REASONS FOR POSITIVE WORD-OF-MOUTH FAILURE: A PILOT STUDY

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Abstract. We used quantitative method to investigate why and when positive word-of-mouth (WOM) became ineffective. This study discussed why positive WOM failed to yield positive outcomes. We explored the concept of “minor positive information,” which was rarely discussed in previous studies. Furthermore, we summarized positive WOM ineffectiveness, into the following seven factors: the sender factor, receiver factor, interpersonal factor, message factor, situational factor, psychological factor, and unfitness factor. The research results and managerial implications were also discussed.

Keywords: Positive Word-of-mouth; Ineffectiveness.

Introduction. Word-of-mouth (WOM) reviews are a highly effective marketing tool (1). However, positive WOM is not always effective. The results of previous studies also support this belief. Arndt (2) noted that 46% of consumers would not purchase a product after receiving positive WOM. Exploring this possibility, we refer to situations where positive WOM does not achieve a positive effect as positive WOM ineffectiveness, which is the primary focus of this research. Despite the steady increase in WOM research over the last several decades, research on its ineffectiveness was noticeably scant. Surprisingly few empirical studies have directly examined the reasons for positive WOM ineffectiveness and merely some studies seem indirectly related to this topic, such as that conducted by Arndt (1967). Therefore, this subject still requires more rigorous and systematic investigation. This research explores the reasons for positive WOM ineffectiveness and it is important because it enables companies to understand when WOM marketing should not be excessively relied on and employ marketing resources effectively. For academia, this study fills the gap in existing knowledge caused by focusing only on WOM effectiveness, and provides a more comprehensive understanding of WOM.

The positive WOM ineffectiveness phenomenon. According to the Oxford dictionary, ineffectiveness means “not achieving what you want to achieve; not having an effect.” In the field of economics, policy ineffectiveness refers to government policies not having effects on real economic variables (3). In this research, we use the term positive WOM ineffectiveness to mean “positive WOM that does not achieve the expected results.” Positive WOM ineffectiveness was mentioned sporadically in a few studies. The proportion of receivers who did not accept positive WOM in previous studies can be learned. For example, Arndt (1967) found that positive WOM ineffectiveness was 46% (= 100% - 54%); Sen and Dickinson (2008) showed that 18% of consumers were unaffected by reviews (4); and East et al. (2008) reported that positive WOM ineffectiveness ranged from 14% to 67% (5), with the average value being 36%. This data indicates that the number of consumers rejecting positive WOM has reached a considerable amount. Although this issue seems to be ignored by academia and managerial research projects, it is worth investigating.

Possible reasons for positive WOM ineffectiveness. To understand the reasons for positive WOM ineffectiveness, the logical point of departure is positive WOM effectiveness. Subsequently, we examine whether a lack of effective reasons results in WOM ineffectiveness. This research referenced the four factors presented in Sweeney et al. (2008), that is, the personal factor, interpersonal factor, message factor, and situational factor (6). Personal factors include the sender’s expertise and the receiver’s experience and expertise. Expertise is the knowledge possessed by a source (7). Information seekers rely heavily on sources with comparatively greater expertise (8).

Conversely, Bloch, Sherrell, and Ridgway (1986) found that highly product-involved consumers continually gather information, and therefore, feel confident when choosing a product. Murray (1991) found that receivers with experience typically rely on their experience rather than WOM. Herr et al. (1991) indicated that receivers who have a specific impression of products are rarely affected by WOM. Interpersonal factors include homophily and tie strength. Homophily is the similarity between two people, which typically refers to demographic similarity. However, Gilly et al. (1998) suggested that homophily should also include values, preferences, and lifestyle. In addition, Brown and Reingen (1987) reported that homogeneous sources are expected to be more credible, and thus, have a greater influence. Bansal and Voyer (2000) stated that “the relationship between people is essentially a force that works to bind them, and is represented as the construct of tie strength” (p.168). Numerous studies have found that strong tie sources exert a greater influence compared to weak tie sources. Furthermore, Rogers (1995) also reported that strong tie sources are expected to be more credible and trustworthy than weak tie sources. Message factors include the vividness of the message, argument strength, and message inconsistency. The vividness of the message is how vividly the message is expressed. When a person communicates WOM with great enthusiasm or lack thereof, receivers are more likely to consider the recommendation. Furthermore, WOM delivered through story-telling can have a greater influence on the receiver. Argument strength is the quality of information. Cheung et al. also found that argument strength had a positive effect on WOM credibility. Messages perceived as valuable information can positively affect the receiver’s attitude.

