Martin Oetting

Ripple Effect

How Empowered Involvement Drives Word of Mouth

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Ziel dieser Schriftenreihe ist es, Entwicklungen in Theorie und Praxis aufzuzeigen und im internationalen Wettbewerb zur Diskussion zu stellen. Das Marketing wird damit zu einer Schnittstelle interdisziplinärer Forschung.

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How Empowered Involvement
Drives Word of Mouth

With a Foreword by Prof. Dr. Frank Jacob

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RESEARCH

Originally submitted under the title *Word of Mouth Marketing with Empowered Involvement – A Conceptual and Empirical Approach for Engaging Consumers*

Foreword

Practically every marketing trade journal is buzzing "word of mouth" these days. Many practitioners consider peer-to-peer communication to be the new panacea for many, if not all of the problems that advertising is currently facing. The academic community has also rediscovered the subject as one that is highly relevant and crying out for scientific investigation and substantiation. However, four years ago, when Martin Oetting began his research project, this was not at all clear. He was intrigued by the early, weak signals he had picked up during his professional career in advertising, and he was motivated by a strong belief in the value of his overall ideas. He decided to embark on a research project that has become a most valuable contribution to the field of word-of-mouth marketing. In choosing a topic well before it would become of mainstream interest, Martin Oetting proved that he is sensitive to market discontinuities, and to the potential they provide for academic research.

In his dissertation, Oetting deftly applies the framework of the positivistic tradition. The introductory chapters provide an overview of current changes and their major consequences in the field of marketing. The importance of word of mouth is illustrated with reference to contemporary market developments and marketing practice. In focusing his approach, the author categorizes possible research questions and chooses one: "What makes people talk?" It's a good choice because this question has too often been neglected in previous research efforts, even though it is of immediate relevance to most marketing decision makers. Simply put: marketing managers need to know how to make things happen.

Consequently, the author directs his attention to those consumers who are already engaged in spreading the word about companies, brands, products, or services among their peers, and he sets out to develop starting points for marketers to stimulate such behaviour. Referencing a range of articles and publications from word-of-mouth research, the author provides a solid academic foundation. To arrive at an explanation of how to stimulate word of mouth, two behavioural concepts are presented and then reconciled: situational consumer involvement and consumer empowerment. As a conclusion, the concept of Empowered Involvement (EmI) is presented. Despite its terminological proximity to the two underlying constructs, EmI adds new perspectives. First, involvement is externalized, in the sense that it can be subjected to external stimulation, both for better understanding and managing consumer behaviour. This deviates from a traditional understanding that considers involvement as internal to a subject, but is perfectly in line with core assumptions from behavioural research. Second, EmI can be operationalised, which facilitates research and later creates footholds for practical application. In Martin Oetting's line of argument, EmI becomes the core component in a model that explains how to activate word-of-mouth behaviour.

In order to comply with today's research standards and to substantiate his argument, the author then submits his model and hypotheses to empirical examination.

The empirical part is conducted in two stages. The initial study, primarily observatory in nature, provides evidence that word-of-mouth communication can indeed be stimulated and is not restricted to happenstance. The second study is based on a much more thoroughly developed experimental design and conducted with great rigour. Based on its confirmatory character, it sets out to provide explanations. Beyond its direct application to the given project, the design that is presented here can also serve as a model for others who want to conduct experimental research. The data collection was conducted in close cooperation with TRND AG, a marketing communications company in Germany with a unique focus on word of mouth. TRND added a real-life field setting to the study and enabled access to a large population of consumers. The data collected in the study was analysed by means of structural equations modelling and supported the hypotheses that make up the EmI model of word-of-mouth behaviour.

In the concluding chapters, readers receive what they have been promised: useful managerial implications for stimulating word-of-mouth communication. Oetting gives more space to this than is typically done in a dissertation, which enhances the applicability of the insight developed. As one example, he illustrates the findings of his research in a practical marketing context by relating them to a case study about the Harley-Davidson Owners Group, which was documented in the 1990s. He later shows how the measurement approach he developed for his second study can help managers conduct a strength-and-weakness analysis of their word-of-mouth management.

My conclusion is that Martin Oetting has not only found a wonderfully relevant topic, but he has also proven his great ability in treating this subject with the highest level of academic rigour. I am convinced that practitioners and academics alike will both learn from the book and enjoy it. I wish this publication all the success it deserves.

Berlin, July 2009   Prof. Dr. Frank Jacob

Acknowledgements

In 2003, I decided that I wanted to leave advertising and completely focus on word of mouth. So I summoned up my courage and flew to London to meet Dr. Paul Marsden. Back then, Paul was already a pioneer in the fledgling word-of-mouth marketing scene. He found time in his full schedule for a dinner, answered all my questions, and left me with a powerful piece of advice: if you really want to understand this phenomenon and make an impact, think about being both an academic and a practitioner. This way, you can teach practitioners the value of thorough examination, and you can show academics what the world really wants to know.

If it weren't for Paul, I probably wouldn't have started this project. I am very grateful for the advice and inspiration he gave me then and ever since – both as a mentor and as a friend. He continues to push my thinking further in our every conversation and e-mail exchange.

Once the rocket is launched, you need someone who helps to guide it on its way. I couldn't have asked for a better *Doktorvater* than Prof. Dr. Frank Jacob. It's not easy to tutor someone who does his research while travelling, speaking, consulting, blogging, and building a company. Yet Frank Jacob managed to keep me headed in the right direction, always highlighting the pitfalls at the right time, and providing solutions for problems that otherwise would have seemed insurmountable.

He not only helped me to focus on what was important, he also taught me to look at the big picture. Word-of-mouth marketing is moderately interesting when it's just another element in the toolbox. It can, however, become a fascinating cornerstone of marketing thinking if it is understood as a real-life manifestation of a service-dominant logic in consumer marketing. Looking at it this way gives it strategic significance and wonderful new avenues worth exploring.

I am very grateful for all the support and guidance that I received from Prof. Jacob over these past four years.

Rob Nikowitsch, Torsten Wohlrab and Karsten Hoffmann are the heart, soul and backbone of our company, TRND AG. Rather than writing or only talking about word-of-mouth marketing, they have been putting it into action every day since early 2005. Time and time again, they allowed me the freedom to withdraw from the daily business so that I could pour over literature or wrestle with statistical tools. Additionally, their help, thoughts and experience have greatly shaped my thinking about word of mouth. It is a rare luxury indeed to be working with a team that is building a new company and to be able to write a dissertation at the same time. It is even more unlikely to consistently get great advice and support from such experienced colleagues. Rob, Torsten, Karsten, and the constantly growing staff at TRND in Munich, gave me all three, and I am very grateful for that.

And I am also indebted to the faculty and my fellow Doctoral candidates at ESCP Europe in Berlin. They helped fill the gnawing gaps in my understanding of the

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1 Introduction

1.1 Consumer Marketing Faces New Challenges

1.1.1 *Advertising Under Pressure*

Marketing has traditionally been understood as a distinct organisational function. Its purpose: to efficiently connect a company with the demand side of the market to which the firm is trying to sell its products or services. To this end, marketing seeks to satisfy customer needs at a profit by targeting a carefully chosen segment within that market, and by making optimal decisions regarding the relevant variables for adapting its offer to the chosen segment (McCarthy, 1960; Kotler, 1967). Kotler's seminal textbook explains: "marketing management seeks to determine the settings of the company's *marketing decision variables* that will maximise the company's objective(s) in the light of the expected behavior of non-controllable *demand variables*" (1972, p. 42, italics in original).

The "four Ps" are often referred to as the traditional or classic approach for classifying those variables in the marketing mix which the marketer can manipulate in order to achieve the relevant marketing goals: "product", "place", "promotion", and "price", have been widely used as helpful categorisations in order to simplify the areas in which the marketer can and must operate to achieve the company's marketing objectives (Meffert et al., 2008, p. 22; Kotler & Teller, 2006, p. 19; McCarthy et al., 1989, p. 41).

Product stands for the actual offer that is marketed in order to satisfy a customer need. It can be a physical product, a service, or a combination of the two.

Place refers to the mix of variables that a company can choose from in order to deliver the product to wherever it must be to service the customer need; in other words, place stands for the distribution channel.

Promotion encompasses all approaches needed to inform the market's demand side about the company's product, from personal selling to mass advertising.

Price concerns the pricing strategy that the company develops in order to position the product among its competitors, and in order to fulfil the economical objectives tied to the marketing effort (McCarthy et al., 1989, p. 41–43).

The third P, Promotion, i.e., the marketing communication efforts that a company undertakes, includes a broad scope of activities that a company maintains, such as communication links with a wide range of partners: the trade, customers, communities, the government, etc. These different groups themselves have communication relationships within and among each other, building various feedback loops (Kotler & Bliemel, 2001, p. 881).

These days, a wide range of tools is available for companies to organise communications (Kotler & Bliemel, 2001, p. 883). Advertising is probably one of the marketing activities that receives the most attention from researchers and the public (Meffert, 2000, p. 712; observing this, Kotler and Bliemel point out that the widespread notion of marketing as solely concerned with the task of stimulating demand for a company's offer by means of promotion is decidedly too narrow; Kotler & Bliemel, 2001, p. 27).

Implicitly (and sometimes also explicitly), the traditional marketing model is based on the so-called S-R or S-O-R paradigm (Lachmann et al., 1979; Trommsdorff 2002, p. 204). S-R stands for stimulus-response, and S-O-R stands for stimulus-organism-response. These paradigms refer to a model which assumes passive and strictly reactive consumer behaviour: the marketer changes certain aspects of the marketing mix ("stimuli"), and can subsequently observe customer reactions ("responses") to these changes, and, within the S-O-R model, to some extent also analyse the inner workings of the "organism" that produces these reactions (Plinke, 1991, p. 175–176).

While common opinion and cultural institutions often portray advertising as the most interesting aspect and key element in the mix for achieving marketing success (McConnell & Huba, 2003, p. 6–7), marketing practitioners increasingly seem to wonder whether the traditional consumer goods marketing approach that relies heavily on S-O-R-based one-directional promotional activities (i.e., mass advertising), still corresponds to the demands and attitudes of today's consumers (McConnell & Huba, 2003; Wipperfürth, 2005, p. 3; Zyman, 2002; Ries & Ries, 2002).

Marketers seem to feel increasingly insecure about the validity of the traditional approach as they start to believe that mass advertising is losing its effectiveness. Already back in 1983, 40% of German advertising viewers were thought to be occupied with other things than watching television during commercial breaks (Dahms, 1983). And in 1990, long before the Internet played any significant role, it was already estimated that only approximately 20% of the viewers of a given programme were reached by specific advertising messages, while others changed the channel, were not actually in front of the screen, or were otherwise not paying attention (Bente, 1990, p. 132).

1.1.2   *The Decline of Mass Advertising Effectiveness*

This insecurity is fuelled by concerns about the economies of scarcity at the foundation of traditional advertising. Effective brand communication is possible in the consumer mass marketing paradigm, because media channels can provide advertisers with exposure to large numbers of viewers, while the advertisers, in exchange for this exposure, finance the programming that attracts the audience.

However, since the choice of available media channels is proliferating both on the web and offline, the economics behind these channels are increasingly being called into question, because the same number of viewers (or shrinking numbers, in many Western societies) is increasingly split up between a steadily growing number of media channels. In other words, what used to be a scarce commodity (media content) is

becoming almost limitlessly available: "The value of TV, like the value of anything, is built upon the economics of scarcity. For decades, the source of highly produced entertainment was limited to three or four distributors – i.e., the major networks. Cable expanded the options tenfold, then, with digital cable, 100-fold. Now the internet promises to do so infinitely" (Garfield, 2007).

The permanent increase in the number of available media choices is not the only factor contributing to the decline of advertising effectiveness. Another factor is the industry's response to the problem. In order to counterbalance the fragmentation in the media environment, advertisers simply threw money at the problem, flooding the market with an over-abundance of advertising. Already in the mid-1990s, an American consumer was thought to be exposed to roughly 3,000 advertising messages per day (Shenk, 1997).

While advertisers are intensifying their attempts to reach consumers, consumers are improving their skills and investing in technological equipment that help them avoid the growing number of advertisements directed at them. According to market research firm Forrester, 60% of the programmes watched by DVR[1] users are recorded, and 92% of the ads on these recorded programmes are skipped over during viewing. Forrester estimates that by the end of 2008, 36 million households in the US alone will have DVRs, and that this development will further drive advertising revenue away from television (Markillie, 2005).

Therefore, today, many marketers have to deal with media users who are not only difficult to reach, but who increasingly want to avoid those advertisements that still manage to reach them. "The real challenge we face is that even mainstream brand enthusiasts are now rejecting the obvious and the loud. Today's marketers are struggling with a populace that appears immune to their advances" (Wipperfürth, 2005, p. 5). Paul Markillie agrees in his article for The Economist: "[…] for the most part [consumers] try to avoid the rising barrage of ads. Getting their attention is becoming increasingly difficult, because audiences are splintering as people use different kinds of media, such as cable television and the Internet" (Markillie, 2005).

Consequently, the traditional media industries, particularly in the United States, appear to be experiencing a decline. And advertising professionals seem to be ill-equipped for the new challenges resulting from the increasing ineffectiveness of the traditional mass media broadcast model of advertising: "[…] after years of steady growth in spite of steadily declining audiences, the broadcast-upfront market last year was down 5%.[2] Coca-Cola, never a big upfront player, pulled out altogether. So did Johnson & Johnson, which shifted $250 million online. According to TNS, General Motors slashed $600 million from its 2006 ad spend. […] Half of the 109 national advertisers surveyed by Forrester in 2006 said their ad agencies and media agencies were 'ill-equipped' to deal with changes in the TV environment" (Garfield, 2007).

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[1] DVR: digital video recorder, a device which records TV programmes onto a hard-disk for later viewing.

[2] In the US advertising industry, "upfronts" refer to consolidated pre-bookings of advertising space before a new season begins; they are negotiated between advertising buyers and sellers particularly in the television sector.

This apparent inability to deal with the aforementioned changes, may stem from the fact that for decades, advertisers and their consultants developed a skill set which focussed entirely on communicating brand messages uni-directionally, from the brand to the consumer, and on measuring media reach as the key metric. From a business-to-business marketing viewpoint, this presents a fairly pressing "customisation vs. standardisation" problem (see Jacob & Kleinaltenkamp, 2004). In order to cater to clients' mass marketing needs within the S-O-R paradigm (see also section 1.4.3), marketing services companies, such as advertising agencies, have built up resources which are geared towards a fairly standardised media and communications environment, hiring and training copywriters, art directors and account people who specialise in developing standardised billboard campaigns, television commercials, or radio spots. But with the media and communications landscape changing, clients, and, more importantly, customers, no longer need to or want to pay attention to these advertising formats. As a consequence, marketing service providers need to initiate structural changes in order to break away from the existing standardised approaches and to develop new ways of providing marketing services while maintaining their profitability.

Howard Draft, a direct marketing expert and agency founder, clearly explains: "In the past you would keep pounding the creative message out into the market place and look at reach frequency. Well, basically that is dead. What you have today is an informed customer who is taking control of the way he learns and hears about products." Former McDonald's Global Chief Marketing Officer Larry Light framed the problem in rather blunt terms: "The days of mass marketing are over" (both quotes: Markillie, 2005).

Therefore, most marketing decision makers seem uncertain as to how they should organise advertising planning and spending in these emerging new channels. Compared to earlier periods, in which advertisements were organised for a limited number of television stations and magazines, it seems more complicated today to effectively communicate messages in the complex world of interactive media, pay-per-view channels and mobile applications. This complexity may be the cause behind marketing's lagging reactions to these new channels. In Germany, magazines account for only 5% of media usage, and newspapers for only 4%, yet they still receive 20% and 25%, respectively, of total German advertising spending (Gehrs, 2007).[3]

The steadily increasing number of media that the audience has to choose from is, apparently, not only harming the effectiveness of advertising, it is also giving rise to another phenomenon which marketers observe with growing uncertainty: consumers appear to be increasingly taking control of the media and of the marketing process itself, a development sometimes referred to as consumer empowerment.

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[3] Quite recently, a growing trend towards more online advertising has been observed in Germany, with estimates indicating that, in 2007, expenditure for online advertising has risen to almost € 1 billion (Anonymous, 2008a), while it seems that growth in the overall advertising market has been slowing (Anonymous, 2007).

1.1.3 *Consumer Empowerment on the World Wide Web*

A fundamental factor that has led to increased user empowerment is the development of the World Wide Web. Few other media, if any, allow their audience such an active participation in the way their content is consumed: "the interactive capacity of hypertext changes audience members from passive receivers of information to active participants in its construction. Each individual audience member controls the amount or rate of information he or she wishes to acquire from a commercial message" (Gallagher, Foster & Parsons, 2001, p. 58).

In the earlier stages of the Web's broad adoption, its applications were primarily geared towards providing an audience with the opportunity to *consume* content. However, today, the empowerment potential of the Web is now substantially increased, as its current development (now often referred to as "Web 2.0" or "Social Web") reflects what originally lay at the heart of the hypertext idea: that everyone can both consume content on the Web, and *publish* their own (See O'Reilly, 2005, Johnson, 2005; Lawson, 2005).

Thus, as users start discovering how to voice their own thoughts and feelings on the Web, the medium's interactivity expands beyond simply allowing the control of information that users get. Today, it also enables anyone with access to the web to independently, or jointly, create their own content with a potentially global reach.[4] Such types of amateur publishing on the Web are growing in popularity, and this has an impact on the way brands, companies, products and services are perceived.[5] Consumers, as well as third party providers, can now research facts, provide personal insight and voice opinions online – all of which creates pressure for marketing companies: "Over 80% of Ford's customers in America have already researched their prospective purchase on the internet before they arrive at a showroom, and most of them come with a specification sheet showing the precise car they want from the dealer's stock, together with the price they are prepared to pay" (Markillie, 2005).

