

WORD OF MOUTH: WHAT WE KNOW AND WHAT WE HAVE YET TO LEARN

Bodo Lang, University of Auckland Business School, New Zealand
Kenneth F. Hyde, AUT University, New Zealand

ABSTRACT

One of the key consequences of customer satisfaction is word of mouth communication (WOM). WOM is a concept that has attracted sustained research attention. To confirm what we already know about this important construct, this article reviews and synthesizes 60 years of WOM literature and develops a parsimonious model of WOM's most important antecedents and consequences, and outlines some approaches to its management. The authors identify three key antecedents of WOM and a large number of affective, cognitive, and behavioral consequences are also identified, illustrating WOM's far-reaching effects. Three generic approaches to utilizing WOM are identified and illustrated. Lastly, 14 research questions pertaining to WOM's antecedents, its consequences, and its management are outlined to guide future research with the aim of developing a better understanding of this important construct.

Keywords: WOM, research questions, antecedents, consequences, management, customer satisfaction

INTRODUCTION

Customer satisfaction has firmly established itself as an important construct for marketing practitioners and academics alike (Anderson and Sullivan 1993; Curtis et al. 2011; Korkofingas 2010). This article focuses on one of its key consequences: word of mouth communication (WOM). WOM is communication between a non-commercial communicator and a receiver concerning a brand, a product, or a service (Anderson 1998; Dichter 1966; Westbrook 1987). WOM can occur through online or offline channels although the vast majority of WOM (perhaps as high as 90%) appears to take place offline (Keller 2007; Keller and Fay 2009). This article focuses largely on WOM by non-commercial senders as opposed to 'commercial WOM', where senders are incentivized to spread a message.

More than 60 years ago, researchers recognized that WOM was probably "the most powerful force shaping consumer behavior" (Whyte 1954, p.204), "the dominant decision clincher" (Arndt 1967c, p.197) and "almost irresistible" (Arndt 1967b, p.8). Researchers' appraisals of WOM have not reduced since then. More recent research has described WOM as a response that "may be among the most important" (Brown et al. 2005, p.123), "a dominant force in the marketplace" (Mangold et al. 1999, p.73), the "ultimate test of the customer's relationship" (Bendapudi and Berry 1997, p.30) and "the gift that keeps on giving" (Trusov et al. 2009, p.96).

WOM is more important than ever, as spending on WOM marketing (e.g. commercially incentivized WOM by 'WOM agents', WOM media/channels, research on WOM) is expected to reach \$3 billion by the end of 2013 (PQ Media 2009), yet its causes and its impact are not fully understood (Williams and Buttle 2011). WOM has become a central concern in contemporary practices of marketing as consumers increase their use of social networks (Facebook, LinkedIn, Google+), content communities (e.g. YouTube, Pinterest), blogs (e.g. WordPress), microblogs (Twitter), and various other electronic means of sharing communications about products (Lee and Youn 2009; Okazaki 2009; Prendergast, Ko, and Siu Yin 2010; Shu-Chuan and Yoojung 2011; Strutton, Taylor, and Thompson 2011). WOM's ability to reach large numbers of consumers has dramatically increased through electronic channels which has led to renewed interest in commercially incentivized WOM, where the origin of a message is a commercial entity and where some consumers may receive an incentive for spreading a message (Leskovec, Adamic, and Huberman 2007; De Bruyn and Lilien 2008; Brown, Bhadury, and Pope 2010). WOM has also become a central element in customers' engagement with market offerings (Hennig-Thurau et al. 2010; Verhoef, Reinartz, and Krafft 2010). As such, marketing in the new media can learn from a body of knowledge on principles of WOM that has built up over many decades. This review attempts to provide a baseline for what we

do know about WOM, and then points out what we have yet to learn.

