Narrative Word-Of-Mouth Communication: Exploring Memory and Attitude Effects of Consumer Storytelling

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ABSTRACT

This paper explores “word-of-mouth” (WOM) communication from the perspective that this type of communication is typically structured as a narrative or story. The first study provides empirical evidence that consumer WOM communications are often structured as a narrative. The second study extends findings from psychology research to the context of a WOM story by examining two factors of story memory that may affect brand attitudes: 1) biased memory for story details and 2) recall of story gist, defined as a summary abstraction of the story. We propose that a narrative perspective will enhance the field’s understanding of WOM communication.

INTRODUCTION

For a company to be successful, it is essential that it understand consumers’ perceptions of its products, services, and/or brands. Marketing and advertising frame these perceptions, along with word-of-mouth (WOM) communication between consumers when they complain about products or recommend products to friends. Although there is not much that marketers can do to influence WOM communication, it is important for marketers to understand this phenomenon in order to develop a fuller understanding of the processes at work in consumers. Word-of-mouth communication is one of the strongest sources of information for consumers (Kotler 1988). This interaction between consumers can work against the brand or product when a consumer shares a negative experience or can work in favor of the product when a positive experience with the brand or product is communicated.

Our research extends concepts from psychology to WOM communication in order to better understand its effects on consumers. Our goal is to enhance knowledge of the structural properties of WOM communication as well as examine consumers’ memory and attitude responses to WOM communication, based on its structural properties. This research project consists of two studies. In the first study, we explore the structure of WOM communication and provide a preliminary indication that WOM communication is typically presented as a narrative, that is, in the form of a story. This knowledge about the structure of WOM communication leads to the second study, which analyzes what people remember about a WOM story and how WOM story memory affects consumer attitudes (more specifically, assessments of blame in a problematic service encounter).

THEORETICAL DEVELOPMENT

Much marketing research has been conducted on word-of-mouth communication and recommendations. For example, consumer research has examined how WOM travels through social networks (Brown and Reingen 1987), when consumers are apt to complain (Richins 1983), and how consumer attributions mediate the effects of WOM on brand evaluations (Laczniak, DeCarlo, Ramaswami 2001). Herr, Kardes, and Kim (1991) have shown that WOM communications are highly accessible because they are available over time. Time is configured in narratives as episodes, each with a temporal dimension (chronology) and defined relationships between story elements (causality; Escalas 1998). First, narrative thought organizes events into a framework that establishes causal relationships between the story’s elements over time (Hastie 2003). Stories provide us with the reasons for why things happen and why people engage in particular behaviors. For example, one of the authors understands why her father has such a strong work ethic because she’s heard his many stories of how he struggled while he was growing up and was finally able to obtain everything he dreamed of by working hard and persevering. Given our narrative understanding of the world, we also think of ourselves in terms of self-stories. Moments in time are not unrelated, rather there exist goal-directed, coherent sequences linking one’s past, present, and future into a present identity (Gergen and Gergen 1988). Furthermore, when people communicate with one another, they usually do so in the form of stories (Schank and Abelson 1995). People constantly tell each other stories, matching and comparing incoming stories to stories that are already stored in memory in order to understand one another. A major focus of the stories created by consumers is to make sense of who they are and what they consume, both for themselves and in communicating with others.

Why Should WOM Communication Be in Story-Form?

People make sense of their lives by thinking about themselves and the events around them in story-form (Bruner 1990). Narratives, considered here to be synonymous with stories, organize events into a framework that establishes causal relationships between the story’s elements over time (Hastie 2003). Stories provide us with the reasons for why things happen and why people engage in particular behaviors. For example, one of the authors understands why her father has such a strong work ethic because she’s heard his many stories of how he struggled while he was growing up and was finally able to obtain everything he dreamed of by working hard and persevering. Given our narrative understanding of the world, we also think of ourselves in terms of self-stories. Moments in time are not unrelated, rather there exist goal-directed, coherent sequences linking one’s past, present, and future into a present identity (Gergen and Gergen 1988). Furthermore, when people communicate with one another, they usually do so in the form of stories (Schank and Abelson 1995). People constantly tell each other stories, matching and comparing incoming stories to stories that are already stored in memory in order to understand one another. A major focus of the stories created by consumers is to make sense of who they are and what they consume, both for themselves and in communicating with others.