In addition to this research-based type of empowerment, consumers are also increasingly beginning to change the way they evaluate the role of brands in their daily lives. Some observers claim that consumers are experiencing a sort of personal ownership over brands today, as opposed to seeing them as mere representations of items that they either purchase and use, or disregard. They are ready to hold companies accountable when aspects of a product or service no longer correspond with their own idea of what the brand stands for: "Consumers now increasingly see brands as shared cultural property […] rather than as privately owned intellectual property. Familiarity breeds ownership: brands 'belong to us' and not the companies that supposedly own them" (Cova & Pace, 2006, p. 1089; see also Wipperfürth, 2005, for an extensive description with examples).

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[4] This may be best exemplified by the rise of the weblogs (Sifry, 2006).

[5] As a reflection of these developments, Nielsen, one of the largest market research companies, substantially invested in their capacity to monitor brand-relevant postings on the Web (Burns, 2006; Rodgers, 2007).

1.1.4   The Evolving Field of Consumer Marketing

Some marketers believe that the key to coping with these new challenges is to develop a different way to measure the effect of brand advertising. Instead of maximising the *reach* of a given campaign – i.e., focusing on the number who were exposed to an advertisement – they look for ways to increase *engagement*, i.e., the consumer's active interaction with the brand (Sterne, 2005). The need for a new approach to measuring brand communication effectiveness on the basis of engagement has also been reflected in a dedicated initiative jointly launched by the Advertising Research Foundation, the American Association of Advertising Agencies, and the Association of National Advertisers. In 2005, they unveiled the initiative in a presentation titled "Engagement as the ROI Numerator". It aims "to create a new media currency in cost per engagement that will complement cost per exposure" (Malone, Weiner & Cheng, 2005).

As marketing experts are reporting on media-empowered consumers who see a brand as an extension of their personality, rather than as an intellectual property owned by a company, they are beginning to recommend fairly radical changes in the way marketing should be organised: "Let go of the fallacy that your brand belongs to you. It belongs to the market" (Wipperfürth, 2005, p. 30). Firat and Schulz (1997, p. 188) note that an approach which makes the consumer an *acting partner in* and not so much the *subject of* the marketing process, corresponds with a postmodernist worldview: "[…] postmodernism conceptualizes the consumer as the communicating subject, one who actively communicates the social reality she or he prefers to live rather than passively inheriting one constructed without his/her participation. Marketing in a post-modern culture, therefore, has to be open to and tolerant of the non-traditional demands communicated by consumers, including those of interference into organizational cultures".

Judging from these examples and developments, it appears that a mass marketing approach which relies exclusively on a stimulus-response-based paradigm may no longer correspond to today's situation, in which the customer has so much power to shape and control the marketing process.

Interestingly, this seems to move consumer marketing into a position in which the field of industrial marketing found itself already close to twenty years ago. Here, the marketing approach is already much less concerned with the efforts of a company to provoke some type of response on the demand side of the market by means of a discrete mix of measures. Of much greater concern is the interactive process between the supply and demand sides in which both parties are autonomous actors whose actions and reactions can only be understood and managed within the context of the other party (Plinke, 1991, p. 176–177).

And if we follow the notion that customer engagement and similar constructs should be considered increasingly important variables within the marketing process, it becomes clear that the traditional approach – the four Ps, presented at the beginning of this chapter – may no longer be suitable to cater to these new demands because they do not properly take engagement or interaction dimensions into account.

Gummesson (1999) acknowledged the importance of relationships within marketing and proposed a set of 30 angles from which relationships ("30 Rs") in the mar-

keting processes should be considered and managed. Service marketing researchers expand the traditional model, and suggest to move from four to seven Ps (Jacob, 2006, p. 55), adding personnel, physical facilities and process management, in order to provide a more complete picture of the crucial elements needed to ensure marketing success (Magrath, 1986; Beaven & Scotti, 1990, see also Meffert et al., 2008).

Personnel focuses on the people at the customer touch point who are particularly relevant in the service context, as they largely determine the customer experience (Gremler, Gwinner & Brown, 2001). *Physical facilities* – i.e., the environment in which interaction between customers and personnel takes place – are equally relevant because they strongly impact the way the encounter is perceived by the customer. And thirdly, services are not concerned with distinct physical entities that can be produced and shipped individually. Instead, they rely on an interactive process that can sometimes even blur the lines between the supply and demand sides. Thus, *process design and management* play a major role in the way the marketing process is organised, and so this leads to the third P for process management. Some writers recommend that nowadays, essentially, all marketing should be conceptualised as service marketing (Vargo & Lusch, 2004; Gummesson, 2006). These developments suggest that consumer marketing might have to take cues from service marketing and expand its scope.

In such times of increased consumer control, some call for a new theory of many-to-many marketing which focuses on the fact that consumers are becoming increasingly powerful partners in marketing exchanges: "The contribution from one-to-one [marketing] is to put the light on individual interaction in marketing as opposed to unidirectional mass marketing. Many-to-many goes a step further, addressing the whole context of a complex world" (Gummesson, 2006, p. 349).

As the idea of many-to-many marketing already implies, a substantial amount of communication deemed relevant for the marketing process is now carried out between the consumers themselves. This type of peer-to-peer communication is usually referred to as word of mouth ("WOM").

1.1.5   Renewed Interest in Word of Mouth

As a consequence of the above-mentioned developments, a renewed interest in word of mouth has recently been noticeable among both practitioners and academics alike. Different developments provide evidence of this:

1.1.5.1   The Need for New Approaches

As discussed above, the number of TV stations, publications, websites, or simply, media channels, is multiplying at a breathtaking rate, and consequently, consumers are increasingly fragmenting into smaller and smaller niche audiences. Additionally, they can sometimes feel rather overwhelmed by the media choice which they find at their disposal. Therefore, marketers actively search and experiment with new and more effective ways to reach consumers beyond the traditional sender-receiver advertising model. They not only tap into new approaches which mostly revolve around

new targeting tactics, particularly in the online arena, or around more biologically-oriented approaches, such as neuromarketing (Willenbrock, 2006). Many also set their hopes on developing a proactive approach for word of mouth (see, among others, Kaikati & Kaikati, 2004; Keller & Berry, 2003; Salzman et al., 2003; Kirby & Marsden, 2006).

1.1.5.2   Online Word of Mouth on the Rise

As one facet of the aforementioned consumer empowerment in the area of online publishing, the spread of digital word of mouth on the Internet has increased significantly (particularly thanks to the rise of weblogs, see Sifry, 2006; Scoble & Israel, 2006). A number of researchers are focusing on this new phenomenon in marketing (among others, Mayzlin, 2006; Hennig-Thurau & Walsh, 2003/4; Dellarocas, 2003; Godes & Mayzlin, 2004b). Online word of mouth provides peer-to-peer communication with a new dimension, as it enables access to WOM sources irrespective of time and place (Weiber & Meyer 2005; Henning-Thurau & Walsh, 2003/4).

Some observers argue that, in light of the recent surge of both niche suppliers and consumer-generated content on the Web, word of mouth is actually becoming the most essential element for economic success. This idea has received a lot of attention in recent months, since it was popularised as part of a concept which was branded, "The Long Tail", in a book of the same title (Anderson, 2006). The author describes how, on the Internet, successfully supplying goods and services is no longer restricted to limited shelf-space and limited access to costly advertising media, and how this leads to the creation of virtually unlimited choice. Such "endless choice" imposes a set of new requirements on both suppliers and customers in the markets that are affected by this transition. One implication is that, in order to navigate among these extremely diverse purchasing opportunities, individual shoppers will increasingly have to rely on the sorting and recommending performed by their peers on the Internet (Anderson, 2006, pp. 98–124).

Others point out how consumers express their opinions about brands, companies and people, with new multimedia online tools that reach potentially global audiences. This can result in quite harmful consequences for companies and brands (Dambek, 2006; Murray-Watson, 2005): Apple (computers) or Jung von Matt (advertising), among others, have been affected by news stories that appeared when bloggers first reported marketing or communications glitches, which then spread across the network of blogs (also referred to as the "blogosphere") and were eventually picked up and amplified by the mainstream media, thereby impacting on the company's reputation, or hurting its valuation on the stock market.

1.1.5.3   Collaborative Marketing

In light of the two previous factors, companies – particularly in the USA, but in other markets as well – are increasingly viewing word of mouth as a marketing issue that needs to be addressed in a professional way (Walker, 2004; Farah, 2006). This is perhaps best evidenced by the growth of the US-based Word of Mouth Marketing Asso-

ciation (WOMMA), which, since its launch in 2004, has managed to attract more than 400 US- and international member companies, including well-known brands such as Microsoft or Masterfoods USA.[6]

One of the tactics used in the word-of-mouth marketing context is a new approach to advertising, which reflects the above-mentioned call for actively *engaging* consumers, as opposed to merely *reaching* them. Companies invite consumers to become active in the advertising or marketing process – for instance, by submitting their own ads or by shaping the development of marketing campaigns. As a result, the marketer expects more engagement and thus more identification with the brand, and to provide participants with experiences worth sharing with their friends. In the USA, brands such as Converse, Chevrolet, Sony, and growing numbers of others, have tried such approaches (Bosman, 2006; Kiley, 2005; Walker, 2006, Morrissey, 2005). In Germany, the Mini car brand is known as probably the first major brand to have started to test such tactics, in order to more actively involve consumers in the marketing process (Karig, 2007; Seith, 2007).

A few brands have even turned over marketing decision-making power to their customers by inviting them to vote on packaging label designs, or on pricing. Some examples of companies that have tried out this strategy include "Blowfly", the Australian beer brand which based its launch on the collaboration with, and active participation of, a group of supporters who were recruited on the web (Mulhall, 2005), and the US-based soft drinks company, Jones Soda Co., which systematically solicits the active involvement and participation of its customers and fan base (Underwood, 2005).

1.1.5.4   Word-of-Mouth Marketing as a Response to the Challenges

So while Cox pointed out in 1967 that "the opinion leader, no matter how vocal, can't compete with the mass media of today in terms of coverage" (p. 179), this may be less true today, due to the developments in web publishing described above.

Consumers do not have access to traditional mass media systems to broadcast their own messages. But exactly these mass media appear to be losing both audience numbers and advertising effectiveness. At the same time, consumers are developing new and sometimes surprisingly powerful ways of expressing their opinions through online media to growing audiences. And while not all of these expressions and word-of-mouth transmissions impact millions of recipients, the sum total of them combined does attract a substantial share of attention. Consequently, marketers are beginning to view word of mouth less as a matter of fate[7] that they have to live with – for better or worse – and more as a business force that they will need to work with proactively in their marketing efforts. Therefore, word-of-mouth marketing is emerging as a practitioners' discipline in its own right.

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[6] For an updated member list, see http://www.womma.org/members/.

[7] As illustrated by Arndt (1967c, p. 289) who stated: "Word-of-mouth advertising has been thought to be an almost mysterious force, whose effects were taken for granted."

The importance of word of mouth is supported by numerous academic studies which have demonstrated WOM's frequent and significant effects on purchase behaviour and marketing effectiveness.

The following three examples highlight different facets of this phenomenon:

In 1967, Arndt observed in one of the earliest studies (Arndt, 1967c) that even though the importance of word of mouth was widely assumed, little was known about the actual mechanisms by which word of mouth creates its effects. In order to learn more about how word of mouth works, both on the sender and the receiver side in the communication dyad, he conducted a study about word of mouth for a coffee brand in which 449 women in a students' community were given coupons for a new brand of coffee. Afterwards, the researchers questioned as many participants as possible about their subsequent word-of-mouth communications and purchasing behaviour. Arndt's study showed that 54% of those who received favourable word of mouth bought the brand, while only 18% of those who received negative word of mouth bought it.

In 2004, Hogan et al., proposed a modified approach for calculating the lifetime value of a customer. They hypothesised that those customer lifetime value calculations that focus on advertising effectiveness, undervalue the effects that advertising produces because they always assume that customers respond to advertising in isolation. Instead, they suggested that when advertising effects for new customer acquisition are analysed, this should also include the word-of-mouth communication effects that these new customers generate. In a study, they showed that once these effects are incorporated in the analysis, the customer lifetime value can be estimated at more than twice the previous level, since word of mouth from these customers is very powerful and can lead to more additional revenue than the customers themselves generate.

Chevalier and Mayzlin (2006) wanted to ascertain to what extent the expression of consumer opinions in online communities affects purchase behaviour. They analysed consumer posting and buying behaviour in two online bookstores, and found that when a book's online reviews improve, this leads to an increase in relative sales at that particular site, and that the impact of negative reviews is usually greater than the impact of positive reviews.

Finally, another facet pointing out the importance of word of mouth is that academic research has shown that a customer's readiness to recommend a company to others is considered a key indicator for market success (see Jacob, 2006; Eggert & Ulaga, 2002).

Mass marketers are increasingly beginning to know about these effects, and they are trying to have an impact on them. The following section provides an overview of the current state of the word-of-mouth marketing practice.

1.2   Word-of-Mouth Marketing Practice

1.2.1   Introduction

In 2000, the publication of Malcolm Gladwell's book, "The Tipping Point", coincided with the growing concern about dwindling effectiveness of traditional advertising methods in the USA. Gladwell's popular book on social diffusion effects – which

was, in fact, not marketed as a marketing book – appeared to present interesting alternatives to the way mass marketing was traditionally conducted. It built on various research traditions and suggested that marketers could manipulate carefully chosen factors and involve the right type of people in the marketing process, in order to create mass word-of-mouth effects at low costs, which would allow brands to achieve overnight successes.

Rosen (2000) offered practical insight in a book more specifically directed at marketing practitioners, which was initially inspired by his own personal experience with software marketing. Other business books also started to explore creative and analytical approaches to stimulating word of mouth (Salzman, Matathia & O'Reilly, 2003; Keller & Berry, 2003; Godin, 2000). Another factor supporting this renewed interest in word of mouth was the rush of the New Economy, during which a number of business cases managed to attract large user numbers by what was soon referred to as "viral marketing", an online-based type of word-of-mouth marketing (Draper & Jurvetson, 1998).[8]

Consequently, early in the first decade of the 21st century, word-of-mouth marketing and opinion leader concepts seemed to be experiencing their own 'tipping point' in US marketing practice. A recent study estimates that domestic US spending on dedicated word-of-mouth marketing approaches has grown at double-digit rates every year between 2001 and 2006, and reached an estimated level of $981 million in 2006 (Quinn, Kivijarv & Ames 2007). In the wake of, or parallel to, this development in the US, other markets around the globe also discovered these ideas, or are discovering them today.

1.2.2   Terminological Diversity

In the increasing number of publications about word-of-mouth marketing, examples of electronically-transmitted advertising[9] are sometimes presented in parallel and, from time to time, confused with business success stories that were built on successful word-of-mouth effects (examples of the latter are Starbucks, Zara, Hotmail or Skype). As a result, the fundamental approaches available for stimulating word of mouth have not always been adequately differentiated and classified. This has led to a broad range of terms, such as word-of-mouth marketing, buzz marketing, influencer marketing, stealth marketing, or viral marketing, none of which has been distinctly defined or agreed upon.

However, some of these approaches are not clearly differentiated, and the list does not provide an integrative explanation that helps unify them under a single umbrella.

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[8] The term was apparently not first invented by Draper and Jurvetson, but probably originated in a 1989 article in PC User magazine (see Kirby, 2006, p. 89).

[9] Popular examples include the Burger King campaign "Subservient Chicken" (www.sub servientchicken.com), or the widely popular beer commercials from the Budweiser "Whazzup" campaign.

Table 1: Word-of-Mouth Marketing Practices, according to WOMMA

Technique	Description
Buzz Marketing	Using high-profile entertainment or news to get people to talk about your brand.
Viral Marketing	Creating entertaining or informative messages that are designed to be passed along in an exponential fashion, often electronically or by e-mail.
Community Marketing	Forming or supporting niche communities that are likely to share interests about the brand (such as user groups, fan clubs, and discussion forums); providing tools, content, and information to support those communities.
Grassroots Marketing	Organizing and motivating volunteers to engage in personal or local outreach.
Evangelist Marketing	Cultivating evangelists, advocates, or volunteers who are encouraged to take a leadership role in actively spreading the word on your behalf.
Product Seeding	Placing the right product into the right hands at the right time, providing information or samples to influential individuals.
Influencer Marketing	Identifying key communities and opinion leaders who are likely to talk about products and have the ability to influence the opinions of others.
Cause Marketing	Supporting social causes to earn respect and support from people who feel strongly about the cause.
Conversation Creation	Sending out interesting or fun advertising, e-mails, catch phrases, entertainment, or promotions designed to start word of mouth activity.
Brand Blogging	Creating blogs and participating in the blogosphere, in the spirit of open, transparent communications; sharing information of value that the blog community may talk about.
Referral Programs	Creating tools that enable satisfied customers to refer their friends.

Source: WOMMA, http://www.womma.org/wom101/02/; accessed January 18, 2008.

As a consequence, there still appears to be some uncertainty as to the actual choice of approaches to stimulate word of mouth, which is available in marketing today. The following sections are meant to propose an alternative taxonomy.

1.2.3   *"Awareness Word of Mouth" vs. "Evaluation Word of Mouth"*

Research has traditionally suggested that consumers reach *awareness* of new products through advertising, while personal influence plays its role at the *evaluation* stage in the decision making process: "Research addressing the role of different sources of information at different stages in the adopters' decision process suggests that the mass media dominate in the awareness stage, while the informal sources are of major importance in the evaluation stage" (Arndt, 1967b, p. 202, see also Cox, 1967, pp. 183–184).[10]

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[10] See also Weimann (1994) who refers to "consumption as a social act", p. 112.

