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A STUDY ON IMPACT OF UGC (USER GENERATED CONTENT) ON CUSTOMERS

❒ Mr G. Hemanth Reddy*
Dr. K. Naga Raju**

ABSTRACT

The research explores the impact of user generated content on customer that is ratings and reviews. The research applies Hoffman's theory of moral development that is mimicry (I), classical conditioning (II), direct association (III), mediated association (IV) and role taking (V). Further impact of educational qualification and age on mimicry (I), classical conditioning (II), direct association (III), mediated association (IV) and role taking (V) is explored with t-test and ANOVA test.

Keywords: *Mimicry, Classical conditioning, Direct association, Mediated association, Role taking*

INTRODUCTION

Marketing has recently undergone major changes in delivery of information to customers (Brandt, 2008). Since the concept of User Generated Content is in initial stage of research phase there is no generic definition for it (Christodoulides et al., 2012). However, the present research adopts the definition of Christodoulides et al. (2012) i.e. "different types of media content that are public, created and disseminated by customers."

In 1990s Mirror neuron was discovered in the F5 region of the promoter cortex in macaque monkeys (di Pellegrion, Fadiga, Fogassi, Gallese, & Rixxolatti, 1992) and it also found in humans (Giacomo, Rizzolatti, Laila Craighero, 2004). "When the monkey does a particular action or it observes actions of others mirror neuron discharges" (di Pellegrion, Fadiga, Fogassi, Gallese, & Rixxolatti, 1992). "Customers get the purchase experience through purchase of product/brand and now a days they are getting the mirror purchase experience for the product/ brand by observing the reviews, ratings of others" (Nagaraju Kolla, 2019). Hence, companies have to address both purchase experience and mirror purchase experience.

USER GENERATED CONTENT AND CUSTOMERS

Based on how customer feel about the user generated content Nagaraju Kolla (2019) classify the customers into three types; imitator, ignorer and explorer.

Imitator: Imitators are the customer who imitative the user generated content. The following are ways the customers imitate the user generated content;

I. "Customers observe the user generated content directly i.e. they observe the feelings of friends of that particular brand directly and imitate there feeling.

II. Customer may observe the features of peers (clues) for that particular brand or situation of peers for that particular brand and takes as it is of peers and imitate them while making the brand purchase.

*Vice Chairman, Sri Ramakrishna P.G College, NGO's Colony, Nandyal
**Associate Professor, Sri Ramakrishna P.G College, NGO's Colony, Nandyal

III. Some time customers observe the direct expression or situation of others and it reminds the customers own past experience. Then the customer feels the emotion that he felt during the original experience/ imitation.

IV. Customer may observe the rating or review i.e. indirect observation through words. Then the customer imagines that rating or review impact of their own past experience. Then customer imitates the rating / review.

V. Customer may imagine themselves in the rating /review .i.e. indirect observation or imagine the how the reviewer is feeling and imitate them" (Hoffman, M. L. 2000) (Nagaraju Kolla, 2019).

In the entire above mechanism common element is customer is feeling emotions because something happens to someone else. In psychology we have name for it called as empathy and Hoffman's theory of moral development summarizes the above mechanism with mimicry(I), classical conditioning(II), direct association(III), mediated association(IV) and role taking(V). Hoffman's theory is most comprehensive theory of empathy. There is perspective difference between emotional expression and situation. The above mechanisms follow both so whatever the perspective you apply empathy exists.

Explorer: Explores are the customers who have more information than user generated content and other reasons are;

I. "If the customer have more information than ratings and reviews

II. If the ratings and reviews doesn't communicate full information about the situation

III. If the social class, culture, current context .i.e. psychological state makes the customer to interpret the ratings and reviews in different and exploration happen" (Wondra & Ellsworth, 2015) and (Nagaraju Kolla, 2019)

The similar idea of explorers have presented by Wondra and Ellsworth in her discussion of different information hypothesis (I & II) and different states hypothesis (III).

METHODOLOGY OF THE STUDY

Sampling Method: Convenience sampling

Sample Size: 405 (Rayalaseema Region of Andhra Pradesh)

Primary Data: Questionnaire.

Secondary Data: Journals, Magazines, Books, Websites.

