On Braggarts and Gossips: Why Consumers Generate Positive But Transmit Negative Word of Mouth

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We propose that consumers tend to generate positive word-of-mouth, by talking about their positive experiences with products, but transmit negative word-of-mouth, by talking about negative experiences occurred to others. We show that the basic human motive to self-enhance can parsimoniously explain both generation of positive and transmission of negative word-of-mouth.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1010032/volumes/v39/NA-39

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EXTENDED ABSTRACT

Academic research has widely recognized the paramount importance of word of mouth (WOM), the flow of informal communications about products and services that influences 70% of all buying decisions (Balter 2008). Yet a controversy still exists about whether positive or negative WOM prevails in the marketplace, with some studies indicating that negative WOM is more prevalent than positive WOM (e.g., Kamins, Folkes, and Pernes 1997), and others suggesting the opposite is true (e.g., East, Hammond, and Wright 2007). We identify an important moderator that may solve this controversy. We argue that WOM valence varies systematically across two stages over which WOM unfolds. We call these stages generation and transmission. Consumers generate WOM by talking about their own experiences with products, while transmit WOM by passing-on information about other people’s experiences. We predict that positive WOM tends to be more prevalent than negative WOM in the generation stage, whereas negative WOM tends to be more prevalent than positive WOM in the transmission stage. What may account for these seemingly contradictory tendencies in generation and transmission? We suggest that consumers engage in WOM to express themselves, particularly to satisfy their basic need to self-enhance (Sedikides 1993; Baumeister 1998). We argue that this need leads consumers to talk about their own positive experiences (thus generating positive WOM) as a direct way to self-enhance (e.g., Shrauger 1975), as well as about negative experiences they heard occurred to others (thus transmitting negative WOM) as an indirect way to self-enhance (e.g., Tesser 1998).

We tested this explanation in three experiments. Experiment 1 tested whether people indeed tend to generate positive WOM but transmit negative WOM. Ninety-three participants were assigned to a 2 (WOM stage: generation vs. transmission) x 3 (social setting: talking to a colleague at work, to a person met at a party, or to a stranger on an airplane) between-participants design, and invited to write what they would say to describe product experiences occurred to themselves or to someone else. To assess WOM valence, respondents were asked to rate the valence of each experience on a nine-point scale (1 = very negative, 9 = very positive). Results showed that participants described more positive experiences when they wrote about their own experiences (M = 6.61) compared to when they wrote about others’ experiences (M = 4.37, F = 15.54, p < .01). This effect of WOM stage was consistent across the three settings, with contrasts that were all significant (t(22) = 2.20, ps < .03).

Experiment 2 tested whether consumers generate positive WOM but transmit negative WOM as a way to self-enhance. We reasoned that people should exhibit this tendency when their need for self-enhancement is relatively high. We then measured self-esteem as a way to appraise the strength of individual self-enhancement motive, with lower self-esteem triggering a stronger need to self-enhance (Shrauger 1975). Two hundred forty participants were assigned to a 2 (WOM stage: generation vs. transmission) x 2 (experience valence: positive vs. negative) between-participants design, and invited to read a description of a new brand of laptop computers. WOM stage was manipulated by asking participants to imagine that they had purchased the laptop and used it for about one month (WOM generation), or that they had been told by a third person who had purchased the laptop about her experience (WOM transmission). Experience valence was manipulated by asking them to imagine that the user (them or the third person) felt satisfied (positive experience) or dissatisfied (negative experience) with the product. Participants then completed a three-item measure of likelihood to engage in WOM and a self-esteem scale. The data were examined with a regression analysis, with WOM likelihood as dependent variable, and WOM stage (coded as 0 for generation and 1 for transmission), experience valence (coded as 0 for positive experience and 1 for positive experience, self-esteem, and all interaction terms as independent variables. Results showed a two-way interaction between WOM stage and experience valence (b = -.74, p < .001) that was consistent with the basic effect found in experiment 1. They also revealed a three-way interaction among WOM stage, experience valence, and self-esteem (b = .71, p < .001), indicating that self-esteem moderates that basic effect. A spotlight analysis on individuals low versus high in self-esteem (±1SD from the mean) confirmed that only consumers with a low self-esteem tend to generate positive WOM (Mgen = 5.49 vs. Mtrans = 4.50, t = 4.19, p < .001) but transmit negative WOM (Mgen = 5.00 vs. Mtrans = 4.42, t = 2.83, p < .01).

Experiment 3 provided convergence on the proposed psychological mechanism. We manipulated, instead of measuring, need to self-enhance through a manipulation of threat to participants’ self views. We expected that people in the threat condition generate more positive WOM but transmit more negative WOM than people in the no-threat condition, because threat inherently triggers a stronger need to self-enhance (Tesser 1988). Seventy-one participants were assigned to a 2 (WOM stage) x 2 (self-view: threatened vs. non-threatened) between-participants design. They were asked to write a consumption experience that occurred to them (generation) or that they had heard occurred to someone else (transmission), and to rate this experience on the same scale as in experiment 1. ANOVA showed a two-way interaction (F = 9.55, p < .017), with participants under threat describing more positive experiences than participants under no threat (Mgen = 7.61 vs. Mtrans = 6.33, t = 1.76, p < .03) in generation, but more negative experiences in transmission (Mgen = 3.82 vs. Mtrans = 5.64, t = 2.63, p < .01).

Overall, this research offers a novel perspective on the controversy about prevalence of positive or negative WOM. By distinguishing generation from transmission we further our understanding of when positive WOM is more likely to be shared than negative WOM and when the opposite is more likely to occur. Furthermore, by showing that people engage in WOM generation and transmission as a way to self-enhance, we offer a parsimonious theoretical account that explains why consumers tend to generate positive but transmit negative WOM.

REFERENCES