Media fragmentation and consumers' disenchantment with advertising, however, have led to a development in which marketers increasingly try to stimulate word of mouth for, and at all stages of, the marketing communications process. This is particularly so at the awareness stage: "We have found that buzz is increasingly the result of carefully managed marketing programs" (Dye, 2000, p. 142).[11] Additionally, marketers have realized from experience that advertising itself can stimulate word of mouth (Bayus, 1985), something that can take place without the speaker necessarily having had actual product experience. Already in 1966, Dichter observed how people are sometimes stimulated to generate word of mouth based on companies' brand communications alone, as they engage in "[…] talk which is mainly stimulated by the way the product is presented through advertisements, commercials, or public relations, but is not necessarily based on the speaker's experience with the product proper" (p. 148).

For this reason, it might be helpful to distinguish between word of mouth sent to inform someone about *product news*, which we will refer to as "awareness word of mouth", and word of mouth sent to inform someone about *the experience with a product*, which we will refer to as "evaluation word of mouth". (Often, both happen at the same time – for instance, when a person has bought and tried a new product and, simultaneously, informs someone about the news *and* about the experience with the product.) The assumption in this research is that companies increasingly want to stimulate "awareness word of mouth" for their brands, in order to deal with the challenges laid out in the introduction: to help their brand communications break through the communications barriers set up by the consumers, and through the clutter from the competing advertisements. As a consequence, this research – and particularly its empirical analysis (see Chapter 6) – focuses on the type of word of mouth that is not necessarily linked with product experience.

Some research explicitly recognises the "awareness word of mouth" that does not rely on product experience. Richins & Root-Shaffer (1988) make such a distinction in their research on word of mouth in the car market. They identify four types of word of mouth which they label "positive personal experience", "advice-giving", "product news", and "negative word of mouth". If we assume that advice-giving is a more complex process which cannot easily be influenced by marketing activities alone, and consider negative word of mouth as a specific subset of advice-giving, the authors' remaining two types accurately match the dichotomy proposed above. In their discussion of "product news WOM", they explicitly state that this type of word of mouth does not require actual product experience: "Product news includes comments about advances in car technology, car model differences, and similar topics. In contrast to the first word-of-mouth dimension [personal experience], comments loading highly on this factor seem to be based less on personal experience with one's own car and more on general knowledge about automobiles as a product class."

Feick and Price, when introducing the "market maven" concept (1987), a specific type of opinion leader, also pointed out that word of mouth does not have to result from product experience. The authors observed that previous opinion leader literature

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[11] See also Godes & Mayzlin (2004a), p. 1, and Weimann (1994), p. 111, who also distinguishes awareness word of mouth from evaluation word of mouth.

tended to assume opinion leadership to be product class specific, because opinion leaders are thought to derive some or most of their authority from a strong and enduring involvement with a given product class. Similarly, they find that research on early adopters tends to assume that in a given product category, early adopters tend to be specialised, and share word of mouth about the actual product experience.

In contrast to these two specialised types of influencers, Feick and Price propose another type of marketplace influencer, the market maven, who is not so much involved with a single product category or type of product, but whose expertise and influence are concerned with the market in general: "The definition of the market maven does not require that these individuals be early purchasers of products or necessarily even user of the product about which they have information" (p. 85). When exerting their market influence, they also talk about aspects that do not necessarily relate to the product itself, but more generally to various aspects of the marketing mix. They might therefore be considered an interesting group within a population for marketers who want various types of information to diffuse in a given market: "Market mavens may also be good targets for information programs on low involvement products or for information not based on products" (p. 95).

In his 2006 study about the effect of online word of mouth on the success of movies, Liu also observes that, at least in the area of entertainment such as films, there may be a lot of word of mouth going on even before the actual product has been experienced by the potential customers: "WOM communication about a to-be-released new product may not depend on actual experience. Many potential users talk about the product on the basis of speculations" (p. 87).

These three sources agree that word of mouth can occur when the speaker has not had an actual product or consumption experience; it can come about entirely without a speaker having actually used, bought or experienced the product or service in question. For the word-of-mouth marketing practice, this is important. It suggests that it may actually be possible to stimulate "awareness word of mouth" without the necessary effort of equipping each potential talker with the product itself.

1.2.4   The Practice of Stimulating Word of Mouth

Stimulating positive word of mouth as a brand communications approach appears to be developing into a major concern for marketing companies (Godes et al., 2005). Therefore, we would like to propose a simple categorisation of three fundamental approaches that companies use to stimulate such "awareness word of mouth".

It is important to note that these three categories do not represent three distinct triggers for stimulating word of mouth. Instead, they represent different angles from which a marketer can approach the challenge of stimulating word of mouth. And in each category, different triggers (see Chapter 3) can be used.

1.2.4.1   Product-based Word-of-mouth Stimulation

A host of companies have shown in various fields, that it is possible to engineer word of mouth stimuli directly into the product or service offering itself. In particular, on

the Internet, "[…] new companies can structure their businesses in a way that allows them to grow like a virus" (Jurvetson & Draper, 1998). Hotmail probably received the most attention, helping to create the myth that viral marketing always leads to exponential growth. The web-based e-mail provider enjoyed a rapid development: the service grew exponentially after launch, as users automatically recruited their friends and acquaintances, which many believe happened primarily thanks to an advertising tagline that was included in every out-going e-mail sent from the platform (Jurvetson & Draper, 1998). There are other examples on the web which have benefited from similar effects, such as the business-networking platform Xing[12], or the IP telephony provider Skype. Telephone or fax machine are earlier communications systems that also spread because of direct network effects.[13] (We will return to the discussion of network externalities in section 3.1.3.4.)

However, it is not always necessary for products or services to rely on network externalities within communication networks in order to benefit from built-in word of mouth. The most striking examples include products that are highly visible or noticeable when in use, such as specially designed mobile telephones or automobiles. The software and computer company Apple frequently succeeds at stimulating (often global online) word-of-mouth effects, thanks to well-designed products, which are first shrouded in mystery and then skilfully presented.

The diffusion of products (and, more generally, of innovations) has been researched extensively within the diffusion theory school of research (Rogers, 2003), which is based on the idea that the adoption of any innovation starts with a few risk-taking innovators, who are then followed by a growing number of imitators (Bass, 1969). Conceptually, one can argue that the informal information exchange between innovators and those who imitate them amounts to a (sometimes non-verbal) form of word-of-mouth communication, and that an analysis of the diffusion of innovations will most likely include a word-of-mouth aspect.

In the diffusion research field, one important aspect lies in the innovation's various attributes, and how some of these attributes relate to the new product's rate of adoption in a given population. According to Rogers (2003), most of the variance in the spread of an innovation can be explained by five key attributes (based on Rogers, 2003, p. 219–266), which are:

- Relative advantage: "… is the degree to which an innovation is perceived as being better than the idea it supersedes" (Rogers, 2003, p. 229). Such "being better" is not exclusively linked to strictly functional benefits; it can equally extend to status aspects. Rogers quotes different examples, such as certain clothing fashions, which frequently provide no other advantage than a gain in social prestige. Another example that he describes is a certain brand of silos in rural parts of the

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[12] Formerly known as OpenBC. This example comes from the author's own observations.

[13] Products that benefit from network effects rely on a combination of awareness WOM and experience WOM. But as awareness WOM is part of the process, and as it is stimulated by the design of the product or service in question, and thus under the control of the company, these examples are included in this section.

USA. This particular brand of silos is very tall; they are painted in a very striking blue colour and decorated with a large logo. As a result, they can be seen and identified even from far away. Since they are very expensive, the prominent display of such a silo provides a relative advantage for the farmer when compared to other silo brands – as it is thought to communicate wealth and thus confer a status increase.

- Compatibility: "… is the degree to which an innovation is perceived as consistent with the existing values, past experiences, and needs of potential adopters" (p. 240). Often, this type of attribute relates to the degree to which an innovation is conceived to work with or enhance previously introduced ideas. Rogers explains: "Old ideas are the main mental tools that individuals utilize to assess new ideas and give them meaning" (p. 243). Rogers describes how photovoltaic systems have not been adopted by electricity companies because their setting up and maintenance is too radically different from the types of activity usually performed by utility companies. A recent example in which compatibility did favour the innovation's adoption is the Apple iTunes software, designed to provide a seamless experience connecting a PC and an iPod music player to the Internet. As the service allows easy installation and use, it helped convince PC owners to both adopt the iPod, and to begin purchasing songs from the Internet-based download service. (Additionally, it is also easy to get used to, as it is compatible with the potential former habit of using a portable headphone-equipped tape player ["Walkman"].)[14]

- Complexity: "… is the degree to which an innovation is perceived as relatively difficult to understand and use" (p. 257). Rogers illustrates this aspect by describing the difficulties that novice PC users face when trying to integrate the PC into their private lives, often experiencing frustration and the need to get outside help: "… the perceived complexity of home computers was an important negative force in their rate of adoption in the 1980s" (p. 257–258).

- Trialability: "… is the degree to which an innovation may be experimented with on a limited basis" (p. 258). Rogers argues that innovators are more likely to first test an innovation without fully adopting it, because they have no previous buyer they can follow to observe the benefits and downsides of an innovation in action. Adopters can observe and learn from the innovators at a later stage, and may therefore be less in need of some form of trial. An additional aspect relating to the word-of-mouth effect of trialability comes into play when an innovator provides trial opportunities to followers (such as early drivers of a new car model inviting friends to test-drive the car).

- Observability: "… is the degree to which the results of an innovation are visible to others" (p. 258). The example Rogers refers to extensively is the adoption of mobile phones around the globe (which he presents as a case study in which all five factors played a significant role). He illustrates the function that observability had for the adoption process: "The use of cellular phones in automobiles, restaurants,

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[14] From the author's own observations.

and other public places helped emphasize their conferral of status on potential buyers. This innovation is highly observable, both visually and in an auditory sense (such as when a cell phone rings in a public place)."

In the context of product-based word-of-mouth stimulation, the diffusion research school can provide interesting approaches for studying stimuli that support the marketing process by adding word-of-mouth effects. The last two attributes mentioned above – facilitating trialability of a new product, and making it visible when it is being used – can be considered particularly helpful strategies to enhance the word-of-mouth potential of a product.

In network analysis, the word-of-mouth aspect of a product's diffusion is incorporated in the social decision-making concept. It is modelled as a threshold model of decision-making: in a social network model, individual nodes are each assigned an individual threshold level, designating the nodes' reaction to peer pressure from the surrounding network nodes. When the threshold level is low, the corresponding individual will adopt the innovation quickly, i.e., it is sufficient if a comparatively low number of surrounding nodes have already adopted the innovation. When the threshold level is higher, it takes more surrounding nodes to adopt the innovation until the individual itself will follow. (See Watts, 2003, p. 220–252, for a discussion and illustrations.)

1.2.4.2 Advertising-based Word-of-mouth Stimulation

Another approach for stimulating word of mouth has been developed recently in the advertising industry. Instead of relying on traditional media channels for the distribution of advertisements to pre-defined target audiences, companies are increasingly (or additionally) trying to get Internet users themselves to spread ads to their personal networks through online channels (see Kirby, 2006).

Confusingly, this approach is often called "viral marketing" when in fact it should more appropriately be called "viral advertising". The confusion might come from the fact that the distribution process of these advertisements is similar to the way successful online ventures found (and still find) their users through online word of mouth. The Draper & Jurvetson (1998) article about the success of Hotmail, however, explains how in a viral marketing process the *entire* marketing mix – price, place, product and promotion – have a share in enabling the success story. The most elaborate form of viral advertising is the so-called "alternate reality game", which invites fans to immerse themselves in a story game created by or for a brand, incorporating different media and extending into the daily lives of the participants (for an introduction, see Rose, 2008).

It should be noted that this type of advertising approach is usually less concerned with stimulating word of mouth about brands and products themselves, and more focussed on creating word of mouth about an advertising idea. This entails a particular challenge: when a company designs advertising for the purpose of igniting conversations and exchange among consumers, there may be a trade-off between the content that stimulates the desired "viral" behaviour, and the content that the message is actu-

ally meant to communicate. Simply put: the advertisement may entertain viewers and create word of mouth, but not communicate relevant information about product or brand.[15]

An academic field, which is related to an advertising-based approach to word of mouth marketing, is the theory of memetics. Memetics is concerned with the phenomenon of cultural techniques and tidbits that are passed on by imitation, and postulates that, alongside with the gene, there is a second replicating factor influencing the evolution of the human species (Dawkins, 1976, p. 192): "… the meme, a new replicator, (…) a unit of cultural transmission, or a unit of imitation". Proponents of the theory claim that it can teach us something about how an advertising message can be made more "contagious", and thereby provide insight into how advertising can help stimulate word of mouth in a more reliable fashion (Langner, 2005, p. 20–21).

Another related research area is communication theory – a diverse field which draws from very different research traditions. Most broadly speaking, communication theory is concerned with the antecedents, consequences, mediators and moderators that determine how messages of any shape and form are transmitted between individuals or collectives. A very basic understanding of the communication process splits it up into sender, receiver, and message (also referred to as the transmission model of communication). A more sophisticated view defines communication as an on-going process in which personal identities, social relations and meaning are constantly redefined. (See Craig, 1999.)

1.2.4.3   Relationship-based Word-of-mouth Stimulation

As some research suggests, the forming and strengthening of relationships between employees and customers has been identified as one factor that can contribute to stimulating positive word of mouth. While relationships are thought to be particularly relevant in service industries (Mangold, Miller & Brockway, 1999; Gremler, Gwinner & Brown, 2001), companies have recently started to initiate dialogue and relationship building within their consumer goods marketing processes as well (Gummesson, 2006). Most recently, this has been helped by the rise of weblogs (also referred to as "blogs") as potent communication tools (Sifry, 2006; Scoble & Israel, 2006).

In order for a website to be considered a weblog, it usually needs to contain a number of specific features and be used in a particular way. Features expected in a weblog include: reverse chronological order of the entries posted, a unique identifier address for each entry, and a commentary functionality that allows readers to respond to the entries posted by the author. Weblogs are primarily used as vehicles for the expression and sharing of both private and professional personal observations, concerns and opinions.

Employees who would normally not be able to create relationships with (significant numbers of) customers or consumers, can now do so on the web by using these

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[15] Exploring what stimulates consumers to pass advertisements on to others may be considered an original field of word of mouth research of its own and is not part of this study. Phelps et al., (2004) present a list of consumer motivations to pass along e-mails.

tools of personal expression and exchange where they can publish their thoughts and impressions, and respond to the comments they receive from their readers. This, in turn, helps create trust, which is an important antecedent for positive word of mouth (Gremler et al., 2001). A number of companies are said to have benefited from this type of word-of-mouth marketing, such as Microsoft, General Motors, or Sun Microsystems, as well as various marketing agencies and consultants (Scoble & Israel, 2006; Zerfaß & Boelter, 2005; Eck, 2007; Thompson, 2007).

Corporate weblogs are sometimes described as a sign of a fundamental change in the way corporations communicate with the outside world, particularly in the North American marketing environment (Thompson, 2007). As companies are faced with a marketing environment where trust in and credibility of advertising and mass media seem to be increasingly fatigued, the idea is that they must find entirely new ways of developing confidence among their stakeholders. When weblogs are used as instruments that facilitate a quick and responsive exchange of ideas on the web, they can increasingly help create a more dialogue-oriented and personal way of communicating. "Radical forms of transparency are now the norm at start-ups – and even some Fortune 500 companies. It is a strange and abrupt reversal of corporate values. Not long ago, the only public statements a company ever made were professionally written press releases and the rare, stage-managed speech by the CEO. Now firms spill information in torrents, posting internal memos and strategy goals, letting everyone from the top dog to shop-floor workers blog publicly about what the firm is doing right – and wrong" (Thompson, 2007, p. 136).

But companies do not rely on weblogs alone in order to organise word-of-mouth marketing through strengthened relationships. They are also fostering these relationships by offering long-time customers particular insights and access to exclusive information from or about the company (Thomas, 2004, p. 68), or by tapping into and supporting consumer and customer communities (McConnell & Huba, 2003, Cova & Pace, 2006). Procter & Gamble's own ventures, "Tremor" and "Vocalpoint", recruit large numbers of consumers for some form of (online-based) dialogue, in order to turn them into advocates for products and brands. US-based "BzzAgent" and German "TRND" are stand-alone services companies that have also built word-of-mouth communities with thousands of members (Walker, 2004; Farah, 2005, Carl, 2006a/b; Oetting, 2007). Other companies in Europe using similar principles are Buzzer in the Netherlands, and Buzzador in Sweden. Members apply for a given campaign, the most suitable candidates are selected, they receive products for exclusive testing, and are then supported through a web-based dialogue about the new product. This inspires them to spread the word about the new product to their friends.[16]

There is no single field of academic study that corresponds closely with the idea of relationship building in order to stimulate word of mouth. However, a number of research areas are linked to this concept. Opinion leader research (see section 2.2.1)

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[16] It could be argued that such companies work with product-based word-of-mouth stimulation. However, for classification's sake, they have been included in the relationship category, as the dialogue and exclusive treatment do seem to play an important role in the process. We will return to discussing these word-of-mouth platforms in later sections.

is concerned with understanding and identifying those individuals who play a more important role than others in the dissemination of word of mouth. This can be considered a starting point for strategic relationship-building, as it should appear worthwhile and pragmatically advisable to engage such powerful communicators in marketing activities. (See Weiman, 1994, for a comprehensive review).

More recently, researchers have begun to closely observe the digital word-of-mouth dynamics within online communities. In his research about the marketing potential of online communities, Meyer (2003), recommends that operators of virtual communities should intensify relationships within and loyalty to branded online communities (p. 213).

