

Our recent research on NEGATIVE ONLINE REVIEWS

Motivation: Why did we focus on negative reviews from online professional communities?

We started this line of research on negative online reviews about suppliers because of two **conflicting** ideas:

(1) research has found that negative reviews are less common than positive and that in our consumer lives, under certain conditions, negative reviews of a product can actually encourage a purchase, but ...

(2) in business-to-business (B2B) markets, where the financial risks of selecting the wrong supplier are high, decision-makers may eliminate altogether any supplier who is negatively reviewed by other business customers.

Or is that really the case?

Our research last year found that purchasing professionals were **more likely** to consider a negatively reviewed supplier when the negative reviews came from an online forum of purchasing peers from **outside** the company **rather than** from an **internal** supplier scorecard. We delved further into negative online reviews from purchasing peers.

Study 1

Actually, B2B prospective customers **DO** consider negatively reviewed suppliers.

Our research found that **85 percent** of B2B customers **did indeed** buy from suppliers from whom they previously read negative customer reviews.

Over 60 percent of those customers did so after pursuing a **process of learning** more about the supplier. (Twenty percent focused instead on developing the supplier, and the remaining customers were stuck with the supplier because of limited options in the market.)

Given how **time-pressed** people are in your profession, this is interesting. The reasoning may be that there certainly are not unlimited suppliers available, and you know that not all comments by previous customers are equally valid.

Thus, learning more about a negatively reviewed supplier, while time-consuming, may uncover a suitable partner.

Study 2

B2B prospective customers are **more interested in learning more about a negatively reviewed supplier** IF the reviews are from companies **very different** from the prospective customer's company (rather than from companies similar to theirs).

Study 3

What explains the findings in Study 2? We found in Study 3 that B2B prospective customers were more likely to **blame the performance problems** on the customers who wrote the negative reviews (not the supplier) when the reviewing companies were **very different** (different industries, sizes, experience-levels) from their own. The **supplier was given a chance**, at least in this exploration stage, because the performance problems were not attributed to the supplier.

Study 4

Here we shifted focus from characteristics of the reviewing companies to **internal factors** within the prospective customer's firm.

Specifically, we examined how a concern for "too close" of a relationship between a current supplier and an internal customer affected the learning process about a supplier who was negatively reviewed.

All those who participated read a hypothetical scenario about a **negatively reviewed supplier**. All the reviews were written by previous customers **dissimilar** to the prospective customer's company.

We found that **if prospective customers have concerns about the relationship** between a current supplier and an internal customer **being too close**, then the prospective customer (purchasing professional) wanted to **learn more** about a negatively reviewed supplier than if they had no concerns.

This suggests that **even though** an internal customer's relationship with a current supplier may be good and productive according to the internal customer, that when the purchasing professional has concerns that the relationship is **too close**, he/she begins to explore...and **explore even a negatively reviewed supplier**.

However, the purchasing professional does so **with caution**. We found that in those situations in which there is a **high level of concern** about the relationship between the internal customer and an existing supplier that the purchasing professional is **very interested in learning** more about the previous customers of the negatively reviewed supplier, but that they **don't prefer or seek one source over another** from which to learn about the negatively reviewed supplier.

We also found that prospective customers with concerns about the closeness of an existing internal customer-supplier relationship **seek more evidence that confirms the poor performance of the negatively reviewed supplier** rather than evidence that disputes that negative performance. This **may indicate a reluctance to "rock the boat"** by introducing a new supplier with baggage when a current relationship, albeit one that is deemed "too close", currently exists.

Collectively, these findings help to **better** understand the process of learning that purchasing professionals may follow, in particular when encountering a potential supplier who has been negatively reviewed by previous customers.

As a community of professionals interested in purchasing science, we are forever **appreciative** for your insights and participation. If you have thoughts about the findings (why we found what we found, etc.), please feel free to share those thoughts with us.

You can email us at stewardm@wfu.edu.