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Social amplification: A mechanism in the spread of brand usage

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ABSTRACT

This paper is concerned with the way in which positive word of mouth (PWOM) about brands spreads their usage. We find that brand users, who have heard positive comments on their brand, offer nearly twice as much PWOM as users who have not heard such comments. We identify a *transmission mechanism* that underpins the production of PWOM; specifically, that *social amplification* underlies this effect.

While brands are at the core of our investigation, background theory comes from the literature on diffusion and the adoption of new products. We explain the social basis of new product adoption and argue that social amplification works alongside the classic infectious disease model of diffusion and results in further adoptions when the extra WOM reaches non-users. We support this account with evidence using data from studies on branded mobile phones, movies, vacation destinations, hotels, restaurants and fashion stores. It is proposed that recommendation received from others stimulates more PWOM because it provides a script which the receiver of the recommendation can use in subsequent conversations, and we offer empirical support for this proposal.

1. Introduction

This paper is concerned with the spread of positive word of mouth (PWOM) about brands, an important topic because PWOM validates an existing user's choice of brand, supports repeat purchase of a brand, and may assist in the process of adoption of a brand by new buyers. Within this broad area of inquiry, the focus here is on the *mechanisms* that underpin the spread of PWOM. It is found that brand users, who have heard their brand recommended, offer nearly twice as much PWOM as users who have not heard it recommended. It is proposed that this outcome arises, in part, because of a particular transmission mechanism, *social amplification*.

While brands are at the core of our investigation, background theory comes from the literature on diffusion and the adoption of new products. In the next section we explain the social basis of new product adoption. Typically, the transmission mechanism underlying the social basis of new product adoption is described by a two-step flow model, but there are problems with this model. To address these problems, we propose social amplification as an additional transmission mechanism and test this in studies covering branded mobile phones, movies, vacation destinations, hotels, restaurants and fashion stores.

Specifically, we propose a mechanism that works alongside the infectious disease model and we support this account with evidence. Our proposed mechanism is that existing users of a brand raise their level of positive comment about the brand after they hear someone else recommend it. This amplification effect may result in further adoptions when the receiving user's extra WOM reaches non-users. Further, it is suggested that recommendation received from others provides a script which the receiver of the recommendation can use in a near-verbatim form in subsequent conversations, and we offer some empirical support for this proposal.

2. The social basis of new product adoption

The diffusion process, whereby new ideas, products and brands[1] come to be widely adopted, is fundamental to social science, especially marketing. There is broad agreement that social interaction mediates in this process; support for this is found in the work of Tarde (1890, 1903), Lazarsfeld et al. (1944), Katz (1957), Rogers (2003), Bass (1969) and, more recently, in research by Watts and Dodds (2007) and Goldenberg et al. (2007, 2009). Thus, new movies, restaurants and fashions may often acquire customers as a result of word of mouth (WOM)[2]. Those who adopt the product may then go on to recruit still more customers in a process resembling the

[1] The emphasis of this paper is branded products, however we draw on literature that refers to 'ideas', 'innovations', 'fashions', 'products' and 'product categories'.

[2] In this paper, 'word of mouth (WOM)' is measured and forms the basis of our analyses. Related terms include 'recommendation', 'advice', 'comment' and 'information'.

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spread of an infectious disease. There has been little development of the basic mechanism involved in this social interaction. An early review of diffusion processes noted little progress in this field and called for new insights on the part of researchers into how consumers transmit influence (Gatignon and Robertson, 1985). Twenty-five years later, Peres, Muller and Mahajan (2010, p. 91) seemed no further ahead when they suggested that research should be focused on "all interdependencies among consumers that affect various market players with or without their explicit knowledge".

This lack of progress arises mainly because of the difficulty in directly observing social influence as it occurs. Available methods of investigation each have their limitations. Experimental designs use controls that can make generalization to naturally occurring phenomena questionable. Survey data do not provide causal direction and may be affected by unidentified covariates. Aggregate modelling, such as that of Bass (1969), does not identify the individual mechanisms that affect outcomes. Individually based modelling, such as that of Goldenberg et al. (2007, 2009), starts with assumptions about the mechanisms and makes predictions from outcomes. However, validation of outcomes does not confirm the assumptions since these outcomes could have been generated by other mechanisms. In recent years, there has been investigation of online advice but, while such advice is observable, respondent reports are usually needed to show its effect at the individual level.