Another related field analyses the "communal aspect of consumption" (Cova & Pace, 2006, p. 1087), and responses to it, such as "tribal marketing" (Cova & Cova, 2002). Researchers in this area are mostly using qualitative approaches to try to describe and understand the role that brands can play in their buyers' consumption communities. An early and much-discussed paper was based on two authors' immersion into the Harley-Davidson community (Schouten & McAlexander, 1995). By joining the community of Harley-Davidson owners, the researchers became part of the phenomenon and were thus able to report "from the inside" how the dynamics within the various groups function, and how the communal aspects influence the way consumption or usage of certain products and brands are carried out. (See also Chapter 6.4.3.)

While the first studies of this type were concerned with fairly expensive product categories and/or niche brands, later research expanded the community marketing aspect to true mass market brands such as Nutella (Cova & Pace, 2006). This research describes how such brands can also tap into word-of-mouth effects: "… cases of this kind focus on the ability of a firm working in the mass consumer markets (…) capable of producing a set of sub-cultural elements to help sustain a brand's cult, thereby enriching the daily experiences of its most impassioned fans" (Cova & Pace, 2006, p. 1101).

1.2.5   *Overview: The Awareness Word-of-Mouth Marketing Framework*

These three approaches can now be combined into a single model, building an overview of the current state of word-of-mouth marketing practice[17] (see figure 1).

Most approaches for stimulating word of mouth can be classified within one or more of the above sections. Here are three examples, for illustration purposes:

■ A company invites consumers to design and develop advertising, by staging a competition on YouTube or on their own website. Such a campaign would require elements of relationship building through online interaction, but it would also pertain to advertising-based word-of-mouth stimulation, as the results would be (hopefully "viral") ads that spread on the Internet. This campaign would thus sit in the overlap between relationship- and advertising-based word of mouth. A fairly recent and much discussed example was tortilla chips brand Doritos' advertising

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[17] The author would gratefully like to thank Paul Marsden for suggesting this visualisation of the three approaches described above.
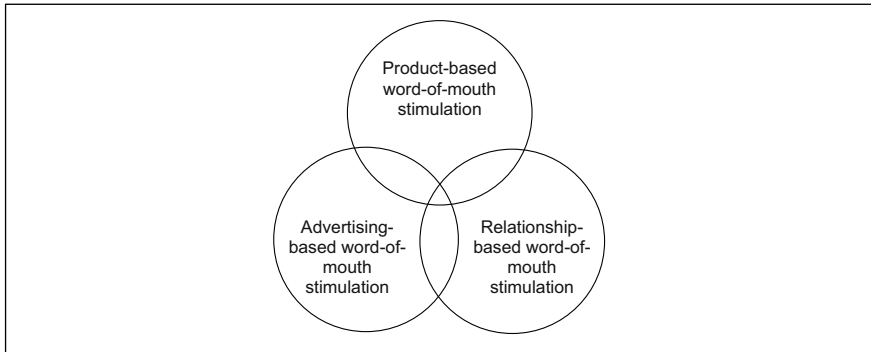
Figure 1: Awareness Word-of-Mouth Marketing Framework

competition, "Crash the Super Bowl", which generated a lot of online word of mouth and media attention.[18]

■ At a trade fair, a company introduces a new product that causes a lot of buzz. If we assume that the talk that was created after the product demonstration was entirely based on the product's characteristics or specific features, this would be an example that would fit into the product-based word-of-mouth stimulation field. Probably the best-known example for this may have been the launch of the Apple iPhone, which ignited a spectacular global word-of-mouth and media response (see also section 3.1.1).

■ A company publishes a brochure that carries an invite-a-friend incentive scheme. As an advertising vehicle, the brochure is designed to stimulate conversation through the invite-a-friend mechanism, while neither the product, as a physical object, nor a form of relationship-building between company and customer are at work, so this would be situated in the advertising-based word-of-mouth category.

We would like to propose this Awareness Word-of-Mouth Marketing Framework as a simplification of the broad range of terms currently employed in the field, in order to make the available options more transparent.

Conceptually, the model is related to the classic concept of the 4Ps in Marketing. The factors 'price' and 'place' are left out, because in marketing practice, both are only rarely employed for stimulating word of mouth.[19] As relationships have received

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[18] The competition webpage can be accessed at http://promotions.yahoo.com/doritos/, and a web search with the terms "superbowl+doritos+2007" provides an impression of some of the online word of mouth that was generated from the campaign.

[19] Notable examples for word-of-mouth stimulation from the choice of a distribution channel include so-called Pop-Up Stores, that are temporarily set up by major brands in shopping areas, available with a limited product range and for a limited time only. Price-stimulated word of mouth occurs when a product or service is unexpectedly given away for free (a common effect in the early days of the World Wide Web), or when consumers can set their own price (for instance in auction models or in bars that invite patrons to pay as they see fit).

increasing attention in the past two decades of marketing practice and writing (Gummesson, 2006, p. 341), it seems fitting that this new dimension also finds its place in this model.

1.3   Word of Mouth as a Field of Academic Study in Marketing

Word of Mouth (WOM) is universally acknowledged as an important success factor for business and has long been the object of academic research. For more than 50 years, a wide range of studies has observed how informal communication and conversation between clients, customers and consumers can shape the marketplace. WOM has frequently been referred to as one of the most powerful forces in business (Arndt, 1968; Day, 1971; Buttle, 1998). While Lazarsfeld, Berelson, Gaudet, and Katz introduced the two-step flow of information concept, and the opinion leader idea in communications research (Lazarsfeld et al., 1948; Katz, 1957), Whyte found striking evidence of the importance of word of mouth for business with his air conditioner study in 1954. Dichter (1966) and Arndt (1967a, b) provided pioneering insight into various drivers and effects of word of mouth. Shortly thereafter, Sheth observed the importance of word of mouth for the marketing of low-risk innovations (Sheth 1971). Day (1971) claimed that word of mouth was the ultimate product success factor. Much more recently, Godes et al., (2005) recommended that these days, companies should expand the scope of their interest in word of mouth and examine the full set of social interactions between consumers more holistically. Meanwhile, Cheung et al., (2007) expanded WOM research beyond national boundaries, and found subtle differences between Chinese and American nonopinion-leader consumers' attitudes towards spreading word of mouth.

   To the present day, scores of studies have analysed various facets of the role word of mouth plays. While we will cover some of these facets and developments within the field of word of mouth research in the following chapters, at this stage, we would like to highlight three current research directions which are receiving more and more attention from researchers today: the value of word-of-mouth communications to the firm, online word of mouth, and the on-going debate about influentials and opinion leaders and their particular role for the marketing process.

1.3.1   Value of Word of Mouth Communication to the Firm

The importance of word of mouth and the impact it has on business, is increasingly receiving attention from business practitioners beyond the marketing field. This is partially due to a particular publication. In 2003, Frederick Reichheld introduced the Net Promoter Score (NPS) in an article in the Harvard Business Review. He explained that in his consulting practice which focuses on customer loyalty, he had observed how some companies found that attention and response to customers' *recommendation behaviour* helped them improve their processes, and that they could better measure, deal with, and improve customer satisfaction and loyalty on that basis.

After analysing a number of case studies, he hypothesised that loyalty and customer satisfaction research should be focussed on a single question which gauges the personal experience of a customer expressed through her recommendation behaviour: "We hoped that we would find at least one question for each industry that effectively predicted such behaviours, which can drive growth. We found more: One question was best for most industries. 'How likely is it that you would recommend [company X] to a friend or colleague?' ranked first or second in 11 of the 14 case studies."

The researchers developed (in a process not clearly documented in the article) an 11-point scale (from 0 to 10), and decided to divide the respondents into three groups: "detractors", with scores of 0 to 6, "passives", with scores of 7 or 8, and "promoters", with scores of 9 or 10. They then subtracted the percentage of detractors from the percentage of promoters. The resulting percentage difference (positive or negative) provided what they called the "Net Promoter Score" for a given company.

Subsequent analysis of various companies' Net Promoter Scores and growth data revealed that there seemed to be a significant correlation between customers' readiness to talk favourably about a brand or company, and its performance in various US industries. This finding was corroborated soon thereafter by Marsden et al., in the UK (Marsden et al., 2005).

Satmetrix, Reichheld's partner company in the initial NPS research, is also publishing findings from their research in this area. Recently, they estimated that in the PC industry, a promoter is worth \$2,634 in sales, while a detractor cancels out the value of their own purchases through the negative word of mouth that they transmit (Anonymous, 2008b). The NPS concept has received a lot of attention from business practitioners in recent months, partly due to such publications.[20] The approach has also become an issue of academic debate (Keiningham et al., 2007).

Other attempts at estimating the value of word of mouth for the company approach the issue from a customer value-based angle: Hogan et al., (2004) found that the lifetime value of a customer may be estimated to be twice as high when positive WOM effects are taken into consideration. Wangenheim & Bayón (2007) propose an approach for modelling the entire chain from satisfaction to WOM to new customer acquisition. Among other things, they show that the customer lifetime value of highly involved and highly satisfied consumers is underestimated by up to 40% when WOM effects are not included. Meanwhile, Carl, Libai and Ding (2008) have proposed incorporating customer lifetime value measurements within the tracking of multiple conversational generations of spreaders and receivers from a particular word-of-mouth marketing programme. They show how this can be used to assess the bottom-line impact of a single conversation as the result of such a marketing programme.

The increasing importance of measuring the effects of word of mouth (marketing) is also illustrated by the fact that – at the time of this writing (July 2008) – the Word-

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[20] A current web search for the term "Net Promoter Score" yields 41,700 results on Google (June 8th 2008). The Keiningham et al., (2007) article quotes chief executives from General Electric, T-Mobile, Intuit, or American Express as saying they rely on the NPS concept for their operations (p. 39).

of-Mouth Marketing Association is working on its fourth edition of the annual research volume, "Measuring Word of Mouth".

1.3.2   Online Word of Mouth

Researchers are discovering online word of mouth as a fruitful field for academic inquiry, since the Web has gained increasing importance as a platform for the expression and dissemination of word of mouth. One reason for this is the subject's timeliness. Another reason is undoubtedly the fact that, on the web, expressions of word of mouth can be collected much more easily, without interrupting the naturally occurring WOM process, and at significantly lower costs than through dedicated offline questionnaires.

   The following list of different studies conducted in this area in recent years, illustrates this, with no claim to providing a complete overview[21]:

- Dellarocas (2003) describes how the Web enables the digitization of word of mouth and the rise of online feedback and reputation management systems. He discusses various opportunities and challenges that result from these developments – such as the potentially emerging role of such online feedback mechanisms as quality assurance institutions, or how to effectively cope with "easy name changes", i.e., members who exploit a system, abandon their member name, and quickly sign up under a new name.
- Hennig-Thurau and Walsh (2003–4) researched consumers' motives to read online information posted by other consumers on Web-based opinion platforms. They show that these online opinions impact (buying) behaviour: online word of mouth can make a consumer refrain from or be inspired to buy a product, and it can stimulate further product-related conversations with friends, colleagues and acquaintances.
- Phelps et al., (2004) focus on the specific practice of viral advertising, i.e., the designing and spreading of advertising explicitly made for easy distribution on the web. In three studies, they examine consumers' responses and motivations to pass along e-mails. Among other findings, they identified four different sender types, the "Viral Maven" being on one end of the spectrum, as a user who both receives and sends a lot of e-mails; while the "Infrequent Senders" on the other end do not pass a lot of messages on, independently of whether they do or do not receive a lot of e-mails. For message design, they recommend that "developers should note that messages that spark strong emotion – humour, fear, sadness, or inspiration – are likely to be forwarded" (p. 345).
- Liu (2006) analysed customer reviews on the Yahoo Movies site, and showed that the volume but not the valence of online WOM about a new film release can help predict the movie's success at the box office.

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[21] As this field is rapidly evolving, attempting to provide a complete overview of online word of mouth studies would quickly go beyond the scope of this chapter.

The online aspect of word of mouth can be expected to receive increasing attention in the coming years because its development provides unique opportunities for studies. Both the range of available software platforms and corresponding consumer activity are steadily growing, while the measurement and analysis tools to assess the word of mouth that is happening on the web are expected to become increasingly sophisticated.

1.3.3 Influentials and Their Role in Spreading Messages

Discussions about the role of different consumer types for the dissemination of word-of-mouth communication, has long been a central aspect of word-of-mouth research. (Since we will address this subject more thoroughly in sections 2.1 and 2.2.1, we refrain from an extensive discussion here.) A recent piece of research has generated a lot of interest in the past months among marketing practitioners, and apparently brought a new dynamic to the question of which people to address in a word-of-mouth marketing effort. In 2007, Watts and Dodds used network models to assess the role of so-called "influentials", in the dissemination of word-of-mouth communication within personal networks.

Traditionally, marketers have assumed that in order to successfully transmit a message, one must identify and then approach those particular individuals within a given target population who are more influential in their communication activities than others – often referred to as opinion leaders or influentials (Weimann, 1994). Recently, this idea has been reinforced by books directed at non-academic audiences, which describe in varying degrees of detail, the attributes and specific traits of such influential customers or consumers, and how to address them (Rosen, 2000; Gladwell, 2000; Keller & Berry, 2003).

While working with their models, Watts and Dodds' discovered that when selected network hubs are equipped with properties usually attributed to these supposedly influential communicators, they still do not appear capable of actually creating the cascades of word-of-mouth communication that marketers tend to hope for from carefully designed word-of-mouth campaigns. Therefore, the authors suggest that marketers should not expend energy on trying to identify individuals deemed more influential than others, and rather rely on the participation of a critical mass of "normal" and more easily influenced consumers or customers who could then influence others like themselves. Since this contradicts the advice that other marketing practitioners give, the research has stimulated a lot of interest and debate (see, for instance Thompson, 2008, or Creamer, 2007).

While the frequent emphasis on influentials in parts of the WOM marketing practice may indeed be slightly out of touch with the reality of interpersonal communication (particularly in this age of readily available online variants of word of mouth that can spread from anyone to anyone), Watts' and Dodd's arguments against the importance of influentials do seem to disregard one facet of word of mouth. It is the assumption that when word of mouth is not (spontaneously) disseminated by a WOM sender, but is rather asked for by a WOM seeker, we can assume that some individuals may still be more influential than others. As customers (particularly service purchasers) want to reduce the level of perceived risk before making a buying decision, it is assumed that they will seek out information from personal sources that they consider

impartial and therefore trustworthy (Murray, 1991). In such a context, it appears likely that so-called influentials may play a more important role for word of mouth as information brokers on whom potential buyers call because of their particular expertise.

On the web, this emphasis on some voices being more important than others is reflected by the way search algorithms work. Most search engines have adopted a system first developed by Google – ranking web sites' relevance based on in-bound links from other websites (Page et al., 1999). If we consider the number of such in-bound links as a measure of "authority" concerning a particular key word, a simple web search performed on one of these search engines effectively amounts to identifying someone who is considered more influential than others, as gauged by the majority of website operators and their linking behaviour.

The importance of influentials for WOM that is sought rather than spontaneously offered, does not seem to be properly considered in some of the debates surrounding Watts' and Dodds' research. A more careful distinction between an individual's ability to effectively spread word of mouth messages, and the individual's influence in advice-giving situations, might be helpful for advancing this debate.

After presenting this brief description of three current streams and debates in the area of word-of-mouth research, we shall now proceed to describe the objective of this study.

1.4   Goal of this Research

1.4.1   *How Can Marketing Stimulate Word of Mouth?*

In summary, we can state that the importance of word of mouth for purchasing decisions has been widely known for some time now. Today, its significance seems to increase even more, as consumers are both confused by proliferating media channels and search orientation elsewhere, and at the same time, taking advantage of the many new avenues that the Web offers them to express their opinions about brands, products and services to potentially large peer audiences. Also, consumers appear to have increasing control over how marketing messages reach or do not reach them, which enables growing numbers of them to tune out of advertising at will. Marketing companies are trying to react to this situation by tapping into the potential that develops when consumers themselves are communicating positive brand messages to others, in a personal and highly relevant form. These developments appear to make word of mouth a field of study with more relevance than ever before.

It seems clear that an improved understanding of how companies can stimulate positive word of mouth through their marketing efforts, may be especially useful as it could help provide marketing managers with better-informed, actionable insight, assisting them in their quest for effective marketing communications tools.

Sundaram, Mitra & Webster (1998) agree when they note (p. 527): "… it is imperative for marketers to create an environment that is conducive for PWOM (positive word of mouth) to develop and propagate". Or, as Bayus (1985) put it: "By adjusting its marketing efforts […], a firm may be able to alter its market position by taking advantage of the power of word of mouth." And Liu (2006), after finding that it is the volume of online WOM and not so much the valence which can explain the box office success of a

movie, recommended: "These findings offer considerable support to the idea that firms should try to create active WOM communication among potential users" (p. 87).

It seems that focusing on approaches that proactively stimulate word of mouth would be particularly fruitful, since a lot of research has been concerned with identifying those customers who should be the target of WOM marketing programmes – the opinion leader and network schools of WOM research (see sections 2.2.1 and 2.2.2) – while only very little effort has been expended on the question of what to actually do with them once they have been identified. Simply assuming that they can be targeted by advertising and will then work their influence, as some authors suggest (Keller & Berry, 2003), may not be entirely appropriate in light of the current realities.

Additionally, as a sizeable majority of new product introductions fail every year (Cooper, Edgett & Kleinschmidt; 2004), companies need to better understand how they can support positive word of mouth in order to help stimulate demand, thereby supporting other types of marketing communication that seem to be losing effectiveness.[22] And as consumers increasingly control and shape the marketing environment in which they live and purchase, we are witnessing the rise of a web-enabled form of consumer empowerment. What used to be considered an amorphous "audience", is now revealing itself as a heterogeneous group of active individuals who are all developing their own personal approaches to participating in the marketing process.

