**Word-Of-Mouth and Word-Of-Web: Talking About Products, Talking About Me**

Session Chair:  
Discussion Leader: Robert Kozinets, University of Wisconsin-Madison

Word-of-Mouth and Word-of-Web: Talking About Products, Talking About Me Discussion Leader: Robert V. Kozinets, York University

Word-of-Mouth: An Opportunity for Satisfied Experts to Self-Enhance
Andrea C. Wojnicki, University of Toronto

Based on limited but consistent evidence, researchers have generally assumed that consumer experts generate the majority of word-of-mouth (WOM) in the marketplace. Recently, the impact of these credible consumer experts has intensified due to issues with traditional media, coupled with technological advances including the Internet. But what motivates experts to talk? And do they generate more WOM regarding their satisfying or dissatisfying experiences? It is predicted and demonstrated here that based on self-enhancement motivations, satisfied experts generate more WOM than dissatisfied experts. Importantly, this result persists only when the outcome of the consumption experience is attributable to the consumer’s expertise.

Word-of-Mouth in Virtual Communities: A Netnographic Analysis
Kristine de Valck, HEC School of Management - Paris

Virtual consumption communities provide consumers worldwide with the ability to share their knowledge, experiences and opinions. Marketers are challenged to cater to this development of increasing consumer interaction, which generates substantial WOM. This study examines online forum discussions by means of a netnographic analysis. The main goal is to analyze how the discussants communicate with and influence each other. The second goal is to gain insight in their discourse with respect to the community’s focal consumption activity. The overall objective is to present an illustration of discussion practices and WOM processes within virtual communities of consumption.

Viral Marketing Mavericks: Capturing Word-of-Web
Judith Lynne Zaichkowsky, Simon Fraser University
Janghyuk Lee, Korean Advanced Institute of Science & Technology

New computer technologies add an extra dimension to word-of-mouth activity, creating a word-of-web activity. Consumers are now able to send messages to hundreds of consumers via a click on their address book. They are also able to link firm websites to their own website, which may be “deep-linked” to key words in search engines. These are the heavy users, who mail frequently with many other consumers and use their online address book to forward company information. Consumers in the second segment post firm information on their own website. Understanding the motivations of these segments is the focus of the paper.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/12353/volumes/v33/NA-33

[copyright notice]:
EXTENDED ABSTRACTS

“Subjective Expertise and Word-of-Mouth”

Andrea C. Wojnicki, University of Toronto

Consumer-to-consumer communication or word-of-mouth (WOM) is an impactful marketplace force that has been studied for decades by academics. Two prevalent constructs in the WOM literature are “opinion leaders” (Rogers and Cartano 1962) and “market mavens” (Feick and Price 1987). It makes sense that consumers who give and are asked for information regarding certain product categories (opinion leaders) or the marketplace in general (market mavens), are also likely to be experts. While the relationship between WOM and expertise is backed by very little empirical evidence (see Jacoby and Hoyer 1981 for exception), it remains as a common and non-contentious assumption in the WOM literature.

Why are these experts talking? Researchers have suggested a few motivations that may encourage consumers to generate WOM, including involvement, altruism, reciprocity, cognitive dissonance, and self-enhancement (cf. Feick & Price 1987, Gatignon & Robertson 1986). This last motivation, self-enhancement or status-seeking, may be particularly compelling in the context of WOM and expertise. Consumers may use WOM as a means to gain attention, social status, superiority, or power by showing off what they have bought, what they’ve been doing, or to enhance their reputation as an expert.

According to self-enhancement theory, people strive to associate themselves with the positive and avoid the negative (cf. Baumeister ’98). It follows then that consumer experts may be motivated to self-enhance by talking about their positive (satisfying) experiences. But this would only be the case if these experiences were diagnostic of or attributable to the consumer’s expertise. One way of operationalizing this attribution is with choice. If the consumer chose the product to consume, the outcome may be attributable to their expertise. If, however, the product was imposed, the outcome would be attributable to something else, such as chance. Study 1 will test the hypothesis that satisfied experts generate the most WOM, but only when they had choice. Based on the insight that the salience of consumers’ identities can affect their behaviors (cf. Tybout and Yalch 1980), Study 2 will test whether this effect is intensified when consumers’ expertise status is primed. It is predicted that the same pattern of results described above will persist in both the primed and not primed conditions, but they will be exaggerated in the primed condition such that satisfied experts will generate even more WOM when their expertise status is primed versus when it is not primed.

Study 1

Subjects from an online subject pool were emailed an invitation to participate and given a 72 hour window to complete the study. 449 subjects completed the study and were mailed a $5 money order as compensation. When they logged on to the experiment website, they first read a hypothetical restaurant scenario that was randomly assigned to the choice or imposed and the satisfied or dissatisfied conditions. Following a distraction task, subjects answered questions regarding subjective expertise (Mitchell & Dacin 1996), opinion leadership (Childers 1986), involvement (Higie & Feick 1988), all specific to restaurants, as well as the market maven scale (Feick & Price 1988).