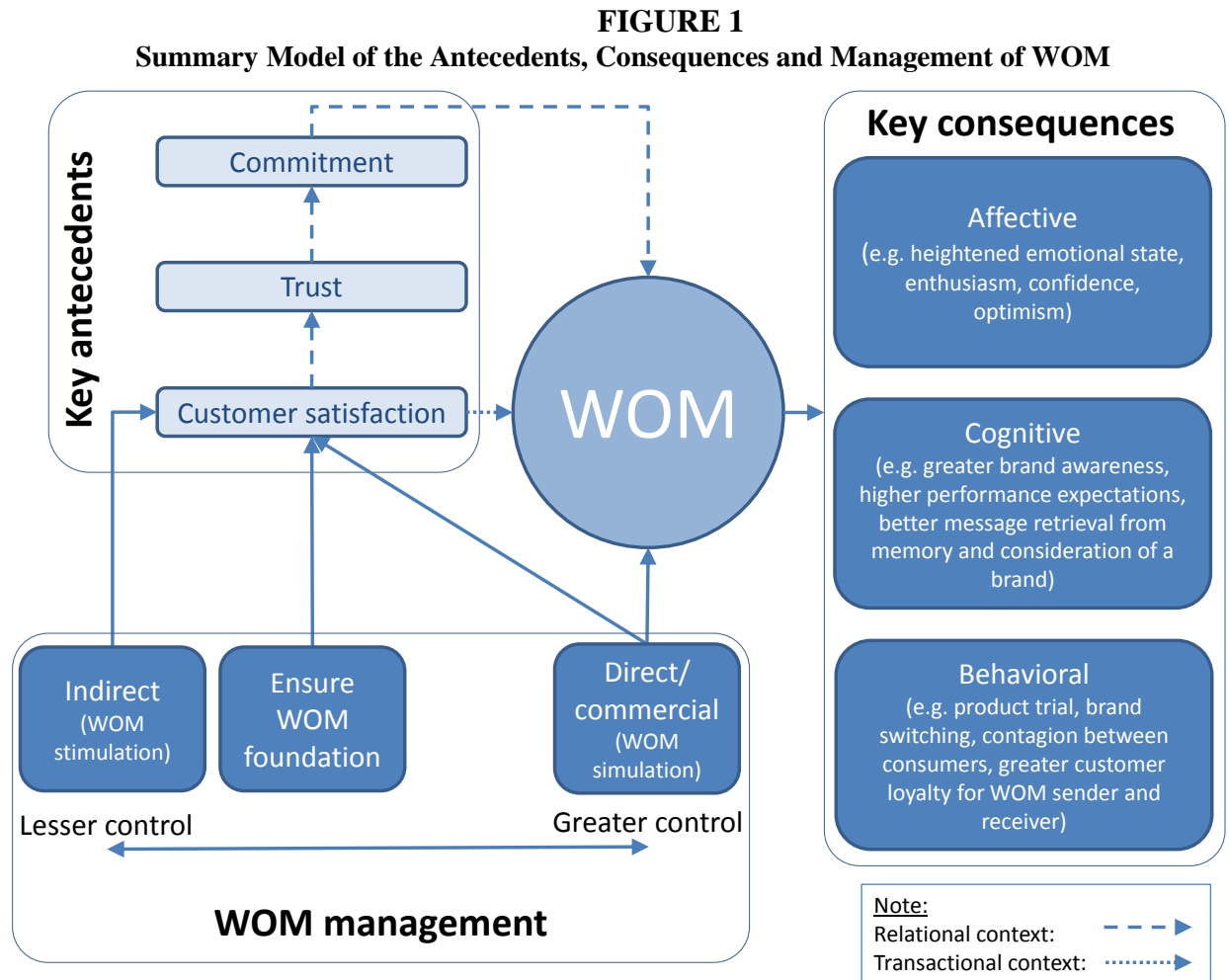
RATIONALE, AIM AND STRUCTURE

The publication of hundreds of empirical studies over the past six decades has greatly increased our understanding of WOM. However, the paucity of conceptual and review papers has contributed to a fragmented understanding of WOM and a lack of theoretical development in this important area (Yadav 2010; Wells 1993), and this has led to calls for research to point out those areas that are not yet well understood (Allsop, Bassett, and Hoskins 2007). This article reviews WOM research to establish what is known and where gaps in our knowledge remain, with the aim of guiding

future WOM research and assisting WOM practitioners in developing a more complete understanding of this increasingly important concept. More specific objectives are:

1. **To critically review existing literature with regard to the antecedents of WOM, the consequences of WOM, and the management of WOM; and**
2. **To formulate research questions in the above mentioned areas so as to establish a research agenda for future WOM research.**

The following sections review the literature with regard to WOM's antecedents, its consequences, and its management. **Figure 1** depicts an overview of this discussion.



Each of the subsequent sections about the antecedents, consequences and the management of WOM concludes with a list of research questions that remain unanswered.

Table 1 provides a summary of these research questions which can serve as an agenda for future WOM research.

TABLE 1
Research Questions Regarding WOM's Antecedents, its Consequences, and its Management

<i>Area</i>	<i>Research questions</i>
WOM's antecedents	<ol style="list-style-type: none"> 1. What is the role of customer commitment in relation to WOM? 2. How does the importance of different antecedents vary across different contexts? 3. Are the antecedents for positive WOM and negative WOM the same? 4. What is the shape of the relationship between customer satisfaction and WOM volume?
WOM's consequences	<ol style="list-style-type: none"> 5. What is the relationship between WOM volume and sales and what are its key moderators? 6. What is the relationship between WOM valence and sales? 7. Is WOM volume or WOM valence the better predictor of sales? 8. How is the relationship between WOM valence and sales moderated?
WOM's management	<ol style="list-style-type: none"> 9. Which indirect techniques are most effective at generating WOM? 10. What aspects of WOM increase its re-transmission rate? 11. What makes paid messengers effective? 12. What size of incentive is optimal? 13. What is the impact of disclosure on the credibility of viral marketing messages? 14. Why are virally acquired customers more loyal and more profitable than customers who were not virally acquired?

ANTECEDENTS OF WOM

Research has investigated the impact of a variety of variables on WOM. Early WOM research identified product attitudes as one main contributor towards WOM (Holmes and Lett 1977; Richins 1983) but later research suggested that attitudes may not be the only motivating factor behind engaging in WOM (Swan and Oliver 1989).

Due to their central position in the literature, and the fact they are amongst the most important WOM antecedents across a wide variety of circumstances, this article will focus on three antecedents of WOM: **customer commitment, trust, and customer satisfaction on WOM** (Brown et al. 2005; Harrison-Walker 2001; Hennig-Thurau, Gwinner, and Gremler 2002; Ranaweera and Prabhu 2003). Instead of adopting a broader, more general perspective that might view WOM as the

outcome of consumer motives, other aspects of consumer psychology, and situational influences, we focus on the three antecedents that to a large degree are under the control of the marketer, which makes the current analysis more relevant from a practitioner's perspective.