We intend to focus on the practical relevance of our research, and will, therefore, attempt to specifically explore the relationship between the empowerment of consumers in marketing processes, and these consumers' subsequent word-of-mouth activity as a means to stimulating relevant and effective communication activity within a given market.

If we categorise word of mouth research according to Nyilasy (2006), our interest would be situated in the lower left corner (no. 3). It is concerned with antecedents to output word of mouth:

Table 2: Word-of-Mouth Research Directions (Adapted from Nyilasy, 2006, p. 168)

	Main focus of study	
Unit of analysis	*Antecedents to word of mouth (causes)*	*Consequences of word of mouth (effects)*
Receiver of communication (input word of mouth)	1) "Why do people listen?"	2) "What effects does word of mouth create?"
Communicator (output word of mouth)	3) "What makes people talk?"	4) "What happens to the communicator after the word of mouth event?"

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[22] An alternative, and just as promising issue to consider is, how companies can reduce the negative word of mouth that is affecting them in the marketplace. Marsden et al., (2005) show that the effect of reducing negative word of mouth appears to be stronger than increasing positive word of mouth. However, the focus of this paper is on communicating new marketing initiatives, under the assumption that a potentially even greater challenge lies in ensuring that innovations and new initiatives will succeed.

In the following paragraphs, we will briefly explain each of the four segments of the above table, as well as our choice to focus on Field Three in this research.

1.4.1.1   "Why Do People Listen?"

Field One in the above table, is concerned with factors that determine to which extent consumers or customers may seek out, or be exposed to, word of mouth. Early research on word of mouth has presented the assumption that a primary motive for seeking out word of mouth, could be the desire to reduce risk (Arndt, 1967a; Arndt, 1967c; Cunningham, 1967), particularly in the services marketing area (Murray, 1991; Mangold et al., 1999) where consumers rely more on word of mouth, than in a purchase situation concerning physical products (Beatty & Smith, 1987). Another aspect of the research in this field is the network-based approach to informal communications (Granovetter, 1973; see also section 2.2.2). Some researchers found that the stronger the ties between members within a social network, the higher the likelihood that word of mouth will occur between these nodes, an idea which refers to both receivers and senders in the dyad (Brown & Reingen, 1987; Reingen & Kernan, 1986).

1.4.1.2   "What Effects Does Word of Mouth Create?"

Field Two assembles research on the effects that word of mouth has on a recipient, "the power of word of mouth", as Nyilasy (2006, p. 169) puts it. This field was probably researched for the first time in the late 1940s, when US-based researchers developed the two-step flow of communication theory, as they were trying to explain voter behaviour in presidential elections (Lazarsfeld, Berelson & Gaudet, 1948, see sections 2.1.1 and 2.2.1). A range of other studies, particularly in the advertising research field, has documented the impact that word of mouth has on attitudes and behaviour, such as positive attitude change towards a brand (Day, 1971; Reynolds & Darden, 1971), or purchase intentions (Charlett et al., 1995; see also our three examples in section 1.1.5.4). Studies that focus on the relationship between Net Promoter score and sales, or company growth, can also be considered part of this field (see Keiningham et al., 2007, p. 40).

1.4.1.3   "What Makes People Talk?"

While there is a wide range of studies on the topic of Field Three – i.e., studies that may provide insight into potential motivational drivers for why people produce word of mouth (for an extensive discussion, see Chapter 3) – the goal of our research is to identify and understand specific stimuli that marketers can tap into, in order to help support their marketing communications efforts through positive word of mouth from consumers. To our knowledge, this has not yet been done in a way that may provide real, actionable insight within the context of a marketing department's range of activities, and in consideration of consumer empowerment, as described above. Therefore, we choose to focus on this aspect of word of mouth, because we believe it to be the most fruitful approach for dealing with the marketing problems that were pointed out in the introduction (see section 1.1).

1.4.1.4   "What Happens to the Communicator after the Word of Mouth Event?"

The Fourth Field in the table deals with the effects that the sending of WOM to others has on the sender. Research in this area is rare, even though it would seem to be a valuable component of studies on the effect of WOM marketing approaches over time. Dichter (1966) names such effects under the heading "self-involvement" (p. 149–151). The reduction of cognitive dissonance after a purchasing act can also be considered as part of this field (Helm, 2000, p. 164). More recently, a team of researchers closely examined how WOM communication affects the sender's loyalty to the company (Eggert, Helm & Garnefeld, 2007). However, we believe that a better understanding of how companies can *proactively stimulate* WOM is needed at this point. So for the purposes of our research, we consider this area of WOM studies to be a secondary concern for now.

We will also rely less on the common assumption that word of mouth, before anything else, needs to start with a great product or service, because this would, essentially, make word of mouth the product development or service design staff's responsibility, and would fail to explain why some arguably superior market offerings were denied market success (see example in Rogers, 2003, pp. 8–10).

Instead, we want to focus this research on the traditional marketing department's scope of activities (usually the promotional part of the marketing process) and identify approaches that are available to marketing managers when organising marketing communications. We acknowledge that consumers may engage in word of mouth activity without necessarily having actual product experience, as stated by Richins & Root-Shaffer (1988; see also section 1.2.3). This seems to suggest that – provided suitable approaches are available – it might be possible to stimulate such "awareness word of mouth" through marketing communications efforts.

1.4.2   The Word-of-Mouth Marketing Model

Figure 2 – modified from Godes et al., 2005, p. 422 – reframes the content of Table 2 and describes the word-of-mouth marketing process by mapping the relationships between the actors. We also use it to highlight the aspects that are central to our research *(see next page)*.

On the left-hand side, the WOM sender is not only influenced by stimuli which serve as antecedents to word of mouth, but she is also affected by the consequences of her own word-of-mouth activity (see Eggert, Helm & Garnefeld, 2007). A third factor is WOM demand, which may reach her from a WOM receiver or seeker who is searching for advice regarding a purchase decision. Lastly and most importantly, the WOM sender is defined by her sending out WOM.

The WOM receiver on the right-hand side might ask for WOM and/or receive WOM that is spontaneously offered by the sender (see discussion about the differences in the roles opinion leaders may play in this context, section 1.3.3). The receiver is affected by the received WOM (expressed as consequences), and she may be stimulated by antecedents to her demanding WOM, such as the desire to reduce risk. Additionally, communication from the company may reach the WOM receiver (ad-
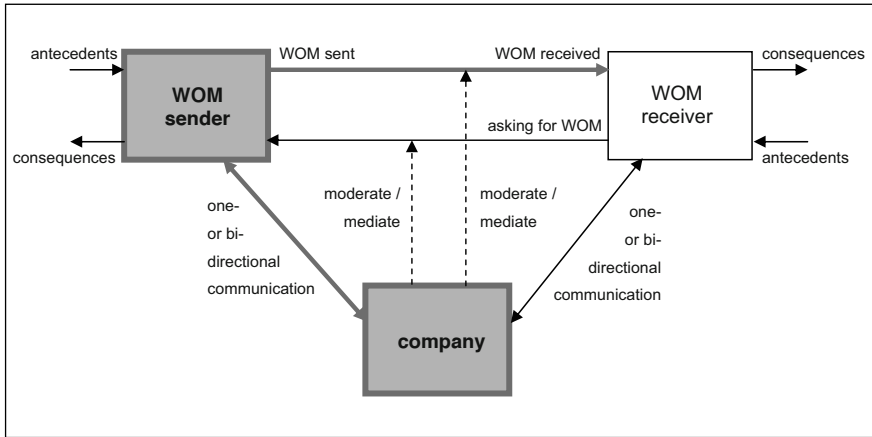
Figure 2: The Word-of-Mouth Marketing Model

vertising, for instance), and the receiver may decide to interact with the company (on the web, on the phone, etc.).

The company, as the third actor, has various means of acting within the process. We assume that it can observe sender-WOM and WOM demand (this increasingly happens on the Web when a company can read comments and evaluations that consumers post concerning brands, services and products, or when the company can see that users publicly ask about experiences that others have had with a particular offer – see Mayzlin, 2006). Also, the company can be involved in both sender-WOM and WOM demand/WOM seeking by means of moderation (by actively participating in online discussions about its products, e.g., on blogs or in forums) or mediation (for instance, by means of providing a platform/blog on which WOM senders and receivers meet, such as a corporate blog, or a campaign platform like the Doritos example given in section 1.2.5). It can also – and this is a central assumption for our research – perform activities which serve as stimuli for the sender to produce WOM. In this context, we also assume that the WOM sender may react directly to the company. Lastly, the company may both send communication to the WOM receiver, and be reached by her.

It should be pointed out that at any point during a WOM interaction, the roles of sender and receiver may be reversed.

Our assumption is that a WOM sender may produce word of mouth as a result of some targeted activity on behalf of the marketing company. The bold grey arrows and the grey-shaded boxes represent those processes and actors that we chose to focus on in our research.

At this point, we would like to propose a first overall research question:

> How can a company's brand communications efforts be better organised so that they more effectively stimulate positive word of mouth among modern media-empowered, web-active consumers?

1.4.3   A Neo-Behaviourist Perspective

The behaviourist perspective in the business sciences integrates the social sciences with the business sciences, seeing the latter as a subsection of the former relating to the understanding of markets and organisations. The concept of behaviour is central to the paradigm (Schanz, 2000, p. 143). While the neo-classical and other older schools of business research, base their assumptions on the human being as a strictly rational decision-maker who strives for a single goal, profit maximisation, the behaviourist perspective assumes that human decision-making is considerably more complex.

As a consequence, it helped move business research away from a primarily theoretical approach, and towards a more problem-oriented perspective (Wöhe, 1990, p. 229). As such, it tries to understand behaviour in companies and markets on the basis of psychological, sociological and psycho-sociological analysis, and to base its conclusions on these research approaches (Wöhe, 1990, p. 229).

In the marketing field, the behaviourist approach analyses individual and collective purchasing decisions, and the effect of marketing activities on these decisions (Kroeber-Riehl & Weinberg, 1966; Trommsdorff, 2002, pp. 209–238). This approach attempts to explain the actions of individuals against a background of culturally, socially, or personally determined patterns of behaviour. The primary object of analysis is most frequently the customer or the consumer (Kotler & Bliemel, 1999, pp. 308–309), since marketing is focussed on questions that deal with how companies ideally act in their respective markets to achieve certain economic outcomes.

Early behaviourists viewed the processes *within* the individual as a "black box" that could not be analysed. Instead, they focussed on understanding the relationship between input variables – "stimuli" – and the corresponding output variables – "responses". Consequently, the approach is also referred to as a stimulus-response (S-R) model. The best-known proponent of this approach is probably Skinner (1953).

As a better understanding was developed of both the theory about, and the methodology for, measuring what goes on within the individual, a third factor – the "organism" – was introduced, resulting in the stimulus-organism-response (S-O-R) model. In addition to relating input stimuli to output responses, researchers now tried to understand the processes inside human beings which lead to the observed responses, in order to develop a more refined understanding of how and why people act and react in certain ways. Therefore, this approach, also referred to as cognitive psychology, is very much concerned with internal information processing (Lachmann et al., 1979).

In German literature on this topic, the S-R model is also referred to as a behaviourist model, while an S-O-R-based approach is also called neo-behaviourist (Trommsdorff 2002, p. 204).

Research on word-of-mouth behaviour is concerned with an understanding of consumer behaviour within the consumers' social networks – namely with the antecedents (stimuli), consequences (responses), and underlying mechanisms (organism) of such behaviour. Producing word of mouth recommendations, receiving them, and acting in response to both, are all facets of consumer behaviour. Thus, our research sets its focus on understanding the behaviour of consumers, in order to provide

insight and an understanding of the principles that are at play when these actions occur.

Upon reviewing different research perspectives that study post-purchase word of mouth, Kuokkanen accordingly notes that diffusion and network analysis schools of word-of-mouth research fail to provide explanations as to *why* certain behaviour may result from certain experiences. He points to the "consumer satisfaction/dissatisfaction and complaining behaviour paradigm", which helped provide the link between consumer experiences and their resulting word-of-mouth behaviour (Kuokkanen, 1997, pp. 22–23).

Helm (2000, p. 184) identifies five main contributions of a behaviourism-based perspective, in the word-of-mouth research school:

- **Opinion leader concept** – opinion leaders act as both communicator and as recipient; their word of mouth recommendations are deemed particularly effective.
- **Reference group concept** – recommendations from peers within the same social reference group are most effective. They serve as a means of exerting both normative and informational influence.
- **Involvement** – the higher the involvement, the more likely that WOM recommendations are sought or given.
- **Cognitive dissonance** – after a purchase has been made, an increased level of cognitive dissonance will lead the buyer to seek out or produce reassuring word of mouth recommendations (or valuations).
- **Perceived risk** – the higher the perceived risk before a purchase, the more likely that WOM recommendations are sought out.

"Perceived risk" is thought to motivate a prospective buyer to ask for WOM recommendations (Murray, 1991). "Cognitive dissonance" deals with the behaviour of a person who has just bought a product (see also section 2.2.3). While both are interesting topics and relevant for the marketing practice, they are unlikely to yield valuable insight into how promotional activity within the marketing process can *stimulate* word of mouth.

The "opinion leader concept" seems more relevant since it is concerned with the type of people who are considered to be particularly effective or influential in spreading word of mouth. However, a lot of research has already been conducted in this area (while the relevance of the field for the efficient spreading of mass marketing messages has recently been contested, see 1.3.3), and, even though there is still a lot to learn about *whom to address* with WOM marketing activities, the more pressing issue seems to be *what to do* with them. However, we will return to this construct in later sections, in order to properly reflect its importance in the WOM field of research.

Lastly, the "reference group concept" is more concerned with the relationship between WOM senders and receivers, and less with the relationship between a marketing company and its customers, which we want to focus on.

Bearing in mind the goal of this research (see section 1.4.1), we can already propose that the "involvement" construct from Helm's overview seems to be the most fruitful in the context of our work.

1.4.4   Study Overview

This study is organised as follows. First, we will provide a brief overview of the different traditions in the field of word of mouth research, so that we may then give particular attention to research that discusses drivers of positive word of mouth. Second, the involvement construct will be reviewed as an important factor for understanding what drives word of mouth. Third, the current status of empowerment research will be examined in order to better understand the principles of empowerment. This allows us to then propose a model that represents our thinking about the effects that active consumer empowerment can have on involvement and word of mouth, which we call "Empowered Involvement". Empirical testing of the model shall be presented and then discussed, with a focus on how it relates to current streams in business research and marketing practice, in order to finally point out further research avenues that would improve our understanding in this field. The following table summarises the structure of this research:
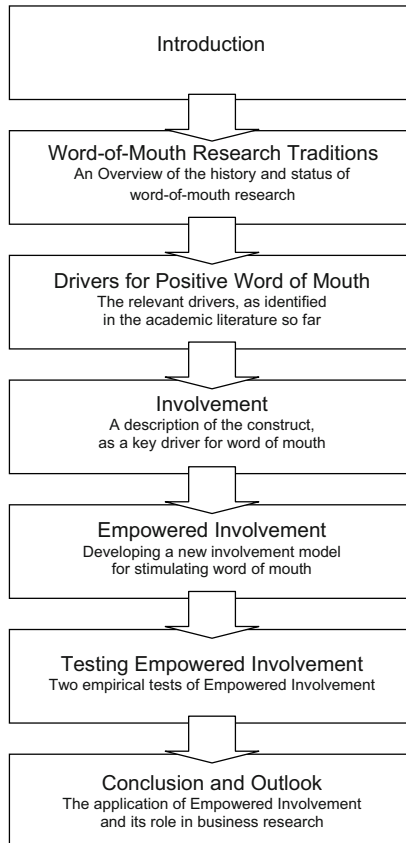
Figure 3:
Study Overview

2   **Word of Mouth Research Traditions**

2.1   **Opinion Leaders and Early Marketing Studies**

Modern research about word of mouth was most probably born when the the concept of the "opinion leader" was introduced, which resulted from studies in the field of political communications. Only a few years later, an early marketing-driven study analysed the way communication about innovations spread among neighbours. The following paragraphs provide an introduction to these early studies.

2.1.1   *Roots in Opinion Leader Research*

The earliest studies date back to the 1940s, when researchers tried to better understand how decision-making processes worked during a presidential election campaign (Lazarsfeld, Berelson & Gaudet, 1948), or in adoption processes of new farming methods (Ryan & Gross, 1943). Their most important achievement is probably the discovery that the mass media may not necessarily exert their influence directly, as was previously suggested[23], but instead in a supposed two-step flow process, by which certain influential individuals receive information from the mass media, rephrase it, and then pass it on to their peers, thereby shaping voting and purchase intentions or attitudes. These individuals were referred to as opinion leaders. The researchers developed early opinion leader categories (Merton, 1948) and methods to identify opinion leaders (Katz & Lazarsfeld, 1955). Their research approach was later criticised and expanded into multi-step flow models (King & Summers, 1967, p. 253), mainly because researchers began to understand that the information flow was more complex than originally thought. Opinion leaders not only give, but also receive information (Reynolds & Darden, 1971), and other members of a social group can also introduce influential ideas, such as early innovators or marginal members who may introduce more innovative and therefore "risky" ideas (Arndt, 1967b, Granovetter, 1973, pp. 1367–1368). Additionally, the so-called "market mavens" were introduced. They acquire more general knowledge about the marketplace and act as shopping consultants and bargain hunters (Feick & Price, 1987).

2.1.2   *Early Word-of-Mouth Research in Marketing*

Early word-of-mouth research was not limited to the analysis of the flow of (political) information. In another early study, Whyte observed how word of mouth impacted

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[23] This older view was later referred to as "magic bullet theory", "hypodermic needle theory", or "transmission belt theory". (Weimann, 1994, p. 11.)

the purchase of air-conditioning systems in a suburban neighbourhood, as the product diffusion followed patterns of friendship and acquaintance (Whyte, 1954). Dichter conducted interviews with 255 consumers across the USA and reported reasons why consumers spread word of mouth, and why they heed advice reaching them through word of mouth (Dichter, 1966). In a word-of-mouth marketing experiment in the 1960s, socially active high school students were given exclusive information about previously unreleased rock music, thereby transferring opinion leader characteristics upon them and apparently improving sales in their cities (Mancuso, 1969).

