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Talking about durables

Wendy Lomax ^a, Robert East ^{a,b,*}^a Kingston Business School, London, UK^b Ehrenberg-Bass Institute, UNISA, Adelaide, Australia

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ABSTRACT

Using a survey of 349 respondents, we investigate the triggers of word of mouth (WOM) in four durable categories and compare this evidence with previous findings for services. For these durables, positive word of mouth (PWOM) is mostly triggered by advertising and customer satisfaction with the product, while negative word of mouth (NWOM) is rare and mostly triggered by the content of conversation and the perception that other persons need advice. This contrasts with previously established findings for services where advertising has little effect on PWOM and dissatisfaction has substantial effect on NWOM. These differences have important implications: they suggest that durable ads should be tested to check that they trigger PWOM and that service providers should pay more attention to the satisfaction derived from the service experience.

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CHINESE ABSTRACT

通过对 349 名受访者的一份调查，我们探讨了四个耐用品类口碑（WOM）的触发因素，并将此实证研究结论与以往的服务研究结论进行比较。对于这些耐用品，正面口碑（PWOM）主要由广告和顾客对产品的满意度而触发，而负面口碑（NWOM）比较少见，并且主要由对话的内容和他人需要建议的看法而触发。这与先前确定的服务研究结论形成对比，其中广告对 PWOM 几乎没有影响，而不满意度对 NWOM 具有实质性影响。这些差异具有重要意义：表明耐用品广告应接受检验，以确定其是否能触发 PWOM，而服务提供商应更加注重消费者对服务体验的满意度。

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1. Introduction

Word of mouth (WOM) can have a potent effect on sales; the Keller Fay Agency (2014) reports that one in eight sales derive from consumer conversations. For this reason, we should research the triggers of WOM and pay particular attention to those triggers that can be influenced. Bayus (1985), and Graham and Havlena (2007), have shown that one trigger is advertising, and Keller and Fay (2012) report that this stimulates about 25 percent of WOM. Despite this evidence, ad testing is not normally conducted to evaluate the carryover of ad exposure into WOM so that ads that are particularly effective at inducing WOM are not identified. Managers would have more confidence in their ad spending if they found that it produced a substantial carryover into PWOM and had little impact on NWOM.

A second trigger of WOM is satisfaction (for PWOM) and dissatisfaction (for NWOM), as found by East et al. (2015) for services; here, managers can affect the level of WOM by controlling product

quality. If PWOM and NWOM are found to be more dependent on satisfaction and dissatisfaction, respectively, than advertising, managerial effort might be better directed to raising product quality.

Thus the allocation of resources to advertising and product development should take account of how much advertising and satisfaction/dissatisfaction induce WOM. Evidence on such matters does not compel a specific marketing strategy but an absence of such evidence means that managerial judgment is poorly informed.

A further reason for understanding what triggers WOM is the need to understand the process of diffusion of innovation. There is general agreement that new products and ideas become adopted in a two-stage process: the mass media persuade some persons to adopt and these people then persuade others to follow them. This idea was first expressed by Tarde (1890) and independently developed by Lazarsfeld et al. (1944) and Katz (1957), while Bass (1969) presented a model of this process which was fitted to data on durables. Understanding the diffusion process is likely to be assisted by evidence on how much advertising triggers PWOM in different categories and category groupings.

We approach this matter by using an established typology of factors that induce PWOM and NWOM and investigate four durable categories. In this way, we show the proportions of WOM attributed to advertising, satisfaction and other factors.

* Corresponding author.

E-mail address: R.East@kingston.ac.uk (R. East).

2. Triggers of word of mouth

The antecedents of WOM may be psychological variables such as motivations and attitudes (e.g. Dichter, 1966; Sundarum et al., 1998), features of the product such as quality and reliability (e.g. Anderson 1998; Feng and Zhang, 2010), or contextual factors such as the content of conversation and whether the communicator thinks that advice is needed by the receiver. Mangold et al. (1999) developed a typology covering the motivational and contextual factors that stimulated WOM about services; these stimuli included advertising, satisfaction/dissatisfaction with the product, perceived need for advice, conversational content, and joint decision making. East et al. (2015) used this typology to gather data on the relative frequencies of WOM stimuli across four service categories; here, we use the typology to establish the frequencies of the WOM stimuli across four durable categories.

