.

## **Results**

*Manipulation Check.* We conducted a one-way ANOVA to verify whether the food quality was successfully manipulated in each group (material vs. psychological vs. absent) after eliminating seven inappropriate samples (i.e., those who marked less than three and more than five out of seven). The findings revealed that the manipulation had been successful ( $M_{Material}=4.06$ ,  $M_{Psychological}=4.05$ ,  $M_{Absent}=4.13$ ,  $p>.1$ ), confirming statistically insignificant mean difference in the food quality across groups. Another manipulation check was performed for gender, a potential confounding variable that may have affected communicators’ behavioral intentions. The finding showed insignificant mean difference among groups ( $p>.1$ ), which substantiated that respondents had been randomly assigned to each condition in terms of gender.

*Reliability and Validity Assessment.* This research employed an exploratory factor analysis to assess construct validity (Lu, 2006). The communicators’ posting intention was subjected to principal axis factoring to assess the dimensionality of the data. The Kaiser-Meyer-Olkin was .79, which was well above the recommended threshold of .6 (Kaiser, 1974), and the Bartlett’s Test of Sphericity reached statistical significance ( $p<.001$ ), indicating validity and suitability of the responses collected to the problem addressed through the study. A single factor was decided based on the cumulative variance of 95.78%, the eigenvalue of 2.87, and the scree plot. Cronbach’s alpha was .98, which was well above the minimum of .7 recommended by Nunnally (1978). Thus, we concluded that the construct had a strong internal

consistency suitable for further analyses.

*Main Effects.* The findings of a one-way ANOVA revealed that communicators' posting intention varied by posting rewards (material vs. psychological vs. absent) [ $M_{Material}=3.58$ ,  $M_{Psychological}=3.05$ ,  $M_{Absent}=1.87$ ,  $F(2, 253)=19.06$ ,  $p<.001$ ]. Planned contrasts further showed that posting intention was significantly higher in the following order: material reward, psychological reward, and absent ( $M_{Material}=3.58$  vs.  $M_{Psychological}=3.05$ ,  $t(194)=2.09$ ,  $p<.05$ ;  $M_{Psychological}=3.05$  vs.  $M_{Absent}=1.87$ ,  $t(146)=4.65$ ,  $p<.001$ )<sup>1</sup>.

Levene Statistic	d1	d2	Sig.		
.71	3	192	.546		

	SS	df	MS	F	Sig.
Between Groups	72.47	3	24.16	8.19	.000
Within Groups	566.52	192	2.95		
Total	638.99	195			

Table 1: ANOVA Table for Posting Intention

*Moderation by Prior Awareness.* A 2 (posting rewards: material vs. psychological)  $\times$  2 (prior awareness: aware vs. unaware) ANOVA was performed to examine whether the communicators' posting intention varied depending on their prior awareness of similar referral reward programs. The assumption of homogeneity of variances was not violated ( $p>.1$ ) and the

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<sup>1</sup> This study conducted additional mediation analysis to examine whether value perception of reward mediates the link between posting rewards and posting intention. The findings of bootstrapping analysis confirmed that the indirect effect was positive and significant for posting intention (indirect effect: -.40, Bootstrap 95% confidence interval [CI]: [-.66, -.17]). A Sobel test was conducted and found full mediation in the mediation model ( $z=-2.97$ ,  $p<.01$ ). These findings provide evidence of the mechanism that communicators are more willing to post in respond to material reward (vs. psychological reward) that provides higher (vs. lower) value perception. More details are available upon request.

interaction effect was significant [ $F(3, 192)=8.19, p<.001$ ] (See Table 1). Planned contrasts further revealed that those with prior awareness had higher posting intention than those without it, regardless of the reward type (material:  $M_{\text{Aware}}=3.98$  vs.  $M_{\text{Unaware}}=2.55, t(192)=3.76, p<.001$ ; psychological:  $M_{\text{Aware}}=3.29$  vs.  $M_{\text{Unaware}}=2.30, t(192)=2.39, p<.05$ ) (see Figure 3).