When assessing the existing word of mouth literature, three main strands of research can be identified. The earliest research focuses on questions of personal influence, and generally analyses the role of a subset of the population deemed more influential than average, usually referred to as opinion leaders or influentials. It is closely linked to the study of diffusion effects in a population. The second type is related to the opinion leader approach. It analyses the patterns of communication between people and, therefore, has a network-focus at its core. The third research approach focuses on post-purchase behaviour, and is concerned with expectancy confirmation or disconfirmation reactions by consumers. From these, different types of word of mouth result, depending on whether satisfaction or dissatisfaction are experienced.

On the following pages, we will review these word of mouth research perspectives.

2.2　　　　Three Strands of Literature

2.2.1　　　Focus on Personal Influence: Opinion Leader Research

As noted above, this line of research is concerned with the traits and characteristics of a particular subset of a given population deemed to be more influential than others, mostly stemming from their stronger involvement with, and better knowledge of, a given product category (see Brooks, 1957, and Weimann, 1994, for reviews, also see Richins & Root-Shaffer, 1988). Weimann suggests the term 'influentials' (p. 71), as the concept focus actually lies on "personal influence" rather than on actual leadership in the literal sense of the word. While some stress the importance of opinion leaders, others dispute their role and favour a focus on more general WOM and "opinion sharing" effects. Troldahl & Van Dam identified "opinion givers" and "opinion askers" in a study, and found that 75% of discussions involved both giving and asking (Troldahl & Van Dam, 1965). Robertson (1968, p. 339) observes: "… influence is often two-way; and influence is a matter of degree – no one person is exclusively influential".

Reynolds & Darden (1971, p. 451) introduced a four-way segmentation of types of interpersonal communication, accounting not only for opinion leadership, but also for information seeking. They conclude that the opinion leader concept may be less useful than broadly assumed as "any socially integrated person can be considered an opinion leader in the traditional sense given the random event of first exposure to external information" (pp. 452–453), which they can then relate in a two-way process to

other similarly connected members of the society.[24] This more sceptical view has quite recently been supported by Watts & Dodds (2007; see our discussion above in section 1.3.3).

One reason for the initial widespread appeal of the uni-directional, two-step concept may have been that it suggested a fairly easy way for marketing or policy-making organisations to influence WOM. Opinion leaders should also be differentiated from early adopters: opinion leaders are usually expected to be more innovative than those who follow them, but that does not mean that opinion leaders necessarily *have* to be innovators. The extent to which opinion leaders can be both innovative *and* influential at the same time, also depends on the followers. If there is a substantial gap in the level of innovativeness between the influentials and the rest of the group, a form of alienation may take place, and the influentials may lose their influence (Rogers, 2003, p. 318).[25]

Various adopter typologies play an important role in the diffusion research tradition (Bass, 1969; Rogers, 2003), which is primarily concerned with how innovations spread (or do not spread) through a given population, and which considers word of mouth to be an important factor.

Feick & Price (1987) introduced the market maven concept. In contrast to the knowledge of opinion leaders, market mavens' knowledge is less focussed on a specific product category, and more on buying and consumption in general. The market maven concept has subsequently been used and adapted by other researchers (Wiedmann, Walsh & Mitchell, 2001; Walsh, Gwinner & Swanson, 2004).

2.2.2   *Focus on Networks: Tie-strength*

The analysis of networks emerged as a new strand of influencer research. Researchers focussed less on the attributes of individual people, and more on how individuals function and communicate within their social networks.

One early network-based view on informal communication among peers was Granovetter's pioneering study on the strength of weak ties, in which he describes how new information (about employment opportunities) more frequently spreads across weak ties ("bridges") that connect individuals who meet and interact less frequently. He concluded: "… the personal experience of individuals is closely bound up with larger scale aspects of social structure, well beyond the purview or control of particular individuals" (Granovetter, 1973, p. 1377). Brown and Reingen (1987) focussed more explicitly on word of mouth, and confirmed that weak ties serve as bridges, allowing information to jump from network to network.

The network approach is based on the assumption that behaviour is largely determined by those social relationships that evolve out of an individual's role within a larg-

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[24] For an extensive discussion of the different types of criticism voiced with regard to the opinion leader concept, see Weimann (1994), pp. 239–254.

[25] See also Feick & Price (1987), or see Engel, Kegerreis & Blackwell (1969) who focus on early adopters in their adoption research for a new automotive diagnostic centre in Ohio.

er social setting (Calder, 1977; Reingen & Kernan, 1986; Mitchell, 1969). The use of network analysis as a means to study personal influence was also suggested by Shein-gold (1973), and several empirical studies are reviewed in Schenk (1989). Reingen et al., (1984) showed that relationships in specific social groups play a role in determining brand choices, and Bristor (1990) follows this approach, when she considers the network approach "a promising alternative for word of mouth research because it explicitly recognizes the relationships that link members of a social system" (pp. 52–53). She argues that a comprehensive understanding of the multi-faceted character of word of mouth can only be reached through a research shift from a traditionally individualistic view – which only focuses on the sender (and potentially, her opinion leader status or her satisfaction level with a product's performance), or the receiver of word of mouth – to a more extensive focus, i.e. to an analysis on the systems level. Frenzen and Nakamoto (1993) also argue that a balanced view, i.e., one that recognises both the importance of network structures, as well as the role of the individual, allows for a more accurate understanding of word of mouth processes (p. 374).

Wirtz & Chew (2002) have analysed the relationship between WOM and tie strength, and found that tie-strength is positively correlated with likelihood to pass on word of mouth information[26]: "In conclusion, we found that the WOM generated to strong ties is more extreme in its valence and follows the consumer satisfaction evaluations more closely than WOM provided to weak ties." Godes & Mayzlin (2004a) found that WOM is most effective at driving sales when it occurs between acquaintances and from non-loyals, i.e., weak ties both between the company, and between consumers, seem to result in stronger sales effects. They conclude that this more impactful WOM from non-loyals does not so much rely on opinion leaders, but instead on network density, i.e., "how many connections have and how much you enjoy 'using' them" (p. 20).

This is in some contrast to Weimann, who found that opinion leaders were important factors in dense networks (Weimann, 1982), and also in contrast to Bansal and Voyer (2000), who found that the stronger the ties, the more significant the influence on the receiver's purchase decision.[27] Brown and Reingen (1987) also observed that strong ties were found to be more influential than weak ties. Lam & Mizerski (2005) noted differences in WOM behaviour between individuals with an internal vs. external locus of control. Their findings suggest that communication across weak ties can be stimulated if participants with an internal locus of control are addressed.

2.2.3   Focus on Personal Experience: Satisfaction and Dissatisfaction

Word of mouth is most often perceived as a result of post-purchase experiences (Dichter, 1966; Kuokkannen, 1997). Consequently, the focus on customer satisfaction with a given product and the resulting communication activities of consumers

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[26] Yet they also hint at how this may change on the web.

[27] These last examples show that it can often turn out to be difficult to classify certain pieces of research within the three broad categories given.

with their peers is one of the main areas of word-of-mouth research (see also Derbaix & Vanhamme, 2003, p. 103). Generally, a satisfaction evaluation is assumed to be formed in a two-step process (Westbrook, 1987; Oliver, 1980). First, post-usage impressions about product attributes or outcomes as actually experienced are compared with pre-consumption expectations. This leads to an evaluation of the extent of expectancy disconfirmation. Positive expectancy disconfirmation means the outcome has exceeded expectations. Under neutral disconfirmation (i.e., confirmation), expectations have been met, while negative disconfirmation signifies that the obtained results fall short of pre-purchase expectations. In a second step, this result is combined with additional initial beliefs, in order to form a satisfaction evaluation.

It is hypothesised that there is a relationship between satisfaction and WOM activity, and this basic hypothesis has been researched in a number of studies. Examples include Richins (1983), who identified various factors that trigger negative word of mouth, such as failure to appropriately handle complaints, or inefficient product repair services; Swan and Oliver (1989), who showed that satisfied new car purchasers are more likely to engage in positive word of mouth to others, or research that showed that satisfaction with the service delivery process leads to more positive word of mouth (File, Judd & Prince, 1992). Sundaram, Mitra and Webster (1998) identified a set of critical consumption incidents that can trigger word of mouth. Day (1971, p. 155) presented a model of different post-purchase behaviours after satisfaction occurs; he classifies advice to others about using products as one of the private actions a consumer can take.

In general, this line of research is primarily concerned with post-purchase behaviour and the content of the word of mouth that is being transmitted, and pays particular attention to the distinction between positive and negative word of mouth. It has been found to have a particular relevance for services marketing, as service purchases depend on experience and/or trust properties (see Bansal & Voyer, 2000; Murray, 1991; Mangold, Miller & Brockway, 1999).

As mentioned above, a connection between satisfaction and word-of-mouth activity also seems evident when considering that satisfaction with a supplier, and intention to recommend the supplier to others, are both items used by researchers for operationalising the "market success" construct (with the third item being intention to repurchase; see Jacob, 2006; Eggert & Ulaga, 2002).

Cognitive dissonance (Festinger, 1957) has been proposed as one theoretical factor that causes consumers to produce WOM after a product experience. Festinger (1957, p. 261) explains: "Dissonance almost always exists after a decision has been made between two or more alternatives. The cognitive elements corresponding to positive characteristics of the rejected alternatives, and those corresponding to negative characteristics of the chosen alternative, are dissonant with the knowledge of the action that has been taken." Any choice situation is therefore likely to produce cognitive dissonance that the actor will have to relieve, by means of sharing the experience and discussing it with her peers – the emitting of word of mouth thus serves as a means to reduce uncertainty after the purchasing act (Helm, 2000, p. 164).

2.3   Definition

The definition given by Arndt (1967b) may be the most frequently cited. He defines (p. 190) word of mouth as:

> *"Oral, person-to-person communication between a perceived non-commercial communicator and a receiver concerning a brand, a product, or a service offered for sale."*

In his word of mouth literature review, Nyilasy (2005) agrees that Arndt's definition has proved enduring. In a brief analysis, Nyilasy distinguishes three essential parts of the definition. First, that word of mouth is concerned with "interpersonal communication". Second, that its object is commercial in nature. And third, that the exchange itself is not motivated by commercial interest, at least not overtly, i.e., the receiver assumes the sender to be non-commercial.[28] As these aspects are more or less identically repeated in a whole host of other definitions, this paper will follow Nyilasy's line of argument for the purpose of this research and adopt Arndt's definition.[29] It must be noted, however, that the current rise of user-generated content on blogs and elsewhere on the web, is giving rise to the need for a better understanding of the dynamics and effects of online word of mouth. But the distinction between on- and offline word of mouth, and an analysis of the differences, are beyond the scope of this research. As we are primarily concerned with identifying useful drivers for word of mouth, we assume that they rest on the behavioural underpinnings which drive WOM in general (see section 1.4.3), and that – once identified – these drivers should help stimulate any type of WOM expression. We will follow and retain the definition cited above for the purpose of this research, in order to reduce complexity.

For any company that needs to develop a truly holistic understanding of the relevant word of mouth activity that affects it – including the monitoring of word of mouth that is taking place, and the assessment of potential reactions to it – Godes et al., (2005) recommend working with an alternative and broader definition of word of mouth that encapsulates a more varied range of communication processes, including online word of mouth or observation. They propose the term "social interactions", and define it as "an action or actions that a) is taken by an individual not actively engaged in selling the product or service and that b) impacts others' expected utility for that product or service" (pp. 416–417). Other researchers have also pointed out that informal communication need not always happen in a verbal exchange, as observing other consumers purchase or use a product can often stimulate imitation (see Bass, 1969, who modelled imitation as a coefficient in his diffusion model, or Bayus, 1985, pp. 32–33).

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[28] Nyilasy's approach also highlights the contrast between the *commercial* content of word-of-mouth communication and its *non-commercial* form, context and interest.

[29] Scherrer (1975) explicitly points out that WOM does not incorporate non-verbal exchange; and he also notes that WOM is "not only a conversation about products, it is more; it is talk about parts of a company or about the company as a whole". Most of the literature does not make this distinction, however, thus it is difficult to assess the necessity of such a distinction – in particular, as in Arndt's definition, the term 'brand' can equally relate to a company as a whole.

Since our objective is to identify approaches that help identify triggers which stimulate word of mouth (see section 1.4.1), we will propose another taxonomy of word-of-mouth research, which regroups various studies according to when – in the consumption process – word of mouth is triggered. The following section on word-of-mouth drivers gives an overview.

3   Drivers for Word of Mouth

3.1   Four groups of Word-of-Mouth Drivers

To approach the phenomenon, we will regroup the existing research by examining positive word-of-mouth drivers that have been identified across the different literature so far. Our literature review revealed a wide range of antecedents to sender WOM – triggers or stimuli that inspire people to talk favourably about products, brands or services.

Since our goal is to better understand word of mouth processes from a marketing point of view, and to seek out much-needed alternative solutions to advertising and other traditional marketing communication techniques, we have chosen to regroup these factors in four categories that are primarily based on their chronological order in the purchase and consumption process[30]:

1. *pre-purchase* triggers for word of mouth
2. triggers for word of mouth *during purchase*
3. *post-purchase* triggers for word of mouth
4. *undetermined* triggers (i.e., those that can work before, during and after purchase and/or consumption of a good or service)

These triggers can be represented as follows:
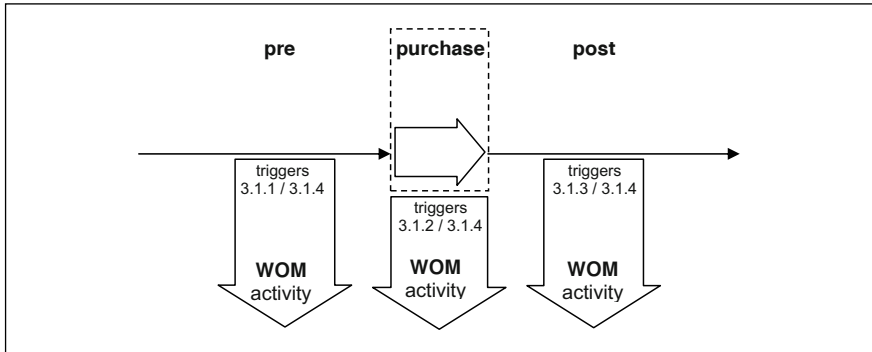
Figure 4: Word-of-Mouth Drivers along the Purchasing Process[31]

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[30] For a slightly different classification of WOM drivers, by "consumption experience", "product", "consumer", "market", and "firm", see Appendix to Moldovan, Goldenberg & Chattopadhyay (2006), p. 95–97. Wangenheim, Bayón & Herrman (2006) also offer an overview of WOM drivers that have been identified in the research literature.

[31] The numbers in the figure correspond with the respective chapter numbers in the following section.

The fourth type of WOM activity from the above list is included (number 3.1.4) in all three elements of the visualisation, since it can occur at all stages before, during and after the purchasing process, or overlap all three stages.

In the following sections, we will review the relevant research.

3.1.1   Pre-Purchase Trigger for Word of Mouth

Research that deals with the stimulation of word of mouth *before* an actual purchase has been made is relatively rare. The only study that we have identified that explicitly sets out to understand such a trigger is a recent study from Moldovan, Goldenberg & Chattopadhyay (2006).

They found that an innovation's originality stimulates word of mouth, with its actual usefulness working as a moderating factor between positive and negative word of mouth. High originality combined with low (perceived) usefulness lead to high levels of negative WOM. High originality coupled with high usefulness of a new product is likely to stimulate positive WOM. The study reveals that some form of "awareness word of mouth" (as opposed to "evaluation word of mouth") may result from originality; it will, however, not ensure positive valence and, therefore, adoption. For this, the product must also be perceived as useful.

An example from recent marketing history that can illustrate this effect has been the introduction of the Apple iPhone. After the product's presentation in the 2007 Macworld keynote by CEO Steve Jobs (Block, 2007), the product's original design and features stimulated journalists and bloggers to write about it in many countries around the world, and led to countless conversations among those interested in mobile phones and the intersection between mobile telephony and the Internet (from the author's own observations, and those of a number of colleagues).

Other triggers which can be effective before, during and after the purchase process – such as "paid-for word of mouth" or "message involvement" – are discussed in the later section that deals with such chronologically undetermined triggers.

3.1.2   Triggers for Word of Mouth During Purchase

A purchase, particularly in the service marketing field, does not occur at a single point in time. The actual acquisition of the service rendered happens over a certain time period. It is, therefore, possible to identify triggers during these processes that can stimulate word of mouth. In this paragraph, we will discuss two such triggers: participation, and relationships between employees and customers.

3.1.2.1   Participation

Service marketing research has shown how increased intensity of participation in the delivery of a service can lead to increased positive word of mouth and more referrals (File, Judd & Prince; 1992). In a study, 331 on-going clients of legal firms that provide estate planning services were interviewed. Participation was measured with four items: tangibility, empathy, attendance at meetings, and meaningful interaction. The

results showed: the higher the scores on these factors, the higher the clients' likelihood of recommending the service to others. As these aspects of the service process and its design are mostly controlled by the provider of the service, the effects seem promising for companies who want to improve their word of mouth: "Participation especially merits our attention because it is under the control of the service provider" (p. 8).

