The Effect of Uniqueness on Word-Of-Mouth Agency: the Moderating Roles of Product Category and Availability

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This research explores psychosocial benefits and costs associated with WOM agency. We demonstrate that while being a WOM agent may be attractive for consumers who are market mavens, WOM agency may hurt consumers who are high in their need for uniqueness. Study 1 demonstrates that the detrimental effect of WOM agency is greater for publicly consumed than for privately consumed luxury products. Study 2 replicates the hypothesized effect by manipulating uniqueness. Study 3 identifies boundary conditions for this effect: the effect of need for uniqueness on public luxury products is attenuated when the product is not available for general purchase.

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EXTENDED ABSTRACT

Increasing consumer skepticism of the advertising industry and fragmentation of television audiences has decreased the effectiveness of traditional mass media advertising. Consequently, companies are relying more on WOM communication and other non-traditional communication approaches to increase their return on Marketing investment (Court, Gordon, and Perrey 2005). There is increasing reliance on “brand ambassadors,” or agents, who are affiliated with, but typically not paid by, firms, to engage in positive WOM. Companies often pay agencies that enlist consumers to serve as volunteer WOM agents. The present research focuses on this growing phenomenon.

While a significant body of research has studied the outcomes of WOM in the context of persuasive communication, less is known about the causes of WOM agency, that is, why consumers choose to become WOM agents. We explore the social benefits and costs associated with a consumer’s decision to become a WOM agent. While being a WOM agent may be attractive for market mavens (Feick and Price 1987), it may hurt consumers who are high in their need for uniqueness (Lynn and Harris 1997) by decreasing the uniqueness of their possessions. Additionally, this social cost of decreased uniqueness may vary across products. We expect that the detrimental effect of WOM agency (in terms of decreased uniqueness of consumed products) is greater for publicly consumed luxury products than for privately consumed luxury products (Bourne 1957). Furthermore, we expect that uniqueness affects WOM agency when a public luxury product is available, but not when it is unavailable.

Effect of Need for Uniqueness (NFU)

Informing other consumers about a product increases their likelihood of adopting that product and decreases its uniqueness. High need for uniqueness (NFU) individuals desire rare products which provide differentiation from other people. For fear that others will get the same product, consumers may choose not to tell others about it. Unique product choices may attract other people who are also high in NFU (Fisher and Price 1992), and high NFU individuals may feel threatened if others become similar to them (Tian, Bearden and Hunter 2001).

Moderating Role of Product Category

This detrimental effect of NFU on WOM agency may, however, vary across product categories. Peer influence on product-level decisions is stronger for publicly consumed than privately consumed products (Bearden and Etzel 1982; Childers and Rao 1992; Tian et al 2001). Furthermore, factors which increase adoption of a conspicuous product will decrease the value of a product for high NFU individuals (Amaldoss and Jain 2005). Thus, we expect that while high NFU consumers will be less likely to engage in word of mouth for public products than for private products, they will be as willing as low NFU individuals to endorse a private product. In contrast, low NFU individuals will be equally likely to promote public and private products.

Availability Moderates Role of NFU on WOM Agency for Public Luxury Products

Commodity theory posits that anything that is useful to a person, conveyable to another person, and potentially possessable will be valued when its availability is limited (Brock 1968). Need for uniqueness is one explanation of why unavailability leads to increased desirability (Lynn 1992b). Brock (1968) refers to the potential time delay in acquiring a product as one of the drivers of availability. We predict that the detrimental effect of WOM agency for high NFU consumers will disappear if the public luxury product is not yet available in the market. That is, when the product is not yet available for purchase, the WOM agent does not decrease the uniqueness of the product by talking about the product with acquaintances.

Empirical Results

In study 1, we measure NFU and demonstrate its effect on WOM agency for public and private luxury products, while controlling for market mavensm. Respondents read a scenario in which they receive an email from a company to join a program as a WOM agent. A specific product in need of WOM promotion is described in the email. Approximately half the respondents read about the public product (Apple iPod Shuffle digital music player), while the remaining respondents read about the private product (Apple Monitune monitor/TV). Pretests confirm that while both these products are perceived to be luxury products, the Shuffle is perceived to be more publicly used product than the Monitune. All respondents then rate how likely they are to join the program. The results indicate that the attenuating effect of NFU is more negative for public luxuries than for private luxuries.

In study 2, we replicate the uniqueness effect of study 1, using a prime to manipulate NFU between subjects (Aaker and Lee 2001). Respondents first evaluate an advertisement for Welch’s Grape Fruit Juice, which either focuses on an individual or on a group. They then read a scenario similar to study 1. Results indicate that among respondents who see the public product, those exposed to an individual prime (high NFU) are less likely to purchase than those exposed to a group prime. However, among respondents who see the private product, the prime does not have a significant effect.

In Study 3, we demonstrate how availability level moderates the effect of NFU on WOM agency for public luxury products. We present consumers with a public luxury product (a Siemens cell phone) and manipulate whether this product is presently available in the market or will be available in six months. Results indicate that when the product is available, high NFU respondents are significantly less likely to become WOM agents than low NFU respondents. However, when the product is not available, high NFU respondents are as likely to become WOM agents as low NFU respondents.

Conclusion

These results indicate that there is a cost of WOM for consumers who are high in NFU, and this cost is exacerbated for a) public...
versus private products, and b) available versus unavailable products. The results suggest that high NPU consumers may be more successful as WOM agents when promoting private luxury products and/or when promoting products that are yet to be launched in the marketplace.

References