The Structure of Narratives. What makes a story a story? An important aspect of narrative thought is its structure. This structure consists of two important elements: chronology and causality. While there are many theories about the necessary elements of narrative structure that vary as to the fine points of what constitutes a narrative, they consistently agree on the necessity of a temporal dimension (chronology) and defined relationships between story elements (causality; Escalas 1998). First, narrative thought organizes events in terms of a temporal dimension; things occur over time. Time is configured in narratives as episodes, each with a beginning, middle, and end, whereas time in reality is an undifferentiated, continuous flow (Bruner 1990, Polkinghorne 1991).
Second, narrative thought structures elements into an organized framework that establishes relationships between the story’s elements and allows for causal inferences. Episode schemas represent the standard sequence of events in both the real world and in stories (Pennington and Hastie 1986). To begin, an event, or series of events, initiates a psychological reaction and activates goals in a main character. The goals may be formulated in response to the initial event or may be preexisting goals that are activated by the initial event. The protagonist’s psychological state and goals provide reasons for his/her subsequent actions. These actions lead to an outcome or result. Because these narrative elements are organized through time, causal inferences can be made. What happens in time one (for example, the protagonist feels jealous) causes what happens in time two (he kills his rival).

How Narrative Processing Affects Memory and Attitudes

In this paper we focus on the narrative mode of thought as a process. Narratives are constructive. A typical story consists of interrelated episodes describing human action sequences; people are willing to make inferences and even delete (or forget) information in order to make their stories coherent and complete (Baumeister and Newman 1994). Narrative thinking does not lead people to ignore contradictions, but it provides a way for the inevitable inconsistencies that people observe in human behavior to be interpreted and remembered more easily (Baumeister and Newman 1994). Building stories is an ongoing process; people fit characters and episodes together in a narrative form to render the world and their lives meaningful.

Consumer research has recently begun to look at the effects of narrative processing. Adaval and Wyer (1998) have shown that narratives improve the evaluation of vacations, compared to simple lists of features. The authors assert that the advantage of narratives comes from their structural similarity to information naturally acquired in life experiences and from their tendency to induce holistic, not piecemeal, information processing strategies. Padgett and Allen (1997) have proposed that since service encounters are experiential, they are likely to be understood via narrative processing. Therefore, these authors assert that narrative advertising may be the best way to communicate a service brand image.

In terms of memory effects, narratives can be considered an organizing framework that should enhance memory, consistent with a long stream of research in psychology (e.g., Barlett 1932, Tulving and Pearlstone 1966). In the context of television news broadcasts, Lang (1989) has shown that chronological (i.e., narrative) presentation of events in a newscast enhances viewers’ memory for the events. Schank and Abelson (1995) assert that over time, narratives are remembered as abstractions or “story skeletons.” This has implications for how stories affect judgments and attitudes.

A recent study on the effects of narrative processing on memory and attitudes explores these implications. In their research on storytelling effects on judgments about interpersonal relationships, McGregor and Holmes (1999) assert that storytelling has a double meaning. On the one hand, “it implies recounting experiences in a coherent narrative format with the perspective of an audience in mind,” (McGregor and Holmes 1999, p. 403). On the other hand, “it can also connote a certain slippage from the realities of the episodes it supposedly portrays, if not a wholesale bending of the facts to create a ‘good story’” (ibid., p. 403). This “slippage” of facts to create a good story has implications for the attitudes consumers will hold as a result of hearing a WOM story.