Data analysis: Frequency tables, Mean, t-test and ANOVA test

Impact of Educational qualification on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

T-test is used to test the impact of educational qualification on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

Table-1: Group Statistics and Independent Samples Test

	Educational Qualification	N	Mean	Std. Deviation	Std. Error Mean
Mimicry	Under Graduation and Below	194	3.1031	1.40307	.10073
	Post Graduation and Above	211	3.1517	1.41614	.09749
Classical conditioning	Under Graduation and Below	194	3.0103	1.52012	.10914
	Post Graduation and Above	211	3.0664	1.37853	.09490

Direct association	Under Graduation and Below	194	3.0773	1.42850	.10256
	Post Graduation and Above	211	2.9573	1.39833	.09626
Mediated association	Under Graduation and Below	194	2.7165	1.40946	.10119
	Post Graduation and Above	211	3.1232	1.44880	.09974
Role taking	Under Graduation and Below	194	2.8918	1.35953	.09761
	Post Graduation and Above	211	2.9573	1.39833	.09626
Different information hypothesis	Under Graduation and Below	194	2.8969	1.51322	.10864
	Post Graduation and Above	211	3.0142	1.33266	.09174
Different states hypothesis	Under Graduation and Below	194	2.9175	1.40443	.10083
	Post Graduation and Above	211	2.9336	1.37507	.09466

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Mimicry	Equal variances assumed	.272	.602	-.346	403	.729	-.04857	.14024	-.32426	.22713
	Equal variances not assumed			-.346	400.748	.729	-.04857	.14019	-.32416	.22702
Classical conditioning	Equal variances assumed	6.842	.009	-.389	403	.697	-.05604	.14404	-.33920	.22712
	Equal variances not assumed			-.387	390.186	.699	-.05604	.14463	-.34039	.22831

Direct association	Equal variances assumed	.241	.624	.854	403	.394	.11997	.14053	-.15630	.39625
	Equal variances not assumed			.853	398.560	.394	.11997	.14066	-.15656	.39650
Mediated association	Equal variances assumed	.313	.576	-2.859	403	.064	-.40673	.14225	-.68637	-.12708
	Equal variances not assumed			-2.863	401.709	.064	-.40673	.14208	-.68605	-.12741
Role taking	Equal variances assumed	.002	.968	-.478	403	.633	-.06559	.13725	-.33542	.20423
	Equal variances not assumed			-.478	401.736	.633	-.06559	.13709	-.33510	.20391
Different information hypothesis	Equal variances assumed	7.872	.005	-.829	403	.407	-.11731	.14144	-.39537	.16075
	Equal variances not assumed			-.825	386.003	.410	-.11731	.14220	-.39689	.16227
Different states hypothesis	Equal variances assumed	.345	.557	-.117	403	.907	-.01612	.13818	-.28777	.25553
	Equal variances not assumed			-.117	398.578	.907	-.01612	.13831	-.28802	.25578

Source: Primary data

Significance vale is greater than 0.05 hence there is no impact of educational qualification on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

Impact of age on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

ANOVA is used to test the impact of age on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

Table-2: ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Mimicry	Between Groups	6.135	2	3.067	1.551	.213
	Within Groups	795.189	402	1.978		
	Total	801.323	404			
Classical conditioning	Between Groups	1.245	2	.622	.296	.744
	Within Groups	844.123	402	2.100		
	Total	845.368	404			
Direct association	Between Groups	2.464	2	1.232	.616	.540
	Within Groups	803.447	402	1.999		
	Total	805.911	404			
Mediated association	Between Groups	2.048	2	1.024	.491	.613
	Within Groups	838.876	402	2.087		
	Total	840.923	404			
Role taking	Between Groups	13.996	2	6.998	3.732	.025
	Within Groups	753.782	402	1.875		
	Total	767.778	404			
Different information hypothesis	Between Groups	.086	2	.043	.021	.979
	Within Groups	816.200	402	2.030		
	Total	816.286	404			
Different states hypothesis	Between Groups	1.888	2	.944	.489	.614
	Within Groups	775.890	402	1.930		
	Total	777.778	404			

Source: Primary data

Significance vale is greater than 0.05 hence there is no impact of age on mimicry, classical conditioning, direct association, mediated association, role taking, different information hypothesis and different states hypothesis.

Ignorer: Ignorers are the customers who never observe the ratings and reviews. The following are might be the reasons;

I. "Customer fails to observe the ratings and reviews intentionally (Wondra & Ellsworth).

II. Lack of past experience (Wondra & Ellsworth)

III. Regulation of his emotion to ratings and reviews and trusting company ads/ intuitive purchase behaviour (Wondra & Ellsworth)

IV. If the information of the ratings and reviews are too little

V. If customer observe the routine words

VI. If customer lacks the sufficient information

VII. If the customer observes ratings and reviews as neutral." (Wondra & Ellsworth, 2015) and (Nagaraju Kolla, 2019).

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