The authors found that a provider can stimulate positive word of mouth by inviting customers in a service encounter to increase their level of involvement with the process. The authors summarise: "Clients who are encouraged to be active in the service delivery process, even when the service is complex and difficult to understand, reward the service provider with both positive endorsements and with actual referrals" (p. 10). We can therefore conclude that some form of client empowerment in the delivery of the process – as opposed to restricting clients to a more passive role – leads to more (positive) word of mouth. (See also section 4.5.2.1, where we will return to this study) This finding has been supported by research from Adelman & Ahuvia (1995). They found that, if customers were offered social support in a service encounter (improving customers' sense of control, among other things), they were more prepared to later recommend the service to others.

3.1.2.2   Personal Relationships

Most people will observe in their everyday encounters in both business and private life that positive relationships can improve customers willingness to make word-of-mouth recommendations. However, there is also scientific evidence that companies can stimulate or support word of mouth by simply improving the quality of their relationships with (certain) customers. Even though this can happen before, during and after a purchase situation, we chose to include it in this section, as it might be considered to be quite relevant in a service purchasing situation.

Sundaram, Mitra & Webster (1998) found that helpful, responsive, friendly staff can inspire a desire on behalf of customers to help a company: "50% of WOM messages geared toward helping a firm are triggered by courteous employee behaviours."

This finding is supported by Gremler, Gwinner & Brown (2001), who analysed interpersonal bonds between consumers and employees in service settings as antecedents to word of mouth. They argue that trust in an employee is likely to lead to more positive word of mouth, and they conceptualise such trust as the outcome of familiarity between employee and customer, a personal connection, and the employee's care for the customer. In their empirical analysis, they show that both care and personal connections positively influence trust, and that trust itself appears to drive positive word of mouth.

3.1.3   *Post-Purchase Triggers for Word of Mouth*

This section deals with what is probably the most researched area of word of mouth – the factors that stimulate word of mouth after a purchase has been made, when the customer experiences the product or its properties.

3.1.3.1   Product Involvement

One of the primary word of mouth factors identified by Dichter was involvement with the product (1966, p. 148): "Experience with the product (or service) produces a tension which is not eased by the use of the product alone, but must be channelled by way of talk, recommendation, and enthusiasm to restore the balance (provide relief)."

Sundaram, Mitra & Webster (1998) found that those products that are perceived as very important and relevant by the buyer – in other words, products where involvement levels are high – can create excitement. Word of mouth is then needed to release the tension from this excitement. They found involvement with the product to be one of the primary drivers of word of mouth: "Among the consumers who engaged in PWOM [positive word of mouth] due to satisfying product performances, the motives of product involvement (52%) and self-enhancement (26%) are predominant" (p. 530).

Holmes & Lett (1977) showed that exclusive knowledge about and access to a new and yet unavailable coffee brand triggered positive Word of Mouth among a portion of the respondents. Thirty-eight percent of respondents in their study generated positive WOM about the product, reaching on average 0.63 others per respondent. The authors conclude: "(…) product sampling must still be regarded as one of the surest promotional tactics for eliciting personal involvement and stimulating word of mouth".

Wangenheim and Bayón (2007) showed that product involvement has a positively moderating effect on the link between satisfaction and WOM behaviour.

3.1.3.2   Satisfaction/Dissatisfaction

In this line of research, positive word-of-mouth behaviour is usually seen as a result of satisfaction with the purchase and/or consumption process, as determined by the degree to which expectations have been met, exceeded or fallen short (see also previous section 2.2.3). Sundaram, Mitra & Webster (1998) have identified a number of critical incidents that lead to the dissemination of positive word of mouth. Examples include: superior product performance, superior reaction to problems, and superior price/value perception. They state: "Our study found that satisfying product performance and employee-consumer contact experiences accounted for about 60% of PWOM."

With an experiment, Kuokkanen (1997) tried to find out whether satisfied or dissatisfied consumers were more active in their post-purchase word-of-mouth behaviour. In the experiment, he found that, in terms of word of mouth activity, both groups seemed similarly active, yet they differed in their own assessments of the effect their word of mouth had on the recipients.[32]

3.1.3.3   Emotions

Research about emotional responses to satisfaction and dissatisfaction is conceptually related to the previous section. Westbrook (1987) measured affect in consumption

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[32] For an extensive list of satisfaction/dissatisfaction studies with a word of mouth focus, see Wirtz & Chew (2002), p. 144.

processes and its correlation with post-purchase constructs of satisfaction, complaining behaviour and word of mouth. He found that both positive and negative affect relate directly to volume of word of mouth transmission (pp. 265–268). He argues, in contrast to much of the word of mouth literature on satisfaction/dissatisfaction, that it is actually the affect and not the satisfaction evaluation that drives word of mouth: "Satisfaction actually shows a weak negative relationship to word-of-mouth once the affective influences have been partialled out, suggesting it is the affect that stimulates the 'web of word-of-mouth' rather than satisfaction *per se*."

In their 2003 study, Derbaix & Vanhamme discuss the phenomenon of "social sharing of emotions". According to this theory, only 10% of emotional experiences are kept secret. Since surprise leads to substantial cognitive work, and sharing with others can help "alleviate the burden", they hypothesize a significant direct relationship between surprise and word of mouth, and, potentially, an indirect relationship through affective responses evoked from the surprise. They used critical incident technique (see also Sundaram, Mitra & Webster, 1998), to identify causes of surprise, such as newness of product, price/quality ratio, out of stock problems, failure/bad quality, or differences between what was ordered and what was delivered. Most surprises were shared with at least one person (78%), and they found a highly significant direct correlation between surprise and WOM frequency.[33]

3.1.3.4   Network Externalities

Although network externalities are less discussed in the word-of-mouth literature, nevertheless, they have played a major role in the word of mouth occurring during the diffusion of a number of telecommunications services, notably the Internet itself (Rogers, 2003, p. 350): Some products or services benefit from a type of built-in word-of-mouth effect when their value increases for each individual user as more people start using it. Such systems provide a powerful incentive for users to invite others to adopt the innovation well. According to Rogers, "the utility of an innovation with externalities is *external* to the individual, such as in the size of the user community for a new interactive telecommunications service".

One example of this is the online chat service ICQ. ICQ was later acquired by AOL, which is also said to have benefited from network effects, particularly in its earlier phase, when it was often synonymous with 'the Internet' – users recruited others, so they could better benefit from e-mail communication, etc., (Dye, 2000, p. 144). Skype, a free Voice-over-IP provider, also grew thanks to this principle (the author's own observations). The Hotmail investors Tim Draper and Steve Jurvetson, had also invested in Skype. In their popular article about Hotmail, which brought the term

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[33] The literature reviewed in this paragraph is concerned with emotions triggered after purchase (and consumption) of a product or service. With a somewhat more intuition-based approach, marketing practitioners sometimes try to tap into the surprise effect on word of mouth through unusual advertising tactics or creative approaches, i.e., in a pre-purchase situation and without product experience. They hope to thereby yield positive word-of-mouth effects for the brand, service or product. This approach is also referred to by some as "guerrilla marketing".

"Viral Marketing" (Draper & Jurvetson, 1998) to fame, they named fax machines as an earlier technology that greatly benefited from these network externalities as well: "For many network applications – from ICQ to the traditional fax machine – the value of the network, and the value that each member realizes increases disproportionately as more people join the network. The first fax machine customers were delighted to see more people buy compatible machines." For another example in the business-to-business field, see Mahler & Rogers (1999).[34]

Penenberg (2008) describes the development of US-based Ning, a web platform that makes it easy for users to start their own social network.[35] Ning has a double external network effect built-in, since any such user can build their own application that benefits from network externalities, in other words, that increases in value as more users sign up. The first network effect is that any user who has created her own social network on Ning is usually interested in getting as many people as possible signed up in the network, in order to enable a rich and diverse exchange of ideas and communication on the platform. She is thus incentivised to spread the news about it. The users that she acquires for her own network on Ning, may then experience the first network effect themselves, in that they may also want to invite their friends to this network. In addition to this, they also discover Ning itself as a whole – which in turn may lead to them starting their own social network themselves, and that can then trigger a new round of these chain effects.

3.1.4   Undetermined Triggers for Word of Mouth

Some word-of-mouth factors cannot be clearly associated with one of the three phases in the purchasing process. The involvement construct is not exclusively tied to a pre-, during- or post-purchase situation, as people can, for instance, be involved with a specific category quite independently of an actual purchase they are making.[36] In this section, we will also discuss a few approaches that companies have actively used or are using to stimulate word of mouth independently of actual purchase situations.

3.1.4.1   Involvement

When reviewing the word-of-mouth literature, it seems apparent that the involvement construct (Krugman, 1965; Zaichkowsky, 1985; Kapferer & Laurent, 1985) plays an

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[34] Such "direct" network effects must be distinguished from "indirect" network effects. The latter come into play when secondary applications benefit from a primary product or service that has reached broad usage. For instance, as PC computers spread more widely through a population, this entails more demand for software written for PCs.

[35] In web circles, "social network" refers to an online platform that allows users to bond, stay in touch, discuss, and communicate with a (potentially very large) number of people on the web. The most popular examples include Facebook (http://www.facebook.com/) and MySpace (http://www.myspace.com/).

[36] Since we assume that involvement with a particular product is only possible after the product has been purchased, we already discussed product involvement in the previous section.

important role for driving word of mouth.[37] Some of the earliest research already presumed that involvement was a key driver for word of mouth. According to Dichter's pioneering qualitative research (1966), the following types of involvement can be responsible for triggering word of mouth, in addition to product involvement:

- **Self-involvement:** A product is perceived as a vehicle to gratify certain emotional needs vis-à-vis a person's peers: "the experience with the product is immediately put to use in the service of self-confirmation of the speaker and of his need to reassure himself in front of others. The product is used in many, often clever, ways as a vehicle to carry him safely, even victoriously, through his self-doubts and insecurity" (pp. 148–150).
- **Other-involvement:** The giving of advice and sharing of interesting or noteworthy stories is seen as a form of involvement with and caring about others (p. 151).
- **Message involvement:** This refers to word of mouth stimulated by advertisements (pp. 151–152).

In addition, there is also the (often enduring) **category involvement**, relating to specific products with which the person feels involved, independent of purchase situations. Finally, some researchers have identified (situational) involvement with the purchase process as a driver for word of mouth (see below). We will refer to this as **purchase involvement**. We will now review studies analysing the relationships between these forms of involvement and word of mouth in more detail.

3.1.4.2   Self-involvement

According to Dichter, word of mouth stimulated by self-involvement can take various forms, such as proving connoisseurship to one-self, or feeling like a pioneer because one is the first to use a new product or have inside information. In a related fashion, Knox et al. (1994) talk about "lifestyle products that provide routes to self-concept enhancement through product symbolism" (p. 140). Another facet of this type of self-involvement may be the need to project an image of intelligence and thriftiness: "Respondents appeared to have the need to share their positive consumption experiences through WOM communication in an effort to enhance their image among others by projecting themselves as intelligent shoppers. About 20 per cent of the respondents had initiated PWOM to show their connoisseurship, to project themselves as experts, to enhance status and to seek appreciation" (Sundaram, Mitra & Webster, 1998, pp. 529–530).

3.1.4.3   Other-involvement

Dichter also highlights the inter-personal role of recommendations, as something that is seen as akin to a gift. People who have enjoyed a product want to share that joy with

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[37] We will return to a more detailed discussion of involvement in a later section – this part of the book is only meant to explore how different researchers evaluate the role of involvement for stimulating word of mouth. For a better understanding of the term in this context, we propose the following definition from Zaichkowsky (1985, p. 342), according to which involvement is "[a] person's perceived relevance of the object based on inherent needs, values and interests". We will return to this definition.

someone close to them, so they inform them about it, in order to provide them with a similarly pleasant experience: "Products serve mainly as instruments which help to express sentiments of neighborliness, care, friendship and love" (p. 151). Sundaram, Mitra & Webster (1998) provide evidence in support of Dichter's argument in their analysis of critical incidents that stimulate word of mouth. They found that 28.7% of the respondents in their sample claimed that their word of mouth was triggered by the desire to help the receiver make a satisfying purchase decision.

3.1.4.4   Message Involvement

Word of mouth that results from involvement with advertising is based on three phenomena, according to Dichter. The first is that consumers increasingly expect advertising to provide entertainment value of its own – they expect to enjoy it, and will report about it to others. The second is that consumers are increasingly sophisticated, they accept advertising for what it is – a competition for their favour – and will try to judge and discuss to what extent it succeeds at achieving its objective. The third phenomenon that Dichter observes is that consumers may sometimes start using the verbal components of an ad, for instance a catchy phrase, and incorporate it in their daily conversations, often in a playful and sometimes mocking manner (pp. 151–152).

In reviewing word-of-mouth literature, Bayus (1985) observes that it is necessary to account for effects that advertising can have on word of mouth. He reports on an empirical study about marketing for military recruitment, in which advertising expenditures and sales force activity were manipulated during the course of an experiment. His findings suggest that – depending on the relevant target audience's mindsets – both an increase and a decrease in advertising can stimulate word of mouth. Day (1971) analyses the impact of advertising and word of mouth on the introduction of a new convenience food. From his analysis, he concludes that word of mouth is nine times as effective for changing neutral or unfavourable attitudes into favourable attitudes, and that advertising should generally be given credit for stimulating some of that word of mouth (p. 38).

A question that remains unanswered in this context is whether or not the kind of so-called viral advertising, i.e., advertising specifically designed to stimulate (online) word of mouth activity, actually leads to the same "awareness word of mouth" as described above. Anecdotal evidence suggests that advertising eliciting word-of-mouth pass-along and getting millions of viewers, may not necessarily lead to more sales for the brand or offer advertised: "The balance of achieving the marketing objectives of a campaign, along with achieving viral success can be tricky to get right" (Druce, 2007; see also Marsden, 2005, pp. xviii–xix).

3.1.4.5   Category Involvement

Enduring involvement concerned with a product category[38] and independent of a specific purchase situation is widely believed to play a crucial role for opinion leadership (Richins & Root-Shaffer, 1988). Darden & Reynolds (1971) found that a strong interest in a particular product category (fashion), combined with a high degree of social integration, makes a person a natural conduit for influence, in that this disposition en-

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[38] Or with several related categories, see Weimann (1994), pp. 60–70, for a discussion.

ables her to both receive and send relevant information about the category to and from her followers. Richins & Root-Shaffer (1988) have found that enduring involvement with a category is a necessary precondition for opinion leadership, whereas situational involvement – that does not last long enough to form a permanent state such as opinion leadership – may still lead to word of mouth. One may conclude that, whether enduring or not, involvement with a product (category) appears to lead to word of mouth. Venkatraman (1990) supports this finding by showing that there seems to be a mediating relationship between enduring involvement and opinion leadership. While discussing their 'market maven' concept, Feick & Price (1987) identify involvement as a key concept for word of mouth: "Product involvement remains the pre-dominant explanation for opinion leaders' conversations about products." Conversely, they find only limited evidence that general opinion leadership exists.

Arndt (1967b, p. 223–224) summarises a number of findings from different fields of study, both from early diffusion studies, as well as from studies about the behaviour of young mothers of school children. He concludes: "… the literature demonstrates convincingly that interest or involvement in a topic is an important determinant of the motivation to communicate to others a message relating to that topic."

Mancuso's study on rock music record sales (1969) described a targeted approach to creating category involvement, opinion leader status, and, consequently, word of mouth. For the experiment, marketers from a record company selected those high school students who were assumed to engage in more social exchange than average ("Class presidents, secretaries, sports captains and cheerleaders", p. 21). They were not required to have an existing interest in and involvement with rock music. Subsequently, the participants were given exclusive information about, and access to, music from new bands, which – as Mancuso claims – amounted to effectively transforming them into opinion leaders: "Because of the difficulties inherent in identifying appropriate opinion leaders, it seems more fruitful to focus attention on the potential of creating opinion leaders." (p. 21, see also our discussion in section 4.5.2.2).

3.1.4.6   Purchase Involvement

This type of involvement is concerned with the buying process, i.e., with mental states surrounding purchase decisions. Researchers have claimed that the process itself stimulates involvement that can then lead to word of mouth. Richins & Root-Shaffer (1988) showed that word of mouth does not only result from opinion leadership, but can also come from situational involvement, especially associated with personal experience (hence they refer to "personal experience WOM"). Those individuals who get involved on a situational basis – i.e., in a purchase decision situation, as opposed to enduring involvement with a product category – tend to only communicate product news (as opposed to influencing/persuading). The authors then assume that WOM, which is meant to persuade or influence, should rather come from a person with enduring involvement.

Feick & Price (1987) describe the market maven-type influencer who is not primarily knowledgeable about a specific product category (as is usually assumed from opinion leaders), but rather has an interest in general market information. They suggest that it is the market maven's involvement with marketplace and shopping in general that inspires the desire to share information with others.

According to v. Wangenheim, Bayón & Herrman (2006), a crucial factor for word of mouth is the satisfaction level, but involvement can be considered a central moderating variable: new consumers are more likely to voice positive opinions, in order to reduce cognitive dissonance, and their situational involvement has a strong impact on their WOM behaviour. The more involved these consumers are, the more likely they are to create positive word of mouth – regardless of whether it is situational, product, or market involvement.

3.1.4.7   Firm-stimulated Word of Mouth

Since our goal is to provide a better understanding of the approaches companies can use to stimulate word of mouth, we have dedicated the following section to research that explores companies' strategies to stimulate WOM among consumers. It is important to note that research in this area is still much less frequent than in other areas. Walter Carl notes: "In contrast to traditional WOM marketing research, research on buzz marketing is still in its infancy" (Carl, 2006b, p. 7).

It should be pointed out that such approaches need to be differentiated from affiliate marketing, in which companies pay provisions for traffic generated online through (privately) posted links, and where the recommender's motivation is understood to be financial. Since our definition states that a word-of-mouth sender appears to be non-commercially motivated, affiliate marketing does not fall into the word of mouth category. (Among the best known examples is the Amazon referral programme, see Thomas, 2004, p. 67).