In their relationship research, McGregor and Holmes (1999) examine two potential explanations for how stories influence judgments about who’s to blame in a relationship gone awry: biased memory for story facts and memory for the story gist, defined as the summary abstraction of the story (or story skeleton). While these two mechanisms work together to influence relationship judgments, it is story gist that has the strongest, long-term effect. Long after memory for story facts has faded, story gist still affects judgments about who’s to blame in a problematic relationship. This mediation relationship is shown in Figure 1. In terms of WOM stories, biased memory for story facts and recall of story gist should be important mediators of brand attitudes. Study 2 examines the effects of these two mechanisms in the context of a WOM story about a negative experience with a service provider. The study manipulates the focus of the story as well as the length of time between the initial story writing exercise and the assessment of recall and blame. In this way, we can test for the mediational effects of biased recall of story details and story gist in the short-term condition, and story gist alone in the long-term condition.

Narrative Implications for WOM Communications

The proposed narrative structure of WOM communication has implications for some of the previously described consumer research. For example, Herr et al. (1991) find that the vividness of WOM communications leads to its being accessible. Many aspects of narrative structure have an impact on how vivid a WOM communication will be (e.g., overall story quality, compelling characters, captivating plot, etc.). Lacznia et al. (2001) find that causal attributions mediate the effect of (negative) WOM on brand evaluations. Hastie (2003) has argued that stories are the primary mental mechanism for making causal attributions, because stories structure events in goal-oriented action sequences that result in (or cause) particular outcomes. Smith and Vogt (1995) examine how (negative) WOM information is integrated with information presented in advertising. The narrative structure of WOM communications has implications for this stream of research as well. One hypothesis is that a narrative ad, that is, an ad that tells a story, may counteract negative or positive WOM story effects better than another type of ad, for example, one that provides product information in an analytical fashion.

STUDY 1: NARRATIVE WOM STRUCTURE

This study explores the structure of word-of-mouth communication to test our hypothesis that this form of communication is usually organized as a story or a narrative.

Method

Participants. Sixty-two undergraduate students at a large, public, Southwestern university participated in this study to meet an introductory marketing course requirement.

Procedure. First, participants were asked to relate a recent product, service, or brand experience as if they were talking to a friend. The instructions, which emphasized “telling” and “talking” to avoid having participants feel as if they were writing a report, read as follows:

Please tell us about a recent experience you’ve had with a product or brand. You may prefer to tell us about a recent service encounter you’ve had, that’s fine too. The experience can be either positive or negative, it does not matter. Just take the next few minutes and couple of pages to tell us about the product, brand, or service situation as if you were talking to a friend.

After completing this task, participants were asked to complete a series of questions about what they had written and the product, service, or brand they had written about. Two coders blind
to the hypotheses later coded each participant’s product experience (in its entirety) for the degree to which it told a story, using Escalas’s (1998) narrative structure scale, described next.

**Measuring Story Quality**

Beyond the basic structure of narrative, described above, other theories have identified story characteristics that contribute to a narrative’s quality, answering the question, “what makes a good story?” In one such theory, Bruner (1990) proposes two dimensions to narrative: the landscape of action and the landscape of consciousness. The landscape of action consists of events that are visible to the casual observer: the initiating event, resulting action(s), and outcome(s). The landscape of consciousness allows the reader/viewer to “get inside the head” of the story’s character(s). The audience learns what the character is thinking and feeling. According to Bruner, a story with both a landscape of action and consciousness is a better story than one that contains only a landscape of action.

In another theory, Gergen and Gergen (1988) theorize that the dramatic engagement of a narrative depends on the evaluative slope of the story. The events in a story are evaluated over time (as it occurs in the narrative) for the degree to which they improve or worsen the state of the protagonist. Stories that have a steep incline or decline in evaluative slope and those that alternate in sign (e.g., rising, falling, then rising again) evoke the most emotion. The classical tragedy, *Oedipus Rex*, is an example of a narrative with rapidly deteriorating events, from the perspective of the protagonist.