Customer satisfaction with a product or service has emerged as a key driver of WOM, and the importance of satisfaction has been widely acknowledged (Anderson 1998; Bowman and Narayandas 2001; Cermak, File, and Prince 1991; Dichter 1966; File and Prince 1992). Satisfaction can be described as an evaluation of an emotion in response to the ownership and/or usage of a product or service (Hunt 1977). It is usually accepted that satisfied customers or customers who are positively surprised are more likely to engage in positive WOM (PWOM) (Ranaweera and Prabhu 2003; Derbaix and Vanhamme 2003), while dissatisfaction has established itself as a key antecedent for negative WOM (NWOM) (Asugman 1998; Blodgett, Granbois, and Walters 1993; Bolting 1989; Richins 1984). However, there is still some debate around whether satisfaction mediates WOM valence (which can range from highly positive to highly negative), as research has found that even satisfied customers may speak negatively of the products they have used (Parthasarathy and Forlani 2010). Furthermore, Anderson (1998) found the correlation of satisfaction and the amount of WOM across various products in the U.S. to average just 0.2, while the same statistic is 0.7 in Sweden. These results suggest that the relationship between satisfaction and WOM (valence and volume) varies across different contexts.

Customer commitment - a desire to maintain a relationship with a particular brand (Gustafsson, Johnson, and Roos 2005; Morgan and Hunt 1994) - has also been shown to be a key antecedent of WOM ((Harrison-Walker 2001; Okazaki 2008). Similarly, trust - being willing to rely on a business partner (Garbarino and Johnson 1999; Morgan and Hunt 1994) - has also been found to be a strong predictor of WOM (Ranaweera and Prabhu 2003). A meta-analysis by de Matos and Rossi (2008) has confirmed that commitment, trust and satisfaction are all amongst the most important antecedents of WOM across a wide variety of circumstances. Given this confirmation,

we feel that our focus on these constructs is warranted.

ANTECEDENTS OF WOM: FOUR RESEARCH QUESTIONS

These findings indicate several fruitful areas for future research regarding the antecedents of WOM.

1. *What is the role of customer commitment in relation to WOM?*

While customer commitment has been investigated as an antecedent of WOM, it has also been shown to play different roles in relation to WOM. Studies variously show customer commitment to be an antecedent of WOM (Harrison-Walker 2001), a mediator of the relationship between customer satisfaction and WOM (Brown et al. 2005), or driven by satisfaction, with satisfaction being a more powerful construct in explaining WOM (Hennig-Thurau, Gwinner, and Gremler 2002). One could argue that the conflicting results may be reconciled by taking into account the relational context of the industries under study. Research finds commitment more important than satisfaction in predicting future loyalty intentions in highly relational contexts (Garbarino and Johnson 1999). Perhaps commitment becomes a more important antecedent of WOM and mediator of the satisfaction – WOM relationship depending on the strength of relationship between customers and a firm. However, such speculations need to be further investigated.

2. *How does the importance of different antecedents vary across different contexts?*

Apart from commitment (research question 1, above), the importance of trust versus satisfaction, as an antecedent of WOM is also unclear. Research, with the explicit goal of determining whether trust or satisfaction is the better determinant of PWOM, found that satisfaction was marginally stronger than trust (Ranaweera and Prabhu 2003), yet a meta analytic study found trust to be a stronger correlate of WOM than satisfaction (de Matos and Rossi 2008). These results indicate

that while satisfaction is an important antecedent of WOM, there are circumstances in which other antecedents may also play a significant role (Hess and Story 2005). Strong conceptual and empirical work is needed to derive how the importance of WOM's key antecedents vary depending on the context. Two promising contextual variables could be firstly, the level of product risk (Cunningham 1965; Swaminathan 2003) with higher levels of risk likely to make trust more important than satisfaction (e.g. going to the dentist versus going to the movies) and secondly, how strongly a product contributes towards a consumer's extended (digital) self, where trust may be more important for products that relate more strongly to the consumer's extended (digital) self (Belk 2013). Future studies, particularly qualitative and experimental methods, could be used to test such speculations.

3. *Are the antecedents for PWOM and NWOM the same?*

Both PWOM and NWOM have shown to be important determinants of consumers purchase decisions (Engel, Blackwell, and Kegerreis 1969; Herr, Kardes, and Kim 1991; Wilson and Peterson 1989). But what exactly drives PWOM and NWOM about a product? Although a number of studies have investigated the antecedents of PWOM and NWOM, most have focused on PWOM (Brown et al. 2005; Ranaweera and Prabhu 2003) with few scholars choosing to investigate the antecedents of NWOM (e.g., Asugman 1998). Furthermore, few studies have investigated the antecedents of PWOM and NWOM simultaneously (Mangold, Miller, and Brockway 1999). Using the Critical Incidence Technique, Mangold et al. (1999) isolate ten catalysts that "stimulated the conversation" (p. 77), which lead to a mixture of factors such as the "receiver's felt need", and a "sender's dissatisfaction with a product". In other words, the Mangold et al. study mixes personality-based motives for engaging in WOM (i.e. altruism in the example above) with product-specific antecedents (i.e. dissatisfaction). Differences in antecedents between PWOM and NWOM are likely to exist. For example, customer participation and involvement appear to encourage the transmission of positive WOM, rather than negative WOM (File and Prince 1992; Moore,