2.1. The two-step flow model

In social scientific treatments of social influence, one model has remained in the forefront, namely the two-step flow model. In its classic form, the model suggests ideas are processed by a relatively small number of opinion leaders (Katz, 1957; Lazarsfeld et al., 1944). By interpreting and selectively passing on mass-media communications and advice from others, these opinion leaders may promote or block change. Opinion leaders have characteristics that distinguish them from followers. Not only do they give more advice but they are better connected with the mass media, have more relevant expertise, are more innovative, have higher social status and are more cosmopolitan (Rogers, 2003). Characteristics such as these suggest a binary classification into leaders and followers rather than a statistically based distribution[3].

The idea that some individuals do much more than others to bring about change is recognized in the concepts of "influential" (Berry and Keller, 2003), "hub" (Goldenberg et al., 2007, 2009; Rosen, 2009), the "maven" (Feick and Price, 1987) and "conversation catalyst" (Keller and Fay, 2012). These more active individuals normally affect others by proffering WOM comment (e.g. about movies) but may also exert influence through observational learning when their preferences are visible and can be copied (Chen et al., 2011).

The two-step flow model belongs to a tradition that has likened diffusion of ideas, products and brands to the way in which infectious diseases, such as measles, are passed on: those already infected (the adopters) expose others to the disease, and these people, after acquiring the disease, may then pass it on to yet more persons. Sometimes transmission is on an epidemic scale (widespread adoption) but, at other times, the infection dies away (few people adopt). This disease analogy is found in the work of Tarde (1890, 1903), who used the term "*contagion sociale*" to describe the flow of influence, and Rogers (2003), who used the spread of cholera as an example. More recently, the term "viral" has been used to describe forms of online transmission and Gladwell (2002) has drawn explicit parallels between epidemics and the diffusion of innovation. This disease (or epidemiological) model implies a one-way transmission from adopter to adoptee since infectious diseases that result in immunity do not "back-transmit".

2.2. Challenges to the two-step flow model

The distinction between opinion leaders and adopters has been questioned by Venkatraman (1989) who suggests some people are both. The strategic role of the opinion leader has also been assessed by Godes and Mayzlin (2009) who argue that influence is not confined to the select few but is more distributed. More critical is the view of Watts and Dodds (2007, p. 442) who state that it is "unclear exactly how, or even if, the influentials of the two-step flow are responsible for diffusion processes, technology adoption, or other processes of social change". Watts and Dodds base their claims on outcomes from computer simulations. In these simulations, there are occasions when opinion leaders are responsible for change but, more commonly, diffusion takes off when the social network reaches a state of readiness with "easily influenced individuals influencing other easily influenced individuals". The adoption of innovations is explained by Watts and Dodds (2007) using the theory of informational cascades, which was developed by Bikhchandani et al. (1992) to model new fads, fashions, customs and cultural forms. This is succinctly explained by Golder and Tellis (2004, p. 208): "informational cascades describe how people converge on adopting a behaviour with increasing momentum and declining individual evaluation of the merits of the behaviour, due to their tendency to derive information from the behaviour of prior adopters". Watts and Dodds distinguish between local cascades, which are limited by the size of a person's circle of influence, and global cascades, which occur when a critical mass has been reached via the distribution of early adopters through the entire influence network.

Watts and Dodds's (2007) work is not focused on commercial products – their title refers to public opinion formation – so we should be wary of applying it to the adoption of brands. In addition, their modelling may not do justice to the complexity of diffusion processes and they are appropriately cautious. One limitation of the cascade model is that observational learning, rather than WOM, is the main driver of change, since informational cascades rest primarily on what can be observed (Golder and Tellis, 2004). Another problem is raised by the differences between categories when cascade theory is applied to commercial products: some categories (e.g. telecommunications and social media) invoke strong network effects which will facilitate adoption once a critical mass of users has been achieved, but these effects are not so strong for other categories.

We note all these problems in the disease model that underpins classic diffusion theories; we claim that this model is insufficient and that other mechanisms of influence add to its effect.

3. The role of social amplification

Those who have adopted a brand do not merely recommend and offer advice to non-users. They also discuss the brand among themselves. Clearly, such discussion will not directly affect adoption because this has already taken place, but it may have an effect on the subsequent word of mouth of discussants and thus indirectly affect adoption by others[4]. It is proposed that adopters increase their volume of brand WOM when they hear others recommend their

[3] However, in unpublished analyses of our accumulated survey data, we find that there is a smooth progression from a large proportion giving little or no WOM to a small proportion giving a large amount of WOM. This fits a gamma distribution, which is typical of such count data, and does not support the idea of two distinct groupings.

[4] WOM comment may also impact repeat-purchase by those who have already adopted the product or brand. This aspect of the process is not considered here.

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