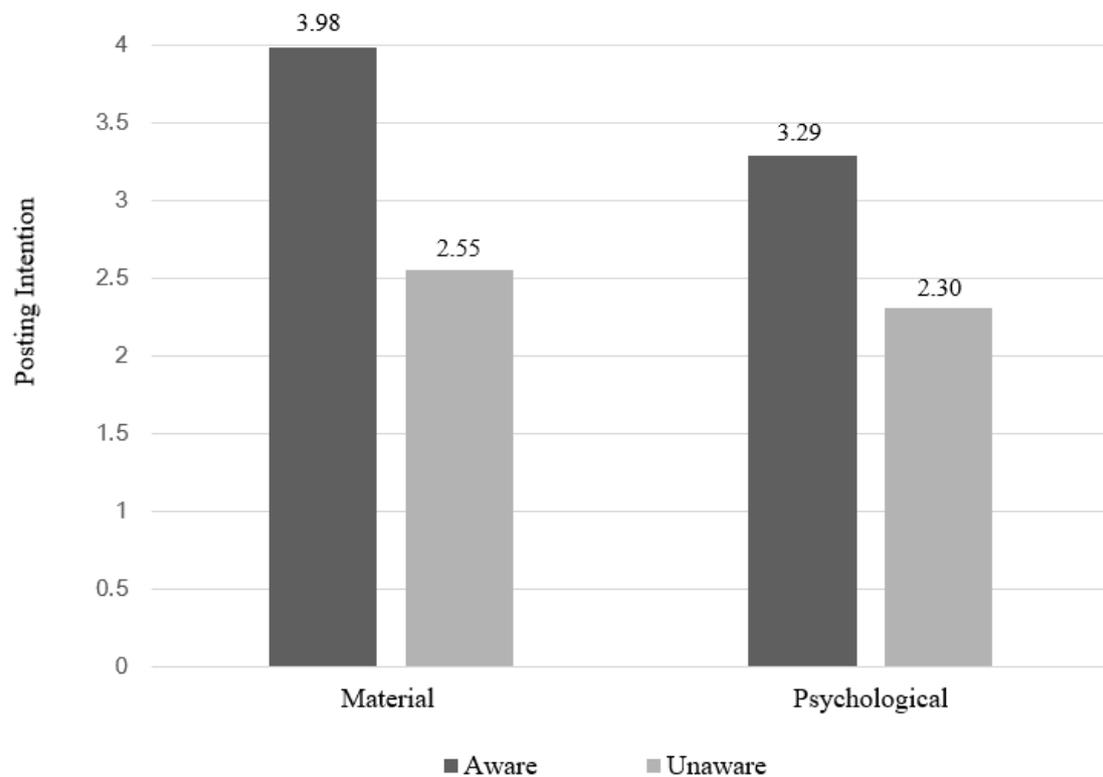


Figure 3: Moderating Role of Communicators' Prior Awareness

## Discussion

Overall, Study 1 supports our expectation that communicators are most likely to post using their social media account when material reward—a type of reward that elicits higher value perception compared to psychological reward—is given. This explains why so many independent restaurants choose to offer customers with a small material reward such as salad

or beverage to generate promotion on social media. These restaurants would be more than happy to witness their customers become communicators in return for a small reward. Study 1 also unveils that consumers' prior awareness of similar referral reward programs functions as a strong driver of posting behavior. As more restaurants encourage consumers to engage in posting, more consumers will become communicators considering that they are not the only one doing it. This makes the referral reward program increasingly prevalent among independent restaurants. Who would not implement such a program when the only thing they should do is to offer a small reward to customers as done in other restaurants?