Message inconsistency also influences the WOM effect. Messages can be categorized as one-sided or two-sided; a one-sided message refers only to a positive or negative perspective, and a two-sided message refers to a simultaneously positive, negative, and neutral perspective, which was named message inconsistency. Cheung et al. (2009) found that two-sided WOM can increase message integrity and have a greater impact than one-sided messages. Doh and Hwang (2009) indicated that a single negative message can be harmful for product evaluation; however, a negative message in a 10-message set is not substantially harmful and may even be beneficial because when all messages are positive, consumers tend to think that the messages were created by the company.

Situational factors include the degree of need-urgency and the perceived risks associated with a product. Sweeney et al. (2008) stated that need-urgency can force receivers to make decisions quickly, causing them to miss important messages. Product risks consist of function, time, financial, psychological, and social risks. East et al. (2008) stated that higher product risks indicate greater ineffectiveness; for example, WOM regarding bank accounts is 44% ineffective, and WOM regarding restaurants is 28%. Furthermore, Sweeney et al. (2008) reported that the receiver found it easier to accept positive or negative WOM in little or no-risk contexts, whereas they carefully considered important and risky decisions. Few prior studies have considered the factors that influence WOM ineffectiveness. Although the studies examined in our literature review did discuss a few basic points related to WOM effectiveness, we believe that much can be gained from exploring the factors that are unique to WOM ineffectiveness. Additionally, we contend that the factors that influence ineffectiveness may differ from those that predict the effectiveness.

Method. The primary goal of the study was to obtain an in-depth understanding of why positive WOM does not achieve expected results. In-depth interviews were conducted to explore all possible reasons influencing positive WOM ineffectiveness. A semi-structured interview format was employed to overcome interviewer bias that may result from a lack of standardization in the data collection process.

Data Collection. This study comprised 12 participants, who were selected based on the criteria that in the past 6 months they had received positive WOM regarding products or services, but had decided not to purchase them. In other words, although they received positive WOM, they were not influenced to purchase. Product types included consumer electronic products, restaurants, cosmetics, and books. The 12 respondents consisted of 6 men and 6 women, who ranged in age from 20 to 30 years. Each interview lasted approximately 20 min and was focused on the respondents’ receipt of positive WOM and their decision not to purchase the product. The interviews were audio recorded with the participant’s permission and later transcribed for analysis. The first question asked the participants to state a product or service they did not purchased despite receiving positive WOM in the past 6 months. This question allowed the participants to explore their memories and experiences without being restrained to specific industries. The second question queried why the respondents had decided not to purchase it or had no intention to purchase it (i.e., the reasons for positive WOM ineffectiveness).

