

The Effects of Source and Timing on the Acceptance of New Product Recommendation: A Lab Experiment

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Abstract : A new product is important for companies to extend consumers and manifest competitiveness. New product often involves new features that consumers might not be familiar with while it may also have a competitive advantage to attract consumers compared to established products. However, although most online retailers employ recommendation agents (RA) to influence consumers' product choice decision, recommended new products are not accepted and chosen as expected. We argue that it might also be caused by providing a new product recommendation in the wrong way at the wrong time. This study seeks to discuss how new product evaluations sourced from third parties could be employed in RAs as evidence of the superiority for the new product and how the new product recommendation could be provided to a consumer at the right time so that it can be accepted and finally chosen during the consumer's decision-making process. A 2*2 controlled laboratory experiment was conducted to understand the selection of new product recommendation sources and recommendation timing. Human subjects were randomly assigned to one of the four treatments to minimize the effects of individual differences on the results. Participants were told to make purchase choices from our product categories. We find that a new product recommended right after a similar existing product and with the source of the expert review will be more likely to be accepted. Based on this study, both theoretical and practical contributions are provided regarding new product recommendation.

Keywords : new product recommendation, recommendation timing, recommendation source, recommendation agents

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