However, it is unknown whether posts driven by small rewards (material and psychological) elicit a positive response from viewers. It might well be that communicators are willing to post in more (vs. less) diverse ways if they do so voluntarily (vs. involuntarily), and voluntary (vs. rewarded) posts might convey more positive (vs. negative) impressions to viewers. Our next study, therefore, attempts to explore whether communicators' posts differ depending on the type of reward (material vs. psychological vs. absent) and, if so, how viewers react to different posts.

## **STUDY 2**

The main objective of Study 2 is to explore whether communicators' posting methods differ by the type of reward (material vs. psychological vs. absent) and, if so, how viewers respond to different posts. This study employs in-depth interviews: a qualitative research technique that is effective in exploring new issues and attaining detailed information about consumer behavior and psychology based on intensive interviews with a small number of

respondents (Boyce & Neale, 2006).

### **Research Methodology**

The researchers performed eleven in-depth interviews with social media users for approximately 30 minutes at a national university in South Korea. Interviewees were recruited from a student community website (i.e., <http://www.snulife.com>) and those without social media accounts and posting experiences were disqualified from participating in the interviews. The questions covered participants' prior awareness of similar referral reward programs, posting methods in return for different rewards (material vs. psychological vs. absent), viewers' response to different posts (rewarded vs. voluntary), and their different reactions depending on their prior awareness of similar referral reward programs.

### **Research Outcome and Discussion**

*Q1. Have you ever heard of or seen referral reward program that encourages consumers to upload a simple post in return for small rewards, whether it be material or psychological?*

All the participants were aware of a referral reward program where communicators are given a small reward for posting, which revealed its prevalence in South Korea. A few participants were concerned about its negative impact on consumer surplus such as making suboptimal choices and mistrusting reviews (Mayzlin, Dover, & Chevalier, 2014).

“I’ve seen it before. I thought it would be problematic if customers post using their SNS just to get rewards even when foods are not very tasty. This is probably why we often find ourselves disappointed with a restaurant referred widely on social media. A new restaurant might try to promote itself through this referral reward program, though. I feel ambivalent toward this means of referral.” – *Jieun Lee female 29*

“Yes, I know it. I wondered whether a rewarded post could attract potential customers. I also felt sorry for independent stores trying to survive against many competitors. It wouldn’t be necessary for them to adopt such a strategy if they are confident that customers will share food reviews voluntarily.” – *Chulwon Park male 25*

*Q2. How do posting methods differ by the type of reward?*

When posting in response to rewards, people simply try to suit the conditions required such as taking a photo and add a hashtag, regardless of reward type (material vs. psychological) (*Wonbin Lee Female 23*). They tend to erase their posts immediately out of concern that others might find that their posts are rewarded (*Sun-a Baek Female 28*), post using their closed (or sometimes fake) accounts (*Kyoungtae Huh Male 26*), or frankly unveil that they post in return for rewards (*Jooseop Lee Male 24*).

When posting voluntarily, on the other hand, the main purpose of posting is not to refer a restaurant but to share good memories with people together. Communicators, thus, work really hard to take a quality photo (*Jooseop Lee Male 24*), add a variety of hashtags so that restaurants are likely to be exposed more often (*Dawon Kang Female 24*), and write more specifically about their feelings and opinions (*Jungmin Suh Female 27*).

*Q3. Can you differentiate between rewarded posts and voluntary posts? If so, how do you respond differently and why?*

Although no one knew for sure which post was rewarded or not, each participant had his/her way to differentiate a rewarded post from a voluntary post. Posts that appeared rewarded elicited negative responses from viewers due to the lack of accurateness, authenticity, and believability—three components of message credibility (Appelman & Sundar, 2015). This was

because rewarded posts were inferior regarding the quality of photos, reviews, and hashtags.

