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Expert Blogs and Consumer Perceptions of Competing Brands

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Abstract

Social media-based expert blogs are a crucial and credible online information source for consumers, yet little is known about the role of expert blogs for general consumer brand perceptions that bestow long-term value for the firm. On the basis of a novel dataset with 7,871 brand-day observations of over 131,000 expert blogs on major brands in the PC industry, this study reveals how expert blogs may act as a quality signal leading general consumers' perceptions of rival brands. Our analyses reveal three key insights: (1) Expert blog sentiments and volume on a focal brand have a positive relationship with consumer perceptions of the focal brand but a negative relationship with those of its competing brands. (2) The focal brand's blogs have a reinforcing relationship with its subsequent blogs and a cannibalistic relationship with competitors' subsequent blogs. (3) Brand position (leading versus non-leading in the market) plays a nontrivial role in these competitive, dynamic relationships. For example, a 1 percent unexpected increase in Acer's expert blog sentiment would be associated with a 1.5 percent lift in its own brand quality as perceived by consumers, thus winning more consumer hearts and minds. Also, a 1 percent unexpected increase in Acer's expert blog sentiment would be associated with a .7 percent (Toshiba) to 1.5 percent (Sony Vaio) drop in its rival brand quality, thus undermining consumer hearts and minds of competing brands in the same industry. Also, the effects are asymmetrical across leading versus non-leading brands as a 1 percent unexpected increase in expert blog sentiment is associated with a 1.6 percent drop in *rival-brand* quality perceptions among consumers for non-leading brands, vis-à-vis only a 0.88 percent drop for leading brands. For researchers and managers, these results unravel some neglected benefits of expert blogs.

Keywords: Expert blog, consumer brand perception, social media, vector auto-regression