

# From Boom to Bust: The Impact of Business Cycles on Online Product Reviews

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## **Abstract**

While gathering and expressing opinions about products through online product reviews constitute integral parts of the buying process, insights about the impact of the overall economy on such pre- and post-purchase activities remain sparse. In this study, the authors investigate the impact of economic expansions and contractions on consumers' post-purchase satisfaction judgment expressed in the online opinion section of a retailer's website. Review-level data from Amazon.com is combined with macroeconomic to create a longitudinal data set capturing the effects of multiple business cycles. The results reveal that economic expansions and contractions have apparent and far-reaching effects on how consumers express satisfaction in online product reviews. While customers tend to evaluate products more favorably during economic contractions, they tend to do the opposite during economic expansions. These findings are supported by the expectation-disconfirmation theory.

**Subject Areas:** *Customer Satisfaction and Delight, Electronic Commerce and Internet Marketing, Retailing*

**Track:** Retailing & Omni-Channel Management