2.1. Comparisons between categories

East et al. (2015) compared the triggers of WOM about restaurants, mobile airtime provision, financial services, and holiday destinations and found little difference between categories in the frequencies of the triggers. The main stimuli were satisfaction in the case of PWOM, dissatisfaction in the case of NWOM and conversation (PWOM and NWOM). Advertising was responsible for only seven percent of both PWOM and NWOM. We have been unable to find recent research relating to the sources of WOM about durables though Day and Ash (1979) noted wide differences in satisfaction in this domain so this might be one basis for differences between categories. The triggers of WOM on durables might also reflect variation in ad budgets but we cannot point to research on which a prediction could be based. We therefore seek to establish facts on this matter with the first research question:

RQ 1: How do the frequencies of factors stimulating WOM differ across durable categories?

2.2. Comparisons between durables and services

The precision manufacture of modern durables has ensured that product failures are now very rare. When faults occur in production, the product can often be withdrawn before sale, thus avoiding dissatisfaction. By contrast, service deficiencies emerge at the point of delivery where they cannot be rectified. The functions of durables can be precisely specified so that buyers have a clear idea of the benefits of purchase and this again contrasts with services where there may be uncertainty about outcomes. These comparisons suggest that more risk applies to services than durables and

that service use may create more consumer dissatisfaction as found by Murray and Schlacter (1990).

One other factor that could produce a difference between durables and services is the effectiveness of advertising when the product is tangible. Benefits from such a product may be easier to communicate and this could raise the impact of ads on durables; if so, we might expect more ad-induced WOM about durables. The research question is:

RQ2: How do the frequencies of factors stimulating WOM differ between durables and services?

2.3. Comparisons between PWOM and NWOM

In their study of services, East et al. (2015) found that the factor frequencies stimulating PWOM were closely similar to those stimulating NWOM (when satisfaction is used for PWOM and dissatisfaction for NWOM). This does not seem likely to apply to durables. If advertising has more effect in stimulating WOM about durables, this will impact mainly on PWOM since advertising is not designed to elicit NWOM. Dissatisfaction may have less of a role in triggering NWOM about durables, compared with services. A review by Peterson and Wilson (1992), using data based on a range of goods and services, indicates that satisfaction is much more common than dissatisfaction with a ratio in the region of 10:1 but from the foregoing discussion it seems likely that this ratio will be smaller for services and larger for durables so there will be less dissatisfaction to trigger NWOM in the case of durables. The research question is:

RQ3: How do the frequencies of factors stimulating PWOM and NWOM about durables differ? More specifically, does satisfaction stimulate more PWOM than dissatisfaction stimulates NWOM?

3. Study

3.1. Questionnaire items and survey

As in the earlier work by East et al. (2015), we presented nine factors from the typology of Mangold et al. (1999) as a questionnaire item in a survey. As in the original work by Mangold et al. (1999), the present study was restricted to WOM that had been received, rather than given, by the respondent. (Thus, it is the triggers as assessed by the receiver that we measure).

The four durables were cars, vacuum cleaners, mobile phones and computers. These were chosen because of their wide ownership and because of their different characteristics. In the East et al. study, quite different services were chosen and we followed this approach so that, if similarities were found in WOM stimuli between durables, this pattern could not be ascribed to a narrow choice of products. Table 1 shows the factors and main question form with

Table 1
Items used in the questionnaire (car example).

Factor	Item for receiving PWOM*
Receiver's felt need	<i>Question</i>
Coincidental communication	Please think back to the last time you were told something <i>positive</i> about a car when you were considering getting one. What was the main factor behind the other person's advice on this car?
Communicator's dis/satisfaction	
Observation of decision making	<i>Response alternatives</i>
Two or more people deciding	He/she thought you needed the advice/comment.
Ad/prom about this provider	The advice just arose in conversation.
Receiver's dis/satisfaction	He/she was satisfied with this car.
Third party need for a service	He/she observed you talking about or considering buying a car.
Ad/prom for another provider	He/she was trying to decide with you or others about buying a car.
Other (please describe)	He/she was responding to advertising/promotion about this car.
Cannot recall receiving word of mouth	He/she was responding to your satisfaction with this car.
	It was because a third party needed a car.
	He/she was responding to advertising/promotion that was not about this car.

* For questions on NWOM, *positive* was replaced by *negative* in the question and, in the response format, *satisfied* and *satisfaction* were replaced by *dissatisfied* and *dissatisfaction*.

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