Consistent with predictions, the two-way interaction between outcome and expertise was significant in the choice condition (p<.042) and an analysis of simple effects revealed that satisfied experts generated more WOM than any other group. The main effect of expertise was also significant, and expertise, opinion leadership and WOM are all positively and significantly correlated, even after controlling for involvement. In the imposed condition, the interaction between outcome and expertise was not significant (p=.283).

Study 2

459 subjects from a different, independent online subject pool completed this study. A third factor, salience (primed versus not primed) was added to the design. Subjects in the not primed condition followed a procedure very similar to Study 1. Subjects in the primed condition first answered the expertise scale questions and were then explicitly labeled as a restaurant expert or non-expert. They were also reminded of this status before they indicted how much WOM they would generate regarding the hypothetical restaurant scenario.

Results confirm hypotheses—the three-way interaction between salience, outcome, and expertise was significant (p<.001). Importantly, the simple effect of salience for satisfied experts was significant (p<.001), as was the main effect of expertise (p<.001).

Discussion

This research demonstrates self-enhancement as a viable and significant motivation for consumers’ WOM behaviors. Based on their desire to enhance their expertise status, satisfied experts generate the most WOM, but only when they can take credit for a positive outcome (Study 1), and even more so when their expert status is salient (Study 2).

This research also demonstrates new and nuanced evidence in support of the relationship between expertise and WOM; the main effect of expertise on WOM was significant in both studies. It should be noted though that it is satisfied experts who are driving this main effect. These results may also illuminate previous inconsistencies regarding prevalence of positive versus negative WOM in the marketplace—a question that has received some attention, but with ambiguous results. Here, we see that consumers who are satisfied generate more WOM than those who are dissatisfied, but only when they are experts, and only when they had choice.

References


“Word-of-Mouth in Virtual Communities: A Netnographic Analysis”
Kristine de Valck, HEC School of Management–Paris

Online forums, boards, list servers, chat rooms, newsgroups, and blogs provide consumers worldwide with the ability to share their knowledge, experiences, and opinions. The popularity of electronic consumer exchanges is reflected in the vast number of virtual communities that specifically focus on consumption-related interests. When making a purchase decision, consumers may turn to the community to gather information, ask for advice, or review experts’ opinions. Post-purchase, they may communicate their own experiences to the community. The result is an ongoing process of interpersonal influence and online word-of-mouth recommendation. As information exchange between consumers via the Internet continues to grow exponentially, spheres of influence will become increasingly virtual. Marketers are challenged to cater to this development. It is therefore important to acquire systematic knowledge about this process of online interpersonal influence within virtual consumption communities.

Considering existing research efforts, we start to understand why people participate in and contribute to virtual communities (e.g., Dholakia, Bagozzi and Klein Pearo 2004; Hennig-Thurau, Gwinner, Walsh and Gremler 2004), with what effect (e.g., Algesheimer, Dholakia and Hermann 2005; Bickart & Schindler 2001; Muniz & O’Guinn 2001), and how we can measure that effect (e.g., Godes and Mayzlin 2004). However, what is still lacking is a deeper understanding of what people talk about and how they try to influence each other online. This study applies the method of netnography (Kozinets 2002) to investigate interaction dynamics between virtual community members. The main goal of the study is to analyze how the discussants communicate with and influence each other.

The community under study (www.SmulWeb.nl) is organized around culinary matters attracting around 30,000 unique visitors per month. It consists of theme pages, member pages, discussion forums, chat rooms, and databases for articles, reviews, and recipes. I made my entrée in the community and started informal observation of the forums in September 2000. I reviewed a range of member contributions, conducted in-depth interviews with members and administrators, and participated in online community gatherings. After three years of knowledge building, I intensified my monitoring by systematically reviewing all topics discussed in the forums in 2003. In several rounds, I made a purposeful selection of 53 discussion threads for further analysis. The total research volume amounted to 3161 postings generated by 82 distinct contributors. The conclusions are based on an iterative content analysis. My interpretation of the data has been constructed through continuously moving between individual postings, chunks of postings, entire discussion threads, and the emergent understanding of the complete data set. The evolving netnography has been posted in its entirety to the community to elicit member feedback. In total, sixteen members (active discussants and lurkers) reacted. All reactions were positive and affirmed the analysis and interpretation.

First and foremost, the netnography has given insight in the character of the virtual community as a reference group. SmulWeb consists of a varied member database. Participants differ with respect to gender, age, race, nationality, education, income, profession, family situation, and lifestyle. No real life counterpart of SmulWeb (e.g., cooking club or wine course) shows this level of diversity. Offline reference groups are geographically more restricted, but they also tend to be more limited in terms of economical, social, racial, and ideological characteristics according to the principle: birds of a feather flock together. Online, these feathers are not directly apparent. They are also less relevant because members have one important thing in common: their passion for the community’s topic of interest. Although they share this passion, their related opinions and behavior diverge due to their different backgrounds. It is these differences that are the motor of the community’s processes of interpersonal influence and WOM recommendation, because the community members actively learn from and influence each other.