Based on these story quality theories and others, Escalas has developed a six-item narrative structure scale to measure the degree to which an advertisement, or any type of communication, is in the form of a story (1998; Escalas, Burke, and Edell 2004). The WOM communications recounted by the 62 participants were coded by two independent coders blind to the hypotheses, using this six-item scale (see Table 1). Two items appraise the causal relationships explored by narratives (items 1 and 4). One item captures the
The six items were averaged for each coder to form one narrative score for each coder for each WOM communication. Each had solid Cronbach alphas (coder 1 $\alpha = .88$, coder 2 $\alpha = .72$). While the two coders’ average narrative scores were only moderately correlated ($r=.43$, $p<.001$), they were averaged to form one narrative score per WOM communication (combined $\alpha = .85$). The averaged six-item scale was used as the study’s primary independent variable.

**Results**

Based on the narrative structure coding, the WOM communications averaged 3.43 on the five-point scale, significantly above the midpoint ($t_{675}=5.95$, $p<.001$). The WOM communications were considered to be well-developed narratives if they scored 3 or more on the combined five-point narrative structure scale (Escalas 1998). By that criterion, 75.8% (47) of the participants’ written WOM responses consisted of well-developed stories. Additionally, 48.4% (30) of the responses were equal to or above the more conservative test of greater than or equal to 3.5 on the five-point narrative structure scale. Thus, the preliminary indication is that WOM communications appear to often be in the form of a story. As these number indicate, the responses may not be complex novels, but they do have a number of story elements that should have repercussions on how the WOM communications are processed and remembered.

**Discussions of Study 1 Results**

In sum, it appears that consumer WOM communications typically have many narrative elements and can thus be described as being in the form of a story. However, the written form of this study is a limitation: most WOM communication is transmitted orally, not in writing. The very process of writing down their thoughts may have influenced what participants wrote. While we believe the writing process is more likely to work against creation of a story, in favor of writing a cohesive argument for or against a product, service, or brand, we cannot rule out this alternative explanation. Future research should include tape recording and coding oral WOM communications elicited in a more naturalistic setting, with more attention given to subsequent thought-coder training to enhance inter-coder reliability.

**STUDY 2: MEMORY AND ATTITUDE EFFECTS OF NARRATIVE WOM COMMUNICATIONS**

When sharing a certain experience with a product or brand, people normally communicate in the form of a story (Study 1). Memory for story facts and the story gist (the summary abstraction of the story) have been shown to affect the attitude of the listener towards the target of the story (McGregor and Holmes 1999). Study 2 examines the influence of two effects (biased memory for story details and story gist) on WOM story recall and the effect of recall on brand attitudes (more specifically, assessment of blame). In this study, we closely follow the procedure and analyses used by McGregor and Holmes (1999), in the context of a WOM communication about a problematic trip on a popular airline.

**Method**

**Participants.** Seventy-six undergraduate students at a large, public, Southwestern university participated in this study to meet an introductory marketing course requirement.

**Procedure.** This longitudinal study consists of two parts. In Part I, participants were asked to read a vignette about a character named Greg who flew on Delta Airlines on his way back to the university to begin the semester. This simulated hearing a WOM communication from a friend, with the characteristics of being an indirect WOM communication, in a weak-ties situation, presenting second-hand information (McGregor and Holmes 1999). The vignette told the story of a trip with a number of problems as well as solutions, with an equal number of positive and negative attributes for both parties (e.g., Greg arrive late to the airport, the Delta connecting flight was delayed). Next, participants listed all the story details that favored Greg on one page, followed by a second page where they wrote the story details that favored Delta Airlines, in order to provide us with an indication of their initial perspective of the story. Then, the students were instructed to write a biased story in favor or against one of the parties, based on what they remembered about the story (half were asked to support Greg, the other half Delta Airlines, regardless of their own personal feelings after reading the vignette). Next, participants were asked whom they blame more for
the problems that arose in the story, using an eight-item scale developed by McGregor and Holmes (1999; see Table 2). By examining whom participants blamed after writing their biased stories in response to the WOM communication, we are able to determine the influence of the two manners in which story recall affects attitudes (biased memory and story gist) on subsequent blame assessments.

