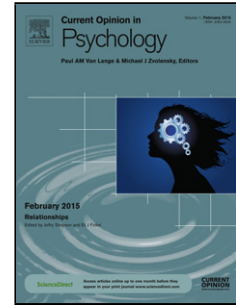


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Psychology of Word of Mouth Marketing

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Abstract

Given the importance of online word of mouth (WOM), there has been an increasing need to understand the psychological mechanisms that underlie WOM transmission (i.e., sharing of opinions) and reception (i.e., processing of received messages). The goal of the current paper is to review some of the most recent research in online WOM (focusing on the past two to four

years) as well as make suggestions regarding future research. [For earlier syntheses on WOM senders and social media marketing, see Berger 2014, King, Racherla, & Bush 2014, and Stephen 2016] [6-8].

Introduction

With the rise of online social media platforms (e.g., Facebook, Twitter, Instagram) and e-commerce websites (e.g., Amazon), online WOM has become a popular and vital source of information for consumers. The importance of WOM has been documented by a number of articles that analyze large amounts of e-commerce and social media data: Consumer chatter affects product preferences, purchase decisions [1-2] and ultimately, firm's financial performance [3-4]. The impact of WOM is also widely acknowledged by marketers and brands alike. For instance, the majority of marketing executives (61%) say that WOM is the most effective form of marketing [5].

This paper is organized around specific factors (e.g., valence, linguistic cues) that have gained attention in WOM research. For each factor, we review its effect on senders and receivers separately to highlight the factor's differential effects on the two groups. This approach will also reveal imbalances in the literature, highlighting potential areas for future research.

Valence

One of the most researched topics is valence – that is, the positivity/negativity of the WOM.

Senders. Overall, people seem to prefer sharing positive WOM [9**]. One reason for this preference is people's desire for self-enhancement, where senders prefer to be seen as positive and uplifting (“Positive Polly”) rather than negative and gloomy (“Debbie Downer”); furthermore, sharing of positive product information allows the sender to signal herself as a

smart and astute consumer who is able to make good decisions [10]. Importantly then, in contexts where sharing negative content might be seen as more self-enhancing, such as when the bad product experience happened to someone else (which makes the self look competent in comparison), senders prefer sharing negative instead of positive content [11].

Extending this basic effect, some recent research has looked at how the preference for sharing positive WOM is moderated by audience [12-13]. For instance, research shows that this effect is weakened when talking to friends (vs. strangers) because senders worry less about self-enhancement, and care more about emotional connection, when talking to friends [12]; moreover, senders may prefer to share negative information with friends to protect them [13].

Receivers. Valence has also been studied from the receiver's perspective. Negativity bias – the phenomenon where people are more influenced by negative than positive information – has been found in many contexts [14-15]), including WOM. Specifically, people tend to be more influenced by the negative than the positive WOM they receive [1, 10]. That said, there are limits to this effect. When people attribute the negative WOM to dissimilar tastes [16] or attribute negative experiences to bad luck [17], negativity bias is attenuated.

In addition, research has looked at the interactive relationship between text valence and numerical rating on persuasion. Moderate reviews that deviate from highly positive average rating tend to be more persuasive and helpful than positive reviews [18]. Moreover, while two-sided reviews tend to be more persuasive than one-sided reviews, this effect is attenuated when there is inconsistency between review content and ratings (e.g., a two-sided review content paired with an extremely high rating) [19].

Linguistic cues and styles.

Outside of valence, the role of linguistic cues and styles in WOM have received increasing attention.

Senders. Some recent papers have shown that the language senders adopt when crafting their WOM is largely influenced by their motivation. For example, when attempting to persuade others, senders spontaneously shift toward more emotional appeals because of a learned association between emotionality and persuasion [20]. When attempting to be helpful, senders shift their language based on product categories; they tend to explain why they *feel* what they feel when talking about hedonic purchases (e.g., I liked the spa because ...) and why they *chose* a product when talking about utilitarian purchases (e.g., I chose the drill because...), and senders do this because they believe receivers will find explained reactions (actions) helpful for hedonic (utilitarian) goods [21].

Receivers. While research on sender's language use is relatively sparse, the research on receivers' reactions to different linguistic cues and styles is more developed.

Posts that use simple, straightforward language (vs. complex language) tend to elicit greater engagement (i.e., likes, comments, and shares) by facilitating processing fluency [22]. WOM with greater narrativity (i.e., extent to which the content follows a storyline) tend to be more persuasive and well-received since it allows receivers to immerse themselves in the review experience [23**].

Outside of their direct effect on WOM processing, linguistics cues and styles can also affect persuasion indirectly by influencing receivers' perceptions of the sender. For instance, people who wrote negative posts with dispreferred markers (e.g., "I don't want to be mean, but...") are perceived to be more credible and likeable and more persuasive than those who wrote negative posts without these markers [24]. Receivers also form judgments based on the

linguistic style. While humor is generally perceived as a good quality, in the context of WOM, receivers are less persuaded by humorous posts because they believe the senders are not serious enough [25]. In addition, receivers view boastful style as a cue of senders' expertise. As a result, in certain contexts (i.e., high trust), boastful WOM are perceived to be more persuasive than modest WOM [26]. Interestingly, receivers also draw inferences from the *lack* of WOM. In a group setting, receivers tend to interpret silence by another person (the sender) as a cue that the sender agrees with their (receivers') opinions [27].