“I doubt whether a post is rewarded in several cases. First, when I see no reviews. Second, when somebody who has no restaurant-related posts a simple review of a restaurant all of a sudden.” – *Jieun Lee female 29*

“Rewarded posts often have a simple hashtag. When I click on it, I can easily track posts that look abnormally simple and awkward. If people were to post voluntarily, a name of a hashtag tends to be much more authentic” – *Dawon Kang female 24*

“I can notice posts driven by rewards. Usually, when people really like something and post about it, they attach a detailed review on what is sold, attach a lot more hashtags, and show their willingness to come back.” – *Gayang Lee female 24*

“When posts look too simple, I wonder whether communicators were rewarded for posting. I ask myself why he/she suddenly posted it. Maybe for free beer?” – *Jongdae Kim Male 28*

The results of our in-depth interviews revealed that communicators are willing to post in more diverse ways when posting voluntarily. Interviewees also disclosed that rewarded posts lack message credibility. However, in-depth interviews are limited in its generalizability due to small sample size and non-random sampling method (Boyce & Neale, 2006). Our next study, thus, adopts a scenario-based experiment to confirm findings of Study 2 on statistical grounds, which will ensure the external validity of the results of our in-depth interviews.

### **STUDY 3**

A scenario-based experiment determines viewers' visit intention in response to two different posts (rewarded and voluntary). The present experiment also examines the mediating role of message credibility for the link between posting rewards (present vs. absent) and viewers' visit intention.

## **Method**

*Participants and Procedure.* The researchers recruited respondents from four widely subscribed community web pages affiliated with major universities in South Korea (i.e., <http://snulife.com>; <http://www.weehan.com>; <http://koreapas.com>; <http://www.ssodam.com>) in return for ₩ =2,000 (\$1=₩1,100). The initial number of respondents was 110, but later diminished to 70 after eliminating 40 samples through the manipulation check (five respondents without social media account and nine respondents who failed to declare the relationship between a communicator and a viewer as an acquaintance) and the reality assessment (26 respondents who reported less than four out of seven for the reality assessment question). 96% of the respondents were in their 20s (i.e., our target sample) and 33% of them were male. The respondents were randomly assigned to two different posting reward conditions: present (29) and absent (41).

This experiment employed between-subjects design: one group with the rewarded post and the other group with the voluntary post. The study did not specify the type of reward into material and psychological given that communicators only attempt to satisfy the requirements (e.g., upload a photo and attach a hashtag) when they are given rewards for simple posting (refer to *Q2. How do posting methods differ by the type of reward?* of *3.1 In-depth interviews*). Respondents in both conditions were initially provided with visual examples of referral reward

programs (see Appendix A) and were asked to answer questions on prior awareness and technological readiness as in Study 1. They then read scenarios where they were assumed to view a post on social networking sites (Facebook, Instagram, Twitter, and so forth) which varied by the presence and absence of rewards. Based on the result of Study 2, the rewarded post included a photo of beer and some hashtags describing the location and the store. The voluntary post, on the other hand, incorporated a photo of better quality, diverse hashtags, and specific reviews (See Appendix C). They were told that their relationship with the communicator was no more than an acquaintance: neither a close friend nor a complete stranger. Participants then identified the relationship with the communicator and the target of promotion for attention check purpose and answered measures for the reality of scenario, message credibility, visit intention, and demographics.

*Scales.* This experiment used the same scales for reality assessment, prior awareness, and technological readiness. Participants identified their relationship with the communicator among “close friend,” “acquaintance,” “girl/boyfriend,” and “parents” while the object of referral among “beer,” “cola,” “traditional Korean wine,” and “water.” A three-item measure of message credibility, an individual’s reasoning of the communicated content, was modified for this study with items in the extant literature (Appelman & Sundar, 2015). Participants were asked to rate the degree to which they agree with the following statements, from 1=*completely disagree* to 7=*completely agree*. They were “The post is 1) accurate, 2) believable, and 3) authentic.” Visit intention, a customer’s expressed likelihood of visiting a particular restaurant in the future, was then measured by adjusting Pizzi and Scarpi (2013) adaptation of the original Blodgett, Hill, and Tax (1997) scale. They were “How likely is it that you would visit this restaurant in the future?”; “The next time I need to eat out, I would look at this restaurant for it”; “I would definitely consider this restaurant for future dining.” Lastly, social-demographic

details including age, gender, and occupation were collected.