Moore, and Capella 2005; Richins and Shaffer 1987; Stokes 1997). Conversely, NWOM may be more likely when it is difficult to complain to the organization that caused the dissatisfaction, when the buyer does not expect any redress from complaining directly to the seller, and when the consumer's blame attributions are external, that is the seller is blamed for the cause of the dissatisfaction, rather than the customer (Blodgett, Granbois, and Walters 1993; Bolting 1989; Lawther, Krishnan, and Valle 1979; Richins 1983, 1987; Singh 1990; Watkins and Liu 1996). A mix of qualitative, survey and observational (e.g. online) research would do well to encompass both PWOM and NWOM across a variety of product categories to provide a more holistic picture of what drives PWOM and NWOM under different circumstances.

4. *What is the shape of the relationship between customer satisfaction and WOM volume?*

Customer satisfaction has established itself as a key antecedent for WOM (Hogan, Lemon, and Libai 2004) and large-scale survey research across multiple product categories has shown that positive WOM is approximately three times as common as negative WOM (East, Hammond, and Wright 2007). However, few authors have investigated the impact of different levels of satisfaction on the amount of WOM that is generated (Soderlund 1998). The limited research that has been conducted in this area supports an asymmetrical U-shaped relationship between customer satisfaction and WOM volume, with more WOM occurring at high levels of satisfaction and dissatisfaction, and lesser WOM occurring at moderate levels of satisfaction (Anderson 1998). Papers in related disciplines support this by suggesting that an asymmetric response is likely when consumers respond to positive and negative events (Cacioppo and Berntson 1994; Peeters and Czapinski 1990; Taylor 1991). Still, more research needs to be conducted to identify the shape of the relationship between different levels of customer satisfaction and WOM volume (Lang 2011). In particular, does extreme satisfaction result in greater WOM volume than extreme dissatisfaction? A close inspection of the literature reveals that there is conflicting evidence on this important question with research

supporting three different relationships: a symmetric relationship where high satisfaction and high dissatisfaction result in similar amounts of WOM volume (Derbaix and Vanhamme 2003; Engel, Kegerreis, and Blackwell 1969; Soderlund 1998), a positivity bias where high satisfaction generates higher WOM volume than high dissatisfaction (Cermak, File, and Prince 1991; Holmes and Lett 1977; Wirtz and Chew 2002), and a third stream that documents a negativity bias, where high dissatisfaction results in higher WOM volume compared to high satisfaction (Anderson 1998; Silverman 1997; TARP 1981). Thus, clarifying the shape of the relationship between customer satisfaction and WOM volume appears a fruitful area for future qualitative and experimental research. Such research should be able to manipulate satisfaction across a variety of circumstances to avoid the skewed distribution of satisfaction scores of previous studies (Soderlund 1998) and measure the resulting WOM.

CONSEQUENCES OF WOM

WOM has far-reaching effects, making it a particularly interesting construct to study for academics and a variable of great concern for many marketing practitioners. WOM's consequences can be broadly categorized as affective, cognitive, and behavioral.

Affective responses to WOM include a heightened emotional state of the receiver (Christophe and Rime 1997) and enthusiasm, confidence and optimism (Phelps et al. 2004; Sweeney, Soutar, and Mazzarol 2008). Cognitive responses include greater brand awareness (Ferguson 2008; Liu 2006; Sheth 1971), higher expectations about the product (Webster 1991; Zeithaml, Berry, and Parasuraman 1993), and better retrieval from memory and consideration of a brand (Grewal, Cline, and Davies 2003).

Behavioral responses include product trial (Anderson and Golden 1984; Grewal, Cline, and Davies 2003; Katz and Lazarsfeld 1955; Manchanda, Ying, and Youn 2008; Sheth 1971; Sultan, Farley, and Lehmann 1990; Trusov, Bucklin, and Pauwels 2009) and brand switching (Katz and Lazarsfeld 1955; Wangenheim and Bayon 2007; Wangenheim and Bayón 2004) which have been shown to take place through contagion between consumers (Du and Kamakura 2011;

Iyengar, Van den Bulte, and Valente 2011). WOM not only impacts sales, it has also been closely linked to customer loyalty, which is a customer's intention to stay with a service provider (Reinartz and Kumar 2002; Reinartz and Kumar 2000; Yu and Dean 2001). However, the relationship between WOM and loyalty is more complex than originally suspected as it is bi-directional and affects both sender and receiver. Firstly, from a sender's perspective, loyalty can lead to WOM (Gremler 1999; Reinartz and Kumar 2002) and disloyalty has also been shown to be a good predictor of negative WOM (de Matos and Rossi 2008). Conversely, from a receiver's perspective WOM can also lead to greater loyalty (Garnefeld, Helm, and Eggert 2011; Gremler 1994; Gremler and Brown 1994; Stuteville 1968). For example, customers acquired through WOM have been shown to have a higher retention rate and to be more valuable than customers acquired through other channels (Schmitt, Skiera, and Van den Bulte 2011). The linkage between WOM and loyalty may be particularly strong in an online context, where Gauri et al. (2008) found, out of 15 predictors, positive WOM was the strongest predictor of loyalty to an online store across three product categories. Thus, the relationship between WOM and loyalty is bi-directional and affects both sender and receiver.