Part II was completed at two different time frames. Approximately one-half of the participants completed Part II eight to nine weeks later, while the other half completed it 17 to 18 weeks later. In Part II, participants are asked to reassess blame, again using the eight-item, seven-point McGregor and Holmes scale (1999), and complete a series of recall and recognition items, described in the next section.

**Variables.** The eight-item McGregor and Holmes (1999) blame scale has solid reliability in our data ($\alpha_{time\ one}=.88$, $\alpha_{time\ two}=.91$). In our study, higher numbers on the blame scale correspond to greater blame being placed on Delta Airlines. Additionally, three recall and recognition items were collected in Part II: biased recall, false recognition, and story gist. We asked that participants 1) record all the details they were able to recall from the original story, 2) judge whether ten items were true or false based on the story (all were false), and 3) indicate whether there was anything they remembered particularly well about the story. The recall items were coded for the number of items that favored Greg or Delta Airlines and an index was created by using the residual of the pro-Greg details regressed on the pro-Delta details as a measure of biased recall.\(^1\) Next, five of the false recognition items favored Greg, while five favored Delta Airlines. We created our false recognition variable by taking the residual of false recognition of pro-Greg items regressed on pro-Delta items. Finally, an independent coder blind to the hypotheses assessed the evaluative implications of what participants reported they remembered particularly well about the story. Thus, the value of the story gist variable ranges from -1 to +1 (-1 if the story gist favored Delta Airlines, +1 if the story gist favored Greg, and 0 if it didn’t favor either party).

**Covariates.** While care was given in creating the vignette to make sure that both Greg and Delta Airlines each contributed equally to the problematic flight scenario, a variable reflecting the initial perspective of each participant was created as a covariate to remove any variance in the data that emerged as a result of a perception that one of the two parties was more at fault than the other. We created an initial perspective index by using the residual of the pro-Greg story details regressed on the pro-Delta story details written by subjects in Part I when they first read the vignette. This covariate is included in all the ANCOVA models conducted for this study.

**Results**

The basic hypothesis in this study is that biased memory for story details and the story gist remembered will mediate the effect of storytelling on blame assessment in the short-term, while only story gist will mediate in the long-term (see Figure 1). In order to test this hypothesis, we used the Baron and Kenny approach (1986), where to demonstrate mediation, four relationships must hold. First, the focus of the story written by each participant must have a significant effect on whether that participant primarily blamed Greg or Delta airlines for the problems that occurred. Unfortunately, we only find directional support for an effect of story focus on blame (pro-Greg=5.21, pro-Delta=4.94, $F(1, 71)=2.35, p<.07$, one-tailed). However, even when the first step in testing for mediation is not statistically significant, the possibility still exists for an indirect effect of story focus on blame assessment through biased memory of story details and story gist. To test for an indirect effect, we look the second and third relationships described by Baron and Kenny (1986). The second relationship is that story focus must affect the two biased memory variables (biased recall and false recognition) and story gist. While we find a significant effect of story focus on story gist ($F(1, 44)=2.81, p<.05$, one-tailed),\(^2\) we do

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\(^{1}\)We conducted square root root transformations on all the variables contributing to the aggregate indices to normalize their potentially skewed distributions before the indices were calculated.

\(^{2}\)Only 44 of the 76 participants completed the story gist questionnaire item, 77% in the short-term condition and 47% in the long-term condition.
not find an effect of story focus on either biased recall ($F(1, 75)=1.0$, n.s.) or false recognition ($F(1, 74)<1.0$, n.s.). Thus, we do not replicate McGregor and Holmes’s (1999) biased memory findings in this consumer WOM context.