## Results

*Manipulation Check.* A manipulation check was performed for potential confounding variables (i.e., gender, age, and occupation) that may have affected viewers' response. The finding showed insignificant mean differences among groups (gender:  $t(68)=-.24, p>.1$ ; age:  $t(68)=1.93, p>.05$ ; occupation:  $t(68)=.43, p>.1$ ), which validated that respondents had been randomly assigned to each condition.

*Validity and Reliability Assessment.* The study also performed an exploratory factor analysis and reliability test. Both message credibility (eigenvalue: 2.17; cumulative variance: 72.35%; Cronbach's  $\alpha$ : .79) and visit intention (eigenvalue: 2.56; cumulative variance: 85.44%; Cronbach's  $\alpha$ : .92) yielded a single component, demonstrating sufficient validity and reliability proper for further analyses.

*Summary of Findings.* The results of the scenario-based experiment are two-fold. First, the findings of an independent t-test revealed that viewers' visit intention varied by posting rewards (present vs. absent). Respondents in the reward-present condition had lower visit intention than those in the reward-absent condition ( $M_{Present}=3.20, M_{Absent}=5.14, t(41)=-6.57, p<.000$ ). Second, the mediation analysis using PROCESS (Hayes, 2013) verified the mediating role of message credibility for the relationship between posting rewards and visit intention. The result of bootstrapping analysis confirmed that indirect effect was positive and significant for visit intention (indirect effect: -.65, Bootstrap 95% confidence interval [CI]: [.16, 1.19]), with the direct effect still remaining (direct effect: 1.30, Bootstrap 95% confidence interval [CI]: [.62, 1.97]). This finding offers evidence of the mechanism that message credibility partially mediates the relationship between posting rewards and viewers' visit intention. Figure 4

visually represents the mediation process.

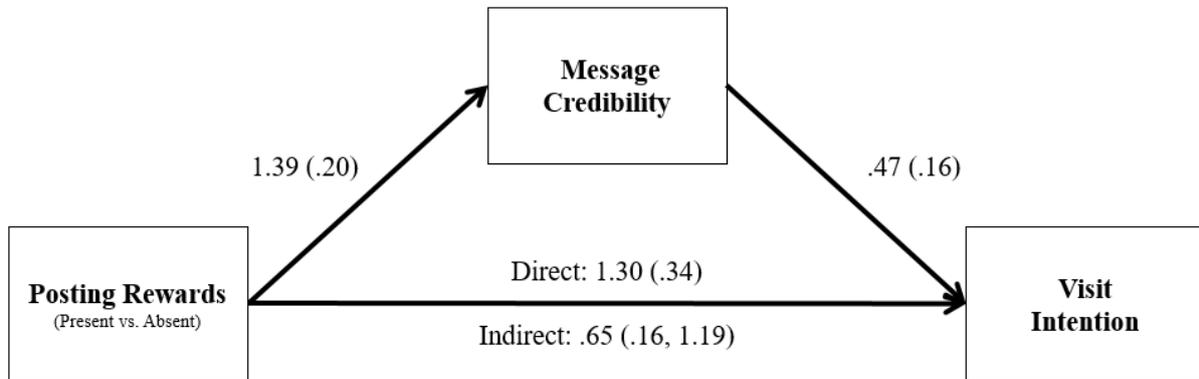


Figure 4: Indirect Effect of Posting Rewards on Visit Intention through Message Credibility

## Discussion

Study 3 validates that viewers are less (vs. more) likely to visit a restaurant referred in a rewarded post (vs. a voluntary post). Although it may be challenging to detect rewarded posts since they could be designed to mimic unbiased (or voluntary) posts (Mayzlin et al., 2014), the obvious difference in message credibility drives viewers to have different visit intention. The significant difference in message credibility exists due to a clear gap between the rewarded post and the voluntary post in terms of accurateness, believability, and authenticity (Appelman & Sundar, 2015). This finding indicates that independent restaurants implementing the referral reward program via simple posting on social media can only fall in the trap of leaving a negative impression on viewers with the aid of cooperative communicators.