Finally, it is worth remembering that WOM is an integral element in the diffusion of information in the marketplace (Shiomo and Rosenberg 1975).

CONSEQUENCES OF WOM: FOUR RESEARCH QUESTIONS

Despite the strong contributions of past research, the following research questions remain unanswered.

5. *What is the relationship between WOM volume and sales and what are its key moderators?*

The relationship between WOM and sales may be more complex than previously thought. Research has shown that WOM may not only influence sales (Krishnan, Seetharaman, and Vakratsas 2012; Liu 2006; Niederhoffer et al. 2007) but also that sales are likely to influence

WOM (Godes and Mayzlin 2004). In that sense, research has yet to verify the nature of the relationship between sales and WOM. Under what conditions is either of these relationships more dominant? Customer satisfaction may serve as an important moderator of this relationship. For example, one could expect both relationships to become stronger in cases of extreme dis/satisfaction. Furthermore, a product's originality has been shown to drive WOM volume (Moldovan, Goldenberg, and Chattopadhyay 2011) and is thus also likely to moderate this relationship. For example, if a product sells in high volumes it loses some of its originality, thus one would expect the relative WOM volume to decrease. This finding is indirectly supported by a study which found that brands with a smaller market share had a higher proportion of WOM than their market share would suggest (Uncles, East, and Lomax 2010). Econometric techniques investigating multiple categories (e.g. movies, books, education, and political candidates) and experimental research would be well suited to ascertain the relationship between WOM volume and sales and what the key moderators of this relationship may be.

6. *What is the relationship between WOM valence and sales?*

Although much research effort has been expended, the relationship between WOM's valence and sales remains unclear. One stream of research suggests that NWOM can be more powerful than PWOM (Arndt 1967a, 1968; Chevalier and Mayzlin 2006; Chen, Wang, and Xie 2011), yet other research found that PWOM increases the revenues and run-time of movies far more than NWOM reduces it (Moul 2007). The relationship between WOM valence and sales is likely to depend on pre-WOM purchase probability (East, Hammond, and Lomax 2008), which in turn may depend upon the volume and valence of previous WOM, the number of competing alternatives, the size of consumers' consideration sets, and consumer-based brand equity. If pre-purchase likelihood is below 50 percent then it is reasonable to assume that PWOM may be more powerful, whereas if pre-WOM purchase likelihood is above 50 percent then NWOM may be more powerful (East, Hammond, and Lomax 2008). Related to this, Berger, Sorensen, and

Rasmussen (2010) showed that NWOM has a positive impact on brands with low levels of awareness. While awareness may not be a key driver of purchase across all product categories, researchers may wish to identify the drivers of pre-WOM purchase likelihood as this may go some way to identifying under which circumstances PWOM or NWOM may have a greater impact on sales.

7. *Is WOM volume or WOM valence the better predictor of sales?*

Many studies tend to focus on either WOM volume or WOM valence, thus preventing an assessment of which construct may be a better predictor of sales. Even studies which include both constructs have resulted in conflicting results; with some showing that WOM volume is a better determinant of sales (Liu 2006) and others showing that WOM valence has superior predictive power (Chintagunta, Gopinath, and Venkataraman 2010). Chintagunta et al. (2010), in particular, show that the box office performance of movies is more strongly related to the valence of online reviews than the volume of online reviews. Future research would do well to identify under which conditions WOM volume may be a better predictor of sales and under which conditions WOM valence may be more suited. For example, it is plausible to argue that WOM volume may serve as an 'easy to assess' heuristic in decision-making and therefore may be a better predictor of sales in low involvement product categories, whereas WOM valence and the actual content of WOM may be more important in high involvement categories. Research utilizing online reviews, for example, would be well placed to investigate such thinking.

8. *How is the relationship between WOM valence and sales moderated?*

Much research has shown that PWOM tends to increase sales, while NWOM tends to decrease sales (Chen, Wang, and Xie 2011; Chintagunta, Gopinath, and Venkataraman 2010; Niederhoffer et al. 2007; Vettas 1997). However, research has also shown that prior customer knowledge and familiarity moderate the relationship between WOM valence and sales.

Berger, Sorensen, and Rasmussen (2010) find negative reviews increase purchase likelihood of a book by an unknown author, yet decrease purchase likelihood of a book by a well-known author. Importantly, what we do not know is at what level of awareness does the impact of NWOM on sales become positive? In other words, how low does brand awareness need to be (e.g. 5%) for NWOM to increase awareness so much that this increase outweighs the detrimental effects of negative information? Furthermore, the relationship between WOM valence and sales is also likely to be moderated by pre-WOM brand attitudes. For example, one could argue that PWOM increases sales most for brands for which consumers hold a neutral or negative attitude, as this is where the greatest gains could be made from an attitude shift. Such speculations need to be explored further through studies utilizing a variety of techniques, such as surveys and experimental design.