Other approaches that are sometimes compared to word-of-mouth marketing even though they are financially motivated are so-called Tupperware parties and other multi-level marketing programmes. The person hosting these events is spreading information about the product and actually functions as a small business that is selling to friends and acquaintances – so again, a financial motivator is an important part of the process. (See, for instance, Gummesson, 1999, p. 40.)

Since the popular press and marketing trade journals are increasingly covering buzz/word-of-mouth marketing stories[39], we can assume that increasing scientific attention will be given to this subject. The following is a short list of Word-of-Mouth Marketing approaches that have been discussed in the literature:

■ **"Rumour Mongering":** Arndt quotes some anecdotal evidence about specialised "rumor mongering companies", who seemed to, or at least claimed to, produce some remarkable sales results in the 1930s (Arndt, 1967b). More recent examples of this practice include brand-pushers, i.e., paid-for agents that pretend to be regular consumers who publicly praise the brand in question. These agents are popular in the spirits industry, and are sometimes also referred to as "leaners", since they lean on the bar counter and visibly/audibly order a particular drink. (For a number of examples, see Kaikati & Kaikati, 2004, pp. 10–12). Mayzlin (2006) explores a recent phenomenon, made possible through the anonymity of online communities: promotional chat disguised as non-commercial word of mouth (which we could

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[39] See, for example, Walker, 2004.

refer to as "online brand pushers"). In a theoretical model, the author shows that consumers will still find these chat information sources persuasive, despite the fact that it would constitute biased and not necessarily truthful anonymous online word of mouth created by firms – provided, of course, that consumers are aware of the existence of promotional chat.

■ **Referral incentives:** In some areas, e.g., for marketing magazine subscriptions, referral incentives are a frequently-applied approach.[40] Biyalogorsky, Gerstner & Libai (2001) name other examples, such as CD buying clubs, credit card companies, or phone company operators. They investigate the relationship between rewards given and referrals yielded, in particular with regard to the optimal pricing for the product to be referred and for the referral reward programme, respectively. They conclude that lowering purchase prices can be a more cost-effective way of generating referrals when consumers are easily delighted. When consumers are more demanding, referral incentives (as a "pay-for-performance incentive") seem to be more economically viable. Beyond a certain level, however, consumers expect too much for the operation of a referral scheme to be cost-effective, so it should be avoided. Wirtz & Chew (2002) explored the effectiveness of referral incentives, also in combination with deal proneness, satisfaction and varying degrees of tie-strength. They conclude that incentives work well with satisfied consumers: "… incentives are an effective way to get satisfied customers to recommend a firm. Furthermore, incentive programs targeted at strong ties may be more effective than those targeted at weak ties". Ryu & Feick (2007) show that referral incentives work better in weak-tie relationships, and when brand strength is perceived as weak.

■ **Asking for Word of Mouth:** One of the findings of the Judd, File & Prince study (1992) on the influence of participation on word of mouth in the service delivery process, is the simple, yet apparently important effect that it can have when companies simply ask existing customers to spread the word: "Of those who were asked, 95% provided at least one referral, in contrast to only 8% of those who were not asked." To what extent this type of response must be qualified on the background of a particular cultural context – in this case, the service environment in the USA – is yet to be analysed.

■ **Word-of-Mouth Panels:** These panels are databases run by specialised marketing services companies. They list consumers who voluntarily sign up or apply for the service, in order to be part of word-of-mouth marketing campaigns. Examples include TRND (www.trnd.com) in Germany, BzzAgent (www.bzzagent.com) in the USA, and Buzzador (www.buzzador.com) in Sweden. Godes & Mayzlin (2004a) compare the word of mouth generated from loyal participants in the referral programme of a retail chain, with WOM generated for the same company from the non-

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[40] Word of mouth stimulated through referral incentives cannot be considered word of mouth according to the definition proposed above (see section 2.3), because the WOM sender is clearly financially motivated. However, since this is one of the most commonly used approaches for stimulating customers to recommend products or services to their friends, we chose to include these examples in this section.

loyal members of a buzz panel. Participants were invited to take part in a word-of-mouth campaign, at the end of which they could win prizes depending on their participation and performance. The researchers conclude that it is not necessarily the loyal customers who should be approached for a word-of-mouth campaign, as they have most likely already informed their personal networks of friends and acquaintances. Rather, new marketing information may be interesting news for non-loyals and their circles of friends, so targeting this group is likely to be more impactful, thereby supporting the "Strength of Weak Ties" theory first published by Granovetter (1973). For the given setting (i.e., low risk purchases), Godes & Mayzlin also argue that opinion leadership is not the key factor for transmitting word of mouth, while network density seems to play a more important role. Carl (2006b) also researched word of mouth generated by panel agents, and the differences between everyday word of mouth and "institutional WOM", i.e., word of mouth coming from these agents as part of a word of mouth campaign. His research shows that the agents in the given example (self-selecting members of a WOM panel) talk more than non-agents (at least 30% more), and more of their talk includes word of mouth episodes. Other findings include that most buzz happens face-to-face, and significantly less in online media, and that agents were less likely to engage in negative word of mouth than non-agents.

3.2   Summary

The following visualisation summarises the findings from this chapter:
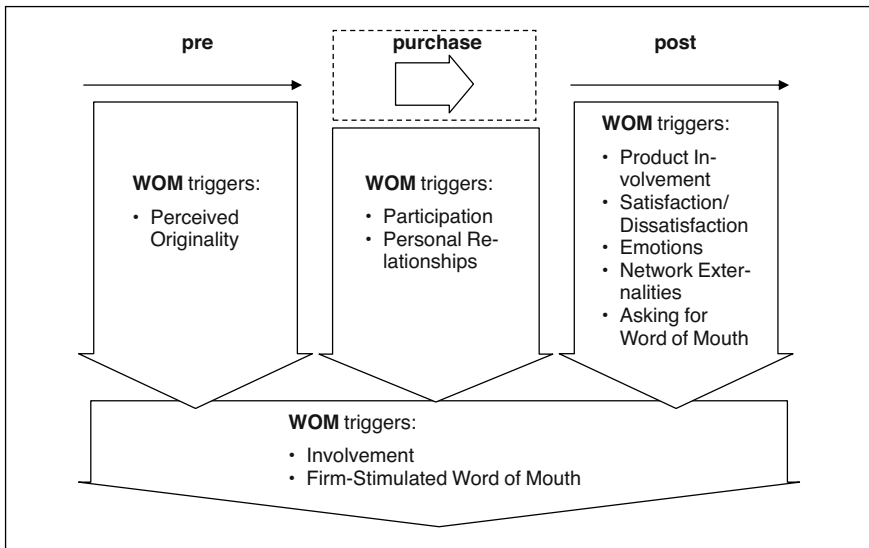
Figure 5: Overview of Word-of-Mouth Drivers

Referring back to the initial assumptions of this research – that companies are interested in stimulating word of mouth as part of their marketing communications – the above paragraphs provide us with a number of helpful cues as to how this may be possible. If we assume that a company sets its focus on generating additional word of mouth – besides word of mouth resulting from direct product experience after purchase and the word of mouth that is stimulated during the purchasing process – the sections on pre-purchase word of mouth, and undetermined word of mouth, provide us with a number of approaches for them to consider:

- Perceived originality of the product
- Involvement
- "Rumour mongering"/brand pushers
- Referral incentives
- Asking for word of mouth
- Advertising
- Word of mouth/buzz panels

In order to regroup these approaches, we propose the following considerations:

1. Originality of the product is determined by product design processes and is therefore outside of the scope of most marketing communications departments.
2. Referral incentives and brand pushers are both financially-stimulated types of word of mouth. (Incentives are money given to existing or new customers for spreading the word, while brand pushers or promotional chatters are employed and paid to spread the word.)
3. While hypothetically it can be assumed that companies simply ask anyone at any time to spread word of mouth about them, realistically this usually happens after a purchase has been made, and only when the customer is supposed or known to at least be satisfied with the outcome. So this is an unlikely option for marketing communications that is independent of the purchasing process.
4. As word of mouth resulting from advertising may be hypothesised to be a result of message involvement, the underlying trigger here is also involvement.
5. Buzz panels derive their effects from combining factors mentioned in the other categories.[41]

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[41] This argument may appear like a rather sweeping generalisation, as different buzz panels work differently, and many of the specificities of the word of mouth coming from these panels are not yet clearly understood. For instance, Carl (2006a) showed that – contrary to the common thinking that word of mouth is considered effective because of its apparent non-commercial motivation – word of mouth from buzz panel agents did not lose its effectiveness once the sender disclosed that it was the result of a buzz marketing campaign. Nonetheless, most buzz panels use a combination of various approaches mentioned above (sampling, building relationships, asking for word of mouth, incentives) in order to stimulate word of mouth. So at this point in our argumentation, we will posit that buzz panels are a combination of known approaches, which therefore do not need a category of their own.

As a result, we can conclude at this point that companies wishing to generate word of mouth as part of their marketing communication efforts are left with two main approaches:

Table 3: Basic Approaches for Word-of-Mouth Marketing

Paying for word of mouth	Stimulating/increasing **Involvement** which leads to word of mouth

Paid-for word of mouth may be fraught with risk, as consumer backlash can be expected and has occurred when consumers found out that the word of mouth they expected to come from an unbiased source was, in fact, paid-for: Wal-Mart experienced this type of response when consumers found out that a weblog written by two "Wal-Mart fans" who set out to portray happy employees all across the United States was actually paid for by the Wal-Mart PR department (Gogoi, 2006).

Another case story from Germany also illustrates this risk: The Calvin Klein cologne brand (produced under licence by Coty Inc.) organised fake bloggers who left comments and links on a number of high profile blogs in Germany. The commercial background of these comments was discovered and led to countless negative comments about the approach and about the brand, in both newspapers and on numerous blogs (Knüwer, 2007).

Foxton (2006, p. 31) mentions the risks of secret marketing stunts designed to convey a marketing message in the offline world: "In some instances, if it's discovered that they are being marketed to, the public can feel duped. This can create a negative backlash both in the consumer base and in the media."

We may therefore conclude that those paid-for WOM tactics which fall within our definition (in that they are "perceived non-commercial", see definition in section 2.3) must be employed as undercover approaches that work by deception. Such approaches might not be considered viable, professional and ethically acceptable solutions for the marketing practice, and they entail a strong risk of customer backlash. Furthermore, such covert practices have recently been legally banned in the UK, and more markets are expected to follow suit in the European Union.[42]

Therefore, we focus on involvement. Numerous examples on the previous pages have shown that involvement seems to be a key driver for word of mouth. Consider Wangenheim and Bayón (2007) who state that, "Involvement has been identified by various theories (e.g., social networks or dissonance theory) as influencing WOM behaviour, and empirical studies have confirmed this" (p. 235). Or Helm, who – in her review of behaviourist perspectives on word of mouth (Helm, 2000, p. 158–162, see also section 1.4.3) – notes that involvement is an important behavioural concept in the word-of-mouth context.

We consequently turn to the involvement approach as the most promising, and will now explore the construct in more detail.

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[42] The "Consumer Protection from Unfair Trading Regulations 2008" have been in effect since May 26th 2008; a document with details can be downloaded from the Office of Fair Trading site at: http://www.oft.gov.uk/shared_oft/business_leaflets/530162/oft1008.pdf.

4 Involvement

4.1 Introduction

In the following section, the involvement construct will be discussed. We will begin with a brief introduction, and then present a definition, as well as different dimensions and objects of involvement. Various effects that are associated with involvement will follow. This will also allow us to explicitly return to the goal of our research, the identification of ways in which companies can stimulate word of mouth. A discussion of the challenges associated with stimulating involvement concludes this chapter.

4.1.1 Different Levels of Cognitive Processing

There seems to be broad agreement that Krugman (1965) first introduced the involvement construct in marketing when he suggested that much television advertising created its effects mainly in low involvement situations (see Deimel, 1989, p. 153; Trommsdorff, 2002, p. 55; Muehling, Laczniak & Andrews, 1993, p. 22; Mitchell, 1979).

As marketers were fairly certain that advertising worked, "but (…) unable to say much about why" (p. 351), he presented a new approach to understanding the effectiveness of advertising. Challenging the then common assumption that cognitive processing of the advertising message leads to attitude change, which in turn produces behavioural change, he instead proposed that much advertising was processed beneath a certain cognitive threshold level (i.e., in a situation in which the viewer is not very involved with the matter presented), directly inducing behaviour, which only afterwards would affect attitude levels, sometimes actually after the buying process.
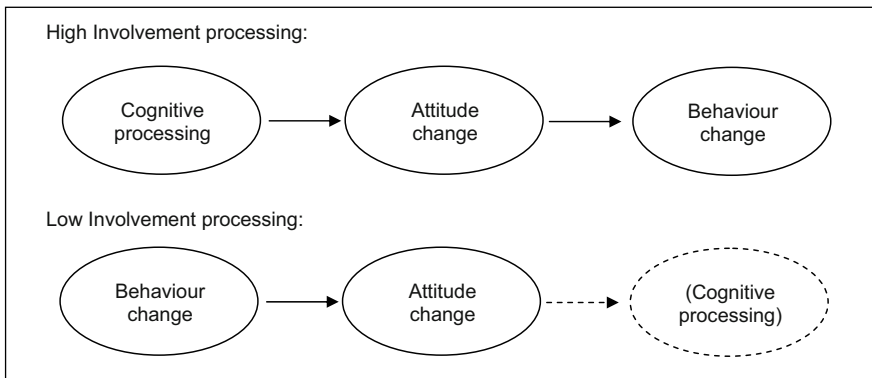
Figure 6: High Involvement vs. Low Involvement (according to Krugman, 1965)

He referred to this as "learning without involvement" and likened it to the learning of nonsensical content (p. 352), thereby postulating that marketing communications and media consumption studies actually had to deal with two different reception modes – a mode "characterized by lack of personal involvement", and another one marked "by a high degree of personal interest".

Previously, marketers following more traditional behavioural concepts had assumed that consumers would generally act as information processors and as active audiences who would cognitively evaluate advertising and brands before buying (Trommsdorff, 2002, pp. 54–55).

4.1.2   Definition

Since then, attention to the involvement construct has steadily increased, which has led to a vast library of research concerning involvement, in particular with a focus on advertising (for an extensive review, see Muehling, Laczniak & Andrews, 1993). Involvement levels are primarily discussed as modes in which consumers receive advertising or, more generally, marketing information.

Also, low involvement situations have tended to receive more attention, since, on the one hand, researchers follow Krugman's notion that they are the most relevant for many advertising situations, and on the other hand, they simply represented the newer and therefore more enticing paradigm: "The most important implications of a low-involvement perspective are for advertising strategy" (Assael, 1981, p. 164).

However, there is still no single, agreed-upon definition of involvement, and global usage of the term is impossible, since observed effects often depend on how the construct is or has been defined in the context (see Costley, 1988, p. 554; Deimel, 1989, p. 153, Helm, 2000, p. 159). Rothschild (1984) once deplored the multitude of frequent yet minor variations of the involvement definition (the "involvement mess", p. 216) and asked for a "ten year moratorium on definitions of involvement" (p. 217, see also Antil, 1984, p. 203).[43] For the purpose of this research, we will adopt a definition proposed by Zaichkowsky (1985, p. 342):

> Involvement is: *"A person's perceived relevance of the object based on inherent needs, values and interests."*

Most seem to agree that involvement, as a hypothetical construct, is highly contingent upon internal factors, i.e., involvement is primarily person-specific: "… in general, high involvement means personal relevance" (Zaichkowsky, 1985, p. 342). Costley, in her meta-analysis of involvement research (1988), consequently contends that the most promising research avenue views involvement as a permanent relationship which cannot be manipulated, but which should be included as a covariate when developing and conducting research, particularly in the field of advertising effectiveness (p. 554). The type of involvement a person may experience depends on the ex-

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[43] As an illustration of the "involvement mess", we would like to point out that in Muehling et al.'s (1993) extensive review, pp. 22–27 alone are dedicated to reviewing 23 different conceptualisations of involvement.

tent to which a given object connects with specific personality traits and characteristics that the individual may have (Trommsdorff, 2002, p. 60; Lastovicka & Gardner, 1978). In the marketing context, this directly links personal aspects of involvement to objects of involvement, as the construct cannot be conceptualised independently of an object (Mitchell, 1979, p. 194). The marketing literature usually names products or brands, media, and advertisements/messages as objects of consumer involvement (Deimel, 1989, p. 154; Trommsdorff, 2002, pp. 58–62).[44]

4.2   Dimensions

4.2.1   High vs. Low Involvement

Despite his explicit dichotomy differentiating high from low involvement, Krugman (1965) also postulated that involvement levels essentially depended on the number of personal references per time unit that a viewer would make between his own life and a given stimulus (p. 355), thereby implicitly acknowledging the possibility of a continuum between low and high levels of involvement. While many researchers have followed a more simplified dichotomous view (often for pragmatic reasons, see Rothschild, 1984), some have observed involvement's more range-like and multi-dimensional nature (see Laurent & Kapferer, 1985; Kapferer & Laurent, 1985, Trommsdorff, 2002, p. 56, Gardner, Mitchell & Russo, 1978). Laurent & Kapferer (1985) provide evidence of ten differentiated involvement profiles, depending on the product (category) and the consumer (type). According to their findings from a study on consumer goods, only 25% are either extreme high or low involvement situations, the other 75% fall between the two extremes.

4.2.2   Situational vs. Enduring Involvement

Researchers also differentiate between situational and enduring involvement, which relates to the temporal dimension of the construct (Houston & Rothschild, 1980). Enduring involvement is based on a strong and on-going interest in a product (category), in other words, an on-going involvement level independent of specific situations (Deimel, 1989, p. 154). Richins and Bloch