## GENERAL DISCUSSION

## **Implications**

The theoretical contribution of this research is three-fold. First, this research extends the literature on referral reward program by considering a specific form of rewarded referral: simple posting on social media in return for a small reward. Although prior research has addressed the effectiveness of general referral reward program (Ryu & Feick, 2007; Verlegh, Ryu, Tuk, & Feick, 2013), limited research has examined how rewarded referral in the form of simple posting on social media influences communicators and viewers. Second, the present research suggests how the concept of informational influence—individuals' tendency to believe that the group is better informed than they are—can be applied to a real-world situation (Asch, 1951). Study 1 proved that when consumers who are previously aware of similar referral reward programs are more likely to engage in posting. These consumers reason that the prevalence of such a program signifies that they are not the only one participating. Third, this research manifests that message credibility, whose scale has been only recently developed by Appelman and Sundar (2015), significantly affects viewers' perception of message credibility. Study 3 proved that viewers can still perceive a significant difference in message credibility when the source (i.e., communicator) and the medium (social media) are identical between groups (posting rewards: present vs. absent) and further use this information to choose whether to visit a referred restaurant.

This research also provides practical implications for managers. Our research raises the alarm for managers who seek to minimize costs while maximizing benefits by offering consumers with a small reward (material or psychological) for simple posting. This is understandable in that what they witness is those visible consumers who post to earn a small

reward. However, it is important to note that many more invisible consumers who view posts on social media tend to evaluate rewarded posts as inferior regarding message credibility than voluntary posts, and are less likely to visit a promoted restaurant.

Some may point to the possibility that the rewarded post is, at least, better than no post which fails to reveal the presence of a restaurant at all. However, it is noteworthy that, in reality, viewers can witness both rewarded posts and voluntary posts at the same time. Considering that our research employed a between-subject design where respondents were not able to compare a rewarded post from a voluntary post, viewers who can compare two different posts regarding message credibility would react more negatively to the rewarded post.

## **Limitations**

Our work comes with several limitations which provide directions for future research. First, this research has only considered the posting condition where communicators did not explicitly disclose that they were rewarded for posting. As noted in the findings of our in-depth interviews, some communicators tend to frankly unveil the fact that they post for rewards. The presence of this remark might lead viewers to infer ulterior motives for posting. As Verlegh et al. (2013) explained, a rewarded referral induces ambiguity in viewers about the motives that led to the referral and infer earning reward as the main driver for the recommendation. Future research could consider this possibility and examine the effect of explicitly rewarded posts on viewers' response. Second, our research focused on respondents in their 20s, one of the most active users of social media, who are most likely to participate in posting in return for a small reward. However, additional work should be done to explore the behavior of different age groups. Third, this research developed stimuli for rewarded post and voluntary post based on the outcome of

our in-depth interviews. We have attempted to derive characteristics of two different posts through detailed interviews, but have not considered analyzing the real posting behavior of communicators. Future research could, therefore, practice an additional study where independent judges are employed to evaluate the difference in quantity as well as quality between rewarded posts and voluntary posts.

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## APPENDIX



Appendix A: Examples of Referral Reward Programs Encouraging Consumers to Engage in Simple Posting

### Translations

1<sup>st</sup>: #koreanchickenfeet 1. Take a photo, 2. Tag #koreanchickenfeet on SNS(Kakaostory, Facebook, Twitter, Instagram), 3. Get one of the noodles, beverage, rice ball, and Coolpiece for free

3<sup>rd</sup>: ★Wheatbros Brewery SNS Promotion Event★ Please promote wheatbros brewery via SNS! Get a cup of sampler for free by posting any photo you have taken in our store with #whatbros\_brewery on your social media!!