Senders and Receivers. A number of papers have also looked at senders and receivers simultaneously with respect to language use and suggest some matching effects. For instance, receivers tend to prefer figurative language in WOM written for hedonic (vs. utilitarian) products and senders indeed tend to use a higher degree of figurative language when describing hedonic (vs. utilitarian) purchases [28]. Moreover, people high (low) in power prefer to generate, and are most persuaded by, arguments related to competence (warmth). As a result, people are more persuaded by others who are similar to them in term of power [29**].

Yet, there are also instances of mismatching effects. Novices are more likely to use explicit endorsements (e.g., "I recommend it") due to a lack of understanding of others' heterogeneous product preferences, while experts are more likely to use implicit endorsements (e.g., "I liked it"). Ironically, receiver erroneously believe that those who use explicit endorsements are experts and end up following the advice of novices [30].

Contextual Variables

Outside of valence and language, research has also looked at how contextual variables (e.g., audience size, social density) might affect the sharing of WOM.

Senders. Audience size affects what people share. While people prefer to share positive, self-enhancing content in front of a large audience, they prefer to share useful, other-focused WOM when facing a small audience [31]. Social density – the number of people in a given area – also affects sharing. People experience a loss of control in socially dense areas and thus engage in more WOM transmissions as a way to help them restore a sense of control in the socially overwhelming situation [32].

Content acquisition method also matters. In contrast to finding content themselves, when people receive content from someone else, they tend to be more critical of the content and process the content more deeply. As a result, those who receive (vs. find) content tend to be more sensitive to the content's underlying qualities when making sharing decisions [33]. Finally, the method through which WOM is transmitted – writing versus talking – also affects sharing. People tend to mention more interesting products when writing (vs. talking) since the former gives them more time to deliberate and pick WOM topics that reflect well on the self [34]. Interestingly, transmission method also affects the sender's own attitude: those who talk (vs. write) about a brand tend to feel greater self-brand connection [35].

How WOM Evolves Over Time

A number of papers have also studied WOM overtime, documenting potential distortions that might arise. Given that questions related to WOM dynamics inevitably involve both senders and receivers, we do not divide this section based on role.

Research on the sharing of rumors (vs. facts) over time shows that information that started off as rumors (facts) might eventually be believed and spread as facts (rumors). This happens because people do not convey their certainty of the information (low for rumors and high for facts) when passing on the information, thus leading to WOM distortion overtime [36].

Research has also looked at which types of products are discussed over time. A longitudinal study of more than 300 products shows that interesting products tend to be discussed more initially, but products that are more visible in the immediate environment tend to enjoy long-lasting WOM [37].

Within online discussion forums, WOM dynamics also emerge. Posters on online platforms tend to mimic the linguistic content (what people say) and styles (how things are said) of previous posters [38]. Similar results are observed in online question forums, where one person posts an initial focal question and subsequent posters attempt to answer this focal question: posters tend to focus less on answering the focal question, but tend to base their posts on what previous posters have written in the message thread [39].

New Technology

With the rise of new technologies and digital functionalities (e.g., smartphones, temporary sharing [snapchat], etc.), research has begun to explore their effects on WOM.

Senders and Receivers. Consumers are increasingly relying on their mobile devices to generate and receive WOM. Research has shown that reviews created on mobile devices are more emotional than those generated on computers [40-41]. This increase in emotionality might be due to consumers focusing more on the gist of their experiences when using mobile devices [41]. Importantly, mobile-generated reviews tend to be less persuasive due to content differences as well as receivers' lay beliefs that reviews labeled as "mobile" reviews are lower in quality [40].

Another popular functionality is temporary sharing, where the shared content vanishes automatically after the recipient views it (Snapchat) or after a short amount of time (Instagram Stories). When using this functionality, people tend to share more unrestrained content due to

reduced privacy concerns, which are not necessarily appreciated by receivers. Receivers attribute this lack of discretion to sharers themselves rather to the nature of the platform (i.e., temporariness) and tend to form negative social impressions of the sharer [42**].

Areas for Future Research

Recent papers have helped to provide a deeper understanding of the psychological mechanisms that underlie WOM marketing. Together, they paint a clear picture that online WOM is not random and haphazard where senders share whatever come to their mind, and receivers accept all WOM as equal. Instead, sharing decisions are dictated by senders' motives (e.g., self-enhancement), and receivers are systematically persuaded more by certain types of content (e.g., negative, fluent) and often use their evaluation of the sender to judge the diagnosticity of the associated WOM; contextual variables moderate these effects.

By organizing our review of each WOM topic (e.g., valence, linguistic cues, etc.) by sender versus receiver, one goal of this review is to highlight gaps in the literature. For instance, research is needed to understand how reception of WOM is influenced by contextual variables. Furthermore, we encourage researcher to study online WOM in its complex, naturalistic settings (vs. focusing only on one variable at a time). In online platforms, reviews do not appear by themselves. Amazon reviews, for example, are displayed on pages that simultaneously show overall product ratings, similar products, sponsored products, bundles, etc. As such, to fully understand how consumers navigate word of mouth marketing, research is needed to understand how variables that are inherent in online platform might interact to affect WOM sharing and reception.

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*Of interest

** of outstanding interest

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