Data Interpretation. The purpose of this study was to identify the possible reasons for positive WOM ineffectiveness, which we summarized into the following seven factors: the sender factor, receiver factor, interpersonal factor, message factor, situational factor, psychological factor, and unfitness factor. The influence of sender factors on positive WOM ineffectiveness accounted for 3.75%. This category included senders’ lack of expertise. Receivers who perceived that the WOM sender lacked expertise tended to be less likely to consider their recommendations (e.g., “He does not know the product very well”). The influence of receiver factors on positive WOM ineffectiveness accounted for 20%. This category included whether the receiver had (1) past experience, and (2) expertise. When receivers have substantial relevant experience, they tend to act according to their perceptions or their expectations of the product (e.g., “I have been there before and the service was bad, so I definitely will not visit again”). Finally, receivers with substantial knowledge can cause positive WOM ineffectiveness (e.g., “I have worked there, and the products are of poor quality”). The influence of interpersonal factors on positive WOM ineffectiveness accounted for 7.5%. This category included (1) a lack of homophily, and (2) weak tie strength. When a sender’s taste differs from that of the receiver, the message was perceived to be less valuable (e.g., “Our tastes are different. WOM from him is not very important to me”). Additionally, receivers tended to evaluate their relationship with senders (e.g., “I do not know her, and I cannot count on her”). The influence of message factors on positive WOM ineffectiveness accounted for 31.25%. This category included (1) a lack of message vividness, (2) a lack of argument strength, (3) message inconsistency, and (4) minor positive information (the information is positive but not quite critical to the receiver). The reasons resulting in positive WOM ineffectiveness were unclear messages (e.g., “Poor expression”) and an inability to convince receivers. Other influential factors are a lack of evidence (e.g., “He cannot prove its benefit”) and inconsistent messages, which may confuse consumers (e.g., “...but another friend said this product was poor”). Finally, when positive WOM is not of quit central to the receiver, it does not have an impact (e.g., “Many people told me that the price was so reasonable in the restaurant, but I don’t care about its price. What I really care is the quality of meals”). The influence of situational factors on positive WOM ineffectiveness accounted for 20%. This category included (1) a lack of need-urgency, and (2) high perceived risks associated with the product. Consumers tend to keep recommendations in mind instead of buying the product if it was only wanted and not needed urgently (e.g., “I have no plan to buy a cell phone in near future”). In addition, when the price or risk was high, participants were inclined to reconsider purchases (e.g., “It really costs a lot”). The influence of psychological factors on positive WOM ineffectiveness accounted for 5%. This category included (1) doubts, and (2) resistance. Consumers may wonder whether a product has been improved, or question the recommendation (e.g., “I fear the service will not be as nice the next time”). Another factor was resistance. Respondents believed that recommendations limited their freedom of choice, and they wanted to make decisions themselves (e.g., “I want to decide for myself”). Fitzsimons and Lehmann (2004) indicated that recommendations may even result in the opposite effect to the one intended, leading to greater consumer


resistance. Lee and Lee (2009) found that positive WOM results in a limited sense of freedom to choose among consumers. The influence of unfitness factors on positive WOM ineffectiveness accounted for 12.5%. Dichter (1966) stated that “like the three points of a triangle, the speaker, listener, and the product must ‘fit’ each other” (p.152). We support this notion (e.g., “I definitely won’t consider XXX (brand) mobile”).

Conclusions. The results indicate that positive WOM effectiveness and ineffectiveness are partly symmetrical. This means that a lack of positive WOM effectiveness results in positive WOM ineffectiveness. However, we also found that the message factors are asymmetrical, as well as the two factors, cannot be discerned from effectiveness perspectives. Below we focus on the message factor, psychological factors, and situational factors.

Previous studies noted that message inconsistency can enhance WOM effectiveness. However, we found that message inconsistency could also contribute to WOM ineffectiveness. Some studies have shown that message inconsistency can reduce WOM effectiveness. We speculate that the degree of message inconsistency may play a crucial role. When the degree of inconsistency is within a certain threshold, the messages are still considered reliable. However, when the messages differ greatly, ineffectiveness occurs. We identified the symmetrical factors for positive WOM ineffectiveness and effectiveness. In these situations, positive messages cannot induce receivers to purchase the product (no impact). However, regarding the asymmetrical factors, we found that positive messages may even increase consumers’ reluctance to purchase products (negative impact). In other words, the positive WOM having no impact or having a negative impact can be considered as positive WOM ineffectiveness. Understanding reasons for positive WOM ineffectiveness at the decision-making process can help enhance WOM effectiveness and therefore, benefit firms when managing marketing activities. In summary, this research enhances our understanding of the WOM field and opens new directions for further research regarding WOM ineffectiveness. First, this study examined only positive WOM. Positive and negative WOM have numerous differences (e.g., message factors). Schellekens, Verlegh, and Smidts (2010) found that positive WOM delivered with more abstract language enables receivers to interpret messages more positively, but negative WOM delivered in this manner results in consumers tending not to believe the messages.

In addition, Arndt (1967) found that positive WOM regarding products with a higher perceived risk resulted in an increased chance of ineffectiveness; however, with negative WOM, the opposite was true; that is, was less likely to be ineffective. These findings show that positive and negative WOM have different influences. Thus, negative WOM ineffectiveness may be an ideal topic for further research.

Second, this research is preliminary, and the sample size was relatively small, which means that we may have overlooked other possible reasons. We suggest future studies to increase the amount of samples and include additional demographic variables, such as culture and profession. Third, it is necessary to verify the actual effects of the above listed factors related to positive WOM ineffectiveness in further evaluative research, using surveys or experimental designs, or adding moderators or mediator variables. Finally, we expect that possible interactive effects might exist among the six different factors, which future studies can examine using experimental designs.

References
