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## Operationalizing Regulatory Focus in the Digital Age: Evidence from an E-Commerce Context

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### Abstract

Regulatory focus theory (RFT) has been regarded as an important theory for understanding customer behavior in e-commerce; however, there is a significant gap between theoretical analysis with RFT and its practical applications. In particular, there is little research on how to identify the chronic regulatory focus of customers; as such, it is difficult to apply RFT in e-commerce operations. To fill this research gap, we propose an innovative method to operationalize customer regulatory focus from the affective dimension, leading to operationalized regulatory focus (ORF). In this regard, our study spearheads a new avenue of research on how social theories can be operationalized and applied in e-commerce operations. We first identify customers' chronic regulatory focus (i.e., promotion-focus or prevention-focus) based on online review data using text mining, leading to an innovative method we refer to as "regulatory focus discovery." Then, we validate the computed results on regulatory focus by surveying corresponding customers included in the same dataset. Finally, we evaluate the applicability of ORF via an econometric analysis. In this article, we demonstrate that it is possible to compute regulatory focus of specific customers for the purpose of assessing their purchasing tendency. The theoretical and practical implications of ORF are discussed.

**Keywords:** Regulatory focus theory, operationalization, regulatory focus discovery, design science; electronic commerce, sentiment analysis