We find that story focus has an indirect effect through story gist on blame assessment. When added to the model of story-focus on blame, story gist remains significant ($F(1, 44)=2.98$, $p<.05$, one-tailed), while story focus does not ($F(1, 44)<1.0$, n.s.). Furthermore, the indirect effect of story focus on story gist on blame is significant ($Z=2.12$, $p<.05$; Kenny, Kashy, and Bolger 1998). We also find a significant interaction effect of time frame (short-term versus long-term) by story gist on blame ($F(1, 44)=4.60$, $p<.05$). Figure 2 presents these results graphically, using a median split of story gist to dichotomize the data (story gist median=-1.0). Consistent with the idea that while biased memory effects fade over the long-term, story gist does not, we find that story gist has a greater impact on the extent to which participants blamed Delta in the long-term condition than in the short-term condition. Simple main effects reveal that the difference within long-term is significant ($F(1, 44)=2.75$, $p<.05$, one-tailed) and the effect within very pro-Delta story gists is marginally significant ($F(1, 44)=2.20$, $p<.07$, one-tailed). The other two contrasts are not significant ($Fs<1.36$, $p>.25$).

**Discussion of Study 2 Results**

While the story gist results found in Study 2 are encouraging, the results for biased memory are disappointing. Our goal was to demonstrate that while WOM story gist affects blame assessments in both the short-term and the long-term (supported), biased recall of WOM story elements only has an effect in the short-term (not supported). We believe our lack of results stems from two problems in our study. First, lack of subjects limits our power to detect mediation. For example, in the long-term condition, only 27 individuals answered the story gist question, 14 in the Greg-focused story and 13 in the Delta-focused story conditions. Second, the length of time between sessions is too long for the attention span of our student subjects. McGregor and Holmes (1999) used three conditions: two weeks, six weeks, and 40 weeks. We used eight weeks and 18 weeks. There are other indications that the subjects were not engaged in the task over the experimental time frame. For example, the average number of pro-Greg and pro-Delta thoughts recalled at time 2 are only one apiece (averaging over both the short-term and long-term conditions).

Future research could modify the approach used in this paper. First, it would be advisable to shorten the short-term condition to two weeks and the long-term condition to 10 weeks. Our student subjects should be able to recall something of the WOM story over two weeks, but will also most likely forget the story details (except the story gist) in 10 weeks time. In addition to blame assessments, it would also be beneficial to include the marketing variable brand attitude, since this is the standard measure of whether or not consumers like a brand in our field.

**CONCLUSION**

This stream of research is a first step towards increased understanding of WOM communication. The results of Study 1 reveal that WOM communications are often in the form of a story. With this information, we can apply theoretical insights on how narratives are processed, recalled, and used in attitude formation towards understanding what happens in consumers’ minds when they are exposed to other consumers’ WOM communications. For example, our results for Study 2 indicate that even when there is little to no biased memory for story events, story gist mediates the effect of the focus of a WOM story on subsequent attitudes about the story’s characters and/or brands. Thus, it will be important to examine how story gist memories are formed, stored in memory, and instantiated in subsequent consumer contexts.

**Directions for Future Research**

In addition to the future research described throughout the paper, future studies should expand on our understanding of the interactive effects of WOM stories and advertising. As we noted above, marketers cannot directly affect WOM communications. However, they do control the content and structure of their advertising campaigns. Therefore, our future research goal is to apply what we have learned about WOM memory mechanisms to how consumers, who have heard WOM stories, interact with advertising for a given company or brand. This research will build on the work of Smith and Vogt (1995), who have examined order effects in information learned sequentially from WOM and advertising. They find that when the ad is processed first, it inoculates consumers...
against future negative WOM communication, and when the ad is processed second, it can help attitudes and retentions recover from the negative WOM information presented earlier. In this paper, we have presented some preliminary evidence that WOM communication is narratively structured and that over the long term, only story gist is recalled and therefore is able to influence attitudes. It would be interesting for future research to investigate how story gist interacts with ad information presented in the form of a story (i.e., narrative ads), compared to ads that present information in a more analytical fashion (e.g., drama versus lecture ads, Wells 1988).

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