

Frequency Matters: How and When the Modal Rating Affects Consumer Decisions

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Abstract

Previous research established a substantial impact of online ratings on product sales. Although consumers usually see the full rating distribution, its effects have only recently received more attention. While there is first evidence that the mode (i.e., the most frequent rating score) plays a role, we do not know much about the conditions under which it affects decisions. This research investigates how and when the mode influences consumer behavior, providing useful insights for managers. Three studies reveal a positive mode effect on product valuation which depends on contextual quality cues. When consumers face a trade-off between the mode and a qualitative cue like brand names and quality seals, the higher-mode, lower-cue option is chosen over the lower-mode, higher-cue option. The positive effect of the mode does not overcome trade-offs with quantitative cues like rating averages, volume or price, resulting in a preference shift from the higher-mode to the lower-mode option.

Keywords: *Online Product Ratings; Information Integration; Cue Diagnosticity*

Track: Digital Marketing & Social Media