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How Managers Sense and Seize “Hyped” Technologies: A Case of Online Consumer Reviews

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A rapid proliferation of online consumer review systems has become common in diverse industries, such as tourism (Xiang and Gretzel 2010), box office movies (Duan, Gu, and Whinston 2008; Dellarocas, Zhang and Awad 2007), online books (Chevalier and Mayzlin 2006; Chen, Wu, and Yoon 2004), and video games (Zhu & Zhang 2010). These online review platforms, such as Yelp, Tripadvisor, and Google Reviews, have become important sources of information for consumers regarding the quality of various goods and services (Chevalier and Mayzlin 2004). These user-generated reviews generate Big Data for sentiment analysis including: analysis of a person’s attitude, judgment, evaluation and affective state. This has increased awareness and acceptance as a method of generating value to businesses (Rapp, Beitelspacher, Grewal, and Hughes 2013). Many organizations are utilizing online reviews as a marketing tool (Dellarocas 2003), and the popularity of online reviews has increased acknowledgement of the potential of social media to provide the organization with information, resources, and networks (Constantinides and Fountain 2008).

However, many managers are still resistant to utilizing online consumer reviews as part of their business strategy. In a recent study, many did not understand the value of online reviews, some perceiving them as ‘just another hyped technology’ (Schiele, forthcoming). This is further complicated since going against the stream of overall excitement may be considered a taboo,

resulting in an excited discourse (how these technologies are talked about) and a reluctant practice (how they are actually implemented). Thus, managers do not only struggle at the organizational level with resource delegations and practical operation, but also at the individual, cognitive level in the attempt to handle cognitive and affective aspects of sensing and shaping the opportunities and threats of these technologies (Hodgkinson and Healey 2011).

Application of new technologies often creates unease with top managers, as it challenges their view of themselves as being competent and rational decision-makers (Rydén, Ringberg, and Wilke 2015). Despite the fact that such barriers are of a cognitive and affective nature (Tripsas and Gavetti 2000; Kaplan and Tripsas 2008), sentiment analysis amongst managers is not yet a traditional approach to improve organizational response to environmental changes. While application of social media, online reviews, and big data analytics has received attention from behavioral researchers, few studies have examined the emotional factors and consequences of such technology influx amongst managers. In an organizational context, attitudes are sustained and explained by a variety of motivational and psychological factors. Affect becomes crucial for effective sensing of these technologies because it provides the motivation for cognitive adaptation (Hodgkinson and Healey 2011).

In this paper, we propose that to develop realistic expectations about the processes and outcomes of online consumer review data, managerial affect should be taken into consideration. Based on Teece's (2007) framework and Hodgkinson and Healey's (2011) model of the core dimensions of strategic cognition, we empirically investigate how managers sense and seize the hype of online review. Through in-depth interviews with managers in US and Europe, we uncover how

managers emotionally and cognitively relate to these online review systems. The purpose is to learn in detail and in-depth what these technologies mean to them, what is deemed important or unimportant to their businesses, and how the way they sense and seize the technology influences their business practices. We then discuss how knowledge of the affective mechanisms of cognitive change may supply strategy research with knowledge on the human aspects. Adoption and implementation of hyped technology is not just a matter of fact; it is a matter of affect. Understanding of cognitive and affective impacts on such processes is therefore crucial.

References Available Upon Request