4<sup>th</sup>: New Zealand Craft Beer MONTEITH'S is open! #Sharostone #Myfirstcraft #Sharosogil Have two cups of MONTEITH'S and post hashtags on your Instagram. A lovely glass is yours!

**<SNS Event>**





1. Take a picture of food!
2. Tag **#Famous Restaurant in Busan** on your **SNS** (Facebook, Twitter, Instagram)
3. Get beverage or salad **for free!**



**<SNS Event>**





We will greatly appreciate it if you take a picture of our food and upload it on your **SNS** (Facebook, Twitter, Instagram) and tag **#Famous Restaurant in Busan!**



Appendix B: Posting Guidelines (Left: Material; Right: Psychological)



Appendix C: Type of Post (Left: Rewarded; Right: Voluntary)

Translations

Left: #sharusu-gil road #wheatbros brewery

Right: Delicious Mixed Soju and Beer! Feels fantastic with a bite of plump, salty cheese sausage. What a perfect Friday night! #sharusu-gil road #wheatbros brewery #wheatbros\_brewery #wheatBros #ThanksHyunaKim #dailylife #daily #sharusu #famous restaurant #craftbeer #beer #wowdelicious #tasty #tastegram #beer #food #craftbeer

# 국 문 초 록

소셜 미디어상의 간단한 포스팅을 통한 고객추천 보상프로그램이

커뮤니케이터와 뷰어에 미치는 상반된 영향

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최근 고객에게 보상을 제공하고 긍정적인 구전을 유도하는 고객추천 보상프로그램(referral reward program)이 증가하는 추세이다. 그중 유독 두드러진 형태가 물질적 또는 정신적 보상을 제공하고 소셜 미디어상으로 간단한 포스팅(예. 사진 한 장을 올리고 간단한 해시태그 첨부)을 유도하는 프로그램이다. 그러나 해당 고객추천 보상프로그램이 커뮤니케이터인 기존 고객의 포스팅을 유도하여 뷰어인 신규 고객을 유치하는 데 효과적 인지 아직 연구된 바 없다. 따라서 본 연구는 해당 보상 추천 프로그램이 커뮤니케이터와 뷰어에 미치는 상반된 영향을 살펴보고자 하였다. 우선, 실험 1에서는 고객에게 보상을 제공하면 포스팅 의도가 높아진다는 사실을 밝혔다. 이때 커뮤니케이터가 비슷한 고객추천 보상프로그램에 대해 사전에 인식하고 있는 경우, 포스팅 의도가 더 높아지는 것으로 드러났다. 한편, 실험 2를 통해 보상을 받고 올라온 게시물이 자발적으로 올라온 게시물에 비해 질적으로 열악하다는 사실을 밝혔다. 이에 따라 실험 3에서 뷰어들이 자

발적으로 올라온 게시물에 비해 보상을 받고 올라온 게시물의 메시지 신뢰성을 더 낮게 인식하여 해당 식당에 방문하고자 하는 의도가 더 낮은 것으로 드러났다. 결과적으로 본 연구는 소셜미디어상의 간단한 포스팅을 통한 고객추천 보상프로그램이 커뮤니케이터와 뷰어에 미치는 상반된 영향에 기초하여 고객추천 보상프로그램, 정보적 영향, 그리고 메시지 신뢰성 관련 이론의 발전에 기여한다. 동시에 본 연구는 해당 고객추천 보상프로그램을 시행하고자 하는 관리자들에게 경각심을 불러일으킨다는 점에서 실무적 시사점이 있다.

**주요어:** 고객추천 보상프로그램, 정보적 영향, 메시지 신뢰성, 소셜 미디어

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