The netnography has revealed four main frames of discussion. The discussants engage in communicative acts to (1) share knowledge, (2) negotiate norms, (3) oppose values, and (4) celebrate similarities. These labels do not only exemplify the aim of discussions (to share, negotiate, oppose, and celebrate), but also what is at stake (knowledge, norms, values, and similarities). The categorization is valuable for researchers and marketers alike, because it highlights the complexity of online forums as sites of interpersonal influence between consumers. It is not just about information exchange related to specific purchase decisions, but discussants engage in far more encompassing communicative acts to define, negotiate, argue, and cheer about value systems surrounding the community’s focal topic of interest. Furthermore, discussants have several tactics to influence each other. They call upon authority to convince others of their expertise. They tell stories about other people’s deviating behavior to express and reinforce their shared norm, and they contextualize their own behavior whenever it deviates from this norm. Finally, the ‘virtuality’ of the community stretches the unifying character of the discussions, because members more easily let go of their decorum, and show their true selves to an audience of like-minded individuals to whom they confess secret passions.

References

“Viral Marketing Mavericks: Capturing Word-of-Web”
Janghyuk Lee, HEC School of Management, Paris & Korea Advanced Institute of Science and Technology (KAIST)
Judith Lynne Zaichkowsky, Simon Fraser University

Viral marketing refers to the strategy of encouraging consumers to sell a product on behalf of the company that creates it. The effectiveness of viral marketing on-line has been well documented in the business community. Some examples include WD-40, which quadrupled visitors to its website by giving away 1,000 radios shaped like its product to those who signed up 10 other members (Business Wire, 2002); or Listerine which created a game called Germinator on its web site and encouraged players to email their scores to friends (Neff, 2001). Other viral marketing programs are loyalty or fidelity programs. Consumers can earn points for every contact person they give the company. They can then trade their points for company merchandise. The web documents both the sender and receiver of that information.

Encouraging current consumers to tell their friends about one’s brand and encourage purchase is about the most trusted form of product endorsement. Consumers who tell others about products can be classified into four categories, depending upon the amount of information they give and receive. Consumers who both give and receive a great deal of product-based information are called socially integrated. Those who mainly give information, but do not care to receive it are called socially independent. Those who like to receive information, but rarely give information are deemed socially dependent. Finally, consumers who give and receive low amounts of marketplace information are deemed to be socially isolated (Schiffman et. al, 1975). The web has made the social aspect a virtual aspect because consumers can both send and receive a great deal of information without the face-to-face contact, and in fact may be socially isolated on a face-to-face basis, but be socially integrated on-line.

Therefore the computer and the World Wide Web have added an extra layer or dimension of explosion to WOM, creating “word-of-web.” Consumers are now able to send the same message to dozens or hundreds of consumers at a time through a click on their address book. They are also able to link the company of interest to their own web site, which may be deep linked to certain key words in search engines. This web-embedded information has the potential to be seen by thousands or more. The question is who are these consumers who practice word explosion and what motivates them to link and share company information. As a first step to answering this question, the network behavior of customers of an on-line company is documented.

The Study
An electronic greeting card company (established in 2002) supplied the following data: the number of subscribers; the number of e-cards sent on monthly basis; a list of paid subscribers to their service; the start and expiry date of their subscription; and a list of all cards sent to other members from July 2004 to January 2005. Due to the nature of this business, the volume of e-cards sent is subject to seasonality. There was a low of 0.41 cards sent per member in September and a peak of 12.38 cards sent in December. November and April showed minor peaks, 5.41 and 3.64, due to Thanksgiving and Easter.

Exploratory analyses showed the following: (1) During the peak season (November and December which accounted for 78.1% of e-cards sent), new customer acquisition was more effective (22.3 cards sent to acquire each new subscriber) than during the off-peak season (33.4 cards). Less cards were sent to non-subscribers compared to existing subscribers (the ratio of e-cards sent to non-subscribers from existing subscribers was significantly lower during the peak season (0.25) than during the off-peak season (0.31)). These results show the importance of timing to diffuse word-of-web. The impact on new customer acquisition can be maximized if it is diffused when consumers are in the same buying mode. (2) Heavy senders and heavy receivers can be very important. Our e-card data confirmed the well known Pareto law of 20/80, as 20% subscribers sent 75% of the e-cards. The cross tabulation of heavy senders and heavy receivers showed that heavy senders also tended to be heavy receivers. (3) Heavy senders are less likely to exit the company than light senders. Cox-regression analysis showed the significant impact of the number of e-cards sent on the survival probability. This result was confirmed from two different subscriber cohorts starting in November and December 2003. However, the number of e-cards received showed a negative impact on likelihood to continue as a customer. This needs to be explored in future research.

References
Neff, J. “Pressure Points at IPG”, Advertising Age (December 2001) 4.