MANAGING WOM

WOM has been acknowledged as one of the key influencers of consumers' purchase decisions (Silverman 1997), but it has also been acknowledged that marketers have only some control over WOM and that they struggle to harness its power for their organizations (Bayus, Carroll, and Rao 1985; Buttle 1998; Chew and Wirtz 2001; Dichter 1966; Dye 2000; Silverman 2001). One reason for this is that WOM is essentially a voluntary behavior. Another reason for this may be companies' lack of a coherent WOM strategy, where WOM appears to be 'incidentally managed' at multiple *ad hoc* points throughout an organization (Williams and Buttle 2011). This section identifies three mechanisms through which WOM can be influenced.

Building a WOM Foundation – The Lowest Level of Managerial Control

The first step to utilizing WOM is to build a 'WOM foundation' by ensuring strong performance on some of WOM's key antecedents, such as commitment, trust and satisfaction (Anderson 1998; de Matos and Rossi 2008; Harrison-Walker 2001; Okazaki 2008; Ranaweera and Prabhu 2003). Beyond ensuring that there is a solid WOM foundation, there are many avenues for

generating WOM (Bolen 1994; Dichter 1966; Stern and Gould 1988; Yu 2005). Attempts to elicit WOM, particularly PWOM may be broken down into indirect attempts and direct attempts (Arndt 1967c; Bayus, Carroll, and Rao 1985) with the latter representing commercial WOM marketing efforts.

Indirect WOM Management – A Moderate Level of Managerial Control

Indirect approaches are the realm of marketing communications which is said to stimulate around 20% of all WOM (Keller and Fay 2009). WOM can be stimulated through advertising in general and through the use of teaser campaigns, testimonial advertising, and celebrity endorsements in particular (Arndt 1967b; Bayus, Carroll, and Rao 1985; Guyer 2005; Wilshusen 2005; Dichter 1966). Promotional strategies appear to be particularly effective at generating WOM if they generate curiosity, interest and contain some ambiguity (Arndt 1967b; King and Tinkhan 1990). Apart from advertising, other indirect WOM strategies seek to increase the customer's knowledge of the firm and its products (Stern and Gould 1988; Gremler 1999; Silverman 1997), to strengthen the firm-customer relationship through methods such as customer membership clubs (Gremler 1999; Silverman 1997), and to encourage the employee-customer relationship (Gremler 1999). Even distribution can be used to magnify or dampen WOM's effects (Arndt 1967c, 1967b). For example, selective distribution of a movie makes it possible to capitalize on PWOM effects for movies that are expected to fare well with audiences, thus being able to reach audiences far greater than the promotional budget of the movie would have otherwise allowed (Moul 2007).

Consumers' perceptions of the actual product have also been linked to WOM activity. For example, Moldovan, Goldenberg, and Chattopadhyay (2011) found that product originality drives WOM volume, while a product's usefulness drives WOM valence. These findings have been echoed by studies which show that a product's innovativeness or its special features contribute towards how much WOM it generated (Williams and Buttle 2011; Arndt 1968). Similarly, Sundaram and Webster (1999) found that WOM has a greater impact on unfamiliar

products than familiar products. Brand features have also been shown to affect WOM, with more distinct and less common brands being talked about more frequently (Niederhoffer et al. 2007; Stuteville 1968).

Direct WOM Management – Higher Levels of Managerial Control

Direct attempts to induce WOM are the realm of viral marketing and have been greatly magnified through electronic tools, such as mobile devices, emails, and social media applications (Watts and Peretti 2007; De Bruyn and Lilien 2008; Wolfgang, Key, and Dietmar 2009). Direct attempts include the use of paid messengers to spread positive messages about the sponsor's brand and negative messages about competing brands (Arndt 1967c; Bayus 1985; Carl 2008; Magnini 2011). Similarly, rather than paying messengers, companies can also approach particularly influential members of their target market with a message to be passed on or to give them access to a product that they can then share with their network (Salzman, Matathia, and O'Reilly 2003; Walker 1995). Firms can also reward consumers in general, rather than just influentials, by incentivizing them to pass on a message through special treatment such as lower prices, special recognition, free use of a product, or directly paying for passing on the message (Gremler 1999; Silverman 1997; Walker 1995; Schmitt, Skiera, and Van den Bulte 2011). Such incentives can be effective tools to increase the likelihood of passing on a message, improve its valence, and increase the likelihood of recommendations (Bolen 1994; Stern and Gould 1988; Wirtz and Chew 2002).

MANAGING WOM: SIX RESEARCH QUESTIONS

9. *Which indirect techniques are most effective at generating WOM?*

This article has discussed a variety of techniques by which WOM can be generated. Some investigations have attempted to ascertain the underlying product related reasons for engaging in WOM (Bolen 1994; Mangold, Miller, and Brockway 1999); nevertheless, more research in this area is needed. Research would do well to

determine which of the plethora of indirect approaches may be most effective at generating WOM. Are price reductions more effective than other types of sales promotion techniques? Is a humorous advertising appeal more likely to generate WOM than a testimonial? Utilizing scanner data in conjunction with survey research would be helpful in answering such questions.

10. *What aspects of WOM increase its re-transmission rate?*

A number of studies have helped us to develop an understanding of consumers' motivations for passing-on WOM (Hung-Chang et al. 2007) and for forwarding mobile messages (Palka, Pousttchi, and Wiedermann 2009). What we have yet to fully understand is why some WOM is passed on extensively (i.e. 'goes viral') while other WOM does not. One study has shown that content that triggers high emotional arousal, such as awe or anger, is more likely to be spread through viral processes (Berger and Milkman 2012). However, much remains to be discovered in this increasingly important area of research, keeping in mind consumers' increasing ability to access and disseminate information via platforms such as Twitter, Facebook, or YouTube. For example, if a large number of consumers provide a positive review for a relatively unknown artist in the iTunes store, this can quickly result in unforeseen sales successes (Salganik, Dodds, and Watts 2006). Extensive qualitative work taking into account different contexts (e.g. various product categories, traditional WOM versus eWOM) would be a good first step towards exploring this important research question.

11. *What makes paid messengers effective?*

Research has found that the emotional impact of an interpersonal message matters, with highly emotional messages being re-transmitted to more people more often (Christophe and Rime 1997). Paid messengers who are part of a WOM marketing campaign may be less emotional in how they convey a message, compared to somebody who has experienced something on an authentic, first-hand basis. If the paid messenger follows a semi-scripted conversation pattern that allows them to

portray the product as positively as possible and counter objections does this result in effective communication? Thus, which characteristics make paid messengers effective? Because of the non-incident way in which such commercial WOM is crafted, it is likely that it positions the product strongly vis-à-vis its competition. For example, acknowledging a previous competitive weakness that through a new version of the product has been transformed into a competitive strength is likely to resonate well with consumers, thus making commercial WOM persuasive. Qualitative research and survey research would be good choices to explore what factors make paid messengers and the commercial WOM they spread effective.

12. What size of incentive is optimal?

Scholars have started to address the role of incentives in a commercial WOM context (Ryu and Feick 2007). Some research has estimated the maximum size of the incentive to stimulate referrals (Trusov, Bucklin, and Pauwels 2009), but much work remains to be done in this area. For example, while customers acquired via viral marketing appear more valuable to the organization (Schmitt, Skiera, and Van den Bulte 2011), we do not know how this is influenced by the type and the value of the incentive for the referrer. Clearly, higher value incentives reduce the added profitability of new customers, up to a point where the value of the incentive exceeds any additional profitability. In other words, future research may wish to focus on establishing whether there is an ‘incentive sweet spot’, which is likely to be dependent upon customers’ contribution margin and their average life-time as a customer. Econometric modeling across multiple product categories (e.g. credit cards, gym memberships, and pay television) would be a good choice to investigate this research question further.

13. What is the impact of disclosure on the credibility of viral marketing messages?

The ability to reach large numbers of consumers through electronic channels increases the reach of paid endorsers dramatically (De Bruyn and Lilien 2008). One of the potential drawbacks of this strategy occurs if consumers react negatively should they detect that a commercial

source is behind these efforts (Magnini 2011). More specifically, the impact of disclosing WOM agents’ commercial bonds on the credibility of their WOM has received scant research attention and results appear inconclusive. On one hand we know that senders of commercial WOM messages may be reluctant to disclose their commercial motivation (Ahuja et al. 2007), a behavior also known as ‘concealment’ (Kozinets et al. 2010). On the other hand, one study found that WOM episodes, where receivers were aware of the commercial nature of WOM, were rated as more credible compared to naturally occurring WOM (Carl 2008). However, these results may be confounded as the two types of messages are likely to have varied not only in their level of disclosure but also in important other ways (e.g. the level of detail provided, the strength of arguments, or whether an explicit recommendation was issued). A combination of qualitative and experimental research would be well suited to address our lack of knowledge of the causal effect of disclosure on perceived message credibility, sales, and a number of other variables.

14. Why are virally acquired customers more loyal and more profitable than customers who were not virally acquired?

While customers acquired through WOM may be more profitable, to-date we do not know why this may be the case (Schmitt, Skiera, and Van den Bulte 2011). For example, future research would do well to investigate some of the explanations that have been used in the past but that have yet to receive empirical support. For example, are virally acquired customers more profitable because they ‘fit’ the organization better than those who are acquired through other channels, or does the presence of a referrer, who is also a customer of the same firm, provide some social enrichment for them (Schmitt, Skiera, and Van den Bulte 2011)? Or is the greater profitability of virally acquired customers caused by an entirely different set of mechanisms such as a greater degree of commitment to the brand, a more advanced state of customer engagement, or the social norm established by the referrer? Answering these questions through qualitative and econometric work would have strong managerial implications, as well as provide important theoretical input into

a stream of research which has been dominated by empirical enquiry but seen comparatively little theoretical development.

DISCUSSION

The objectives of this article were two-fold: to critically review WOM research; and to establish what is known about its antecedents, its consequences and its management (**Figure 1**).

While many variables have been researched as antecedents of WOM, customer satisfaction, trust and commitment appear most instrumental in affecting WOM. Of these three variables, customer satisfaction has been researched most intensively, which is likely due to its longevity within the marketing literature and its applicability across products, services and experiences. Both trust and commitment have established themselves as key antecedents of WOM, but their universal applicability across product categories appears more limited as they may be more prominent drivers of WOM in relational contexts, such as services, or in product categories with high levels of enduring involvement.

Next, knowledge of WOM's consequences was reviewed. WOM was shown to have far-reaching consequences that can be categorized as affective, cognitive, and behavioral. Affective consequences include a heightened emotional state and a sense of enthusiasm, confidence and optimism. Cognitive responses include greater brand awareness, higher expectations about a product, and better retrieval from memory and consideration of a brand. Behavioral responses are also manifold and include product trial and brand switching. WOM has also been closely linked to customer loyalty, although the relationship appears more complex than initially anticipated as it is bi-directional and affects both the WOM sender and the receiver.

The next section of this article reviewed the current state of knowledge in regard to the management of WOM. Despite WOM's importance, many companies, particularly small to medium sized firms do not appear to engage in on-going and rigorous management of WOM. The most obvious way to utilize WOM is to ensure the equitable treatment of customers, and to build a strong WOM foundation by aiming for high levels

of customer satisfaction, commitment, and trust. Even if dissatisfaction occurs, effective complaint handling procedures can at least minimize NWOM.

Direct and indirect avenues to harness WOM were also identified in this article. Direct attempts fall into the realm of commercial WOM which spreads positive messages about a brand. Tactics to achieve this include approaching particularly influential members of the customer base, rewarding customers in general to engage in WOM, or paying commercial messengers ('WOM agents'). While appealing at first, such tactics have their own problems. For example, WOM agents are likely to "conceal" their commercial motivation for spreading WOM (Ahuja et al. 2007; Kozinets et al. 2010), which undermines the Federal Trade Commission's requirement to disclose all commercial WOM. Therefore, marketers using WOM agents are treading a thin line between violating a mandatory requirement by a Federal agency and the "commercialization of chit-chat" (Carl 2006; Martin and Smith 2008; Walker 2004).

Lastly, a multitude of indirect approaches can be used to stimulate WOM by appealing to consumers' curiosity and interest through the use of teaser campaigns, testimonial advertising, and celebrity endorsements. WOM may also be stimulated through increasing the customer's knowledge of the firm and its products, strengthening the firm-customer relationship, and by encouraging employee-customer relationships. Beyond this, distribution and the actual product design can also be linked to stimulating WOM. For example, a product's originality, its innovativeness, its special features, and its usefulness can serve as a basis for WOM. The distinctiveness of the brand and how common it is perceived to be also stimulate WOM.

The second objective of this article was to highlight some of the gaps which remain in our knowledge despite more than six decades of WOM research. Fourteen research questions were proposed regarding WOM's antecedents, its consequences, and its management (**Table 1**).

It is hoped that the articulation of these research questions will progress our theoretical understanding of, and our empirical enquiries into an area that has captured the imagination of marketing practitioners and academics for many decades.

Beyond the gaps outlined in this article, of course, other questions exist, ripe for further exploration. For example, many effects that are reported in the WOM literature are likely to vary, sometimes dramatically, depending on the type of WOM that is being transmitted. To illustrate: East et al. (2005) found that solicited WOM had up to twice as much impact on brand choice compared to unsolicited WOM. Chan and Cui (2011) found that a consumer's level of satisfaction and intention to purchase a product are dependent upon whether the WOM that they received was attribute-based or experience-based. Similarly, Schellekens, Verlegh, and Smidts (2010) show that the use of abstract versus concrete language magnifies the effect of WOM's valence on consumers' purchase intentions and on their attitudes towards a product. Lastly, other newly conceptualized types of WOM, such as pro-consumer WOM, may also differ from other types of WOM in terms of the effects that were discussed in this paper (Lang and Lawson 2013).

Even fundamental issues, such as how WOM is operationalized in research, and how to measure it (in survey research, experimental research, or via online data) are rare and have only recently been questioned (Sweeney, Soutar, and Mazzarol 2012). Thus, WOM researchers need to be cognizant that while we appear to be standing on firm ground, occasional crevasses in our knowledge will open and question our previously held notions regarding the seemingly well-understood area of WOM.

While the antecedents and consequences explored in this paper likely apply to eWOM, the role that consumer interactivity in electronic media plays makes the processes of eWOM somewhat different (Bickart and Schindler 2002; Blazevic et al. 2013; Dellarocas 2003). Such differences warrant a follow up study which surveys the eWOM literature and formulates a series of research questions specific to this increasingly important area of WOM.

WOM is a paramount influencer of consumer decision-making as it enables consumers to share their own product and service experiences, to receive information about other consumers' experiences, or to pass such experiences on to other consumers, thus becoming both WOM senders and receivers. WOM, and particularly eWOM, has the potential to redistribute power from corporations to

consumers, through a networked coproduction model, in which marketing messages are exchanged and brand meaning is co-created by a variety of groups (Kozinets et al. 2010). Research into WOM over the past six decades has resulted in great advances in our knowledge, but much remains to be explored. We hope this article provides some guidance for such future explorations.

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Send correspondence regarding this article to one of the following:

Dr. Bodo Lang
Department of Marketing
The University of Auckland Business School
Private Bag 92019
Auckland 1142
New Zealand
Email: b.lang@auckland.ac.nz

Associate Professor Kenneth F. Hyde
Marketing Department
Faculty of Business and Law
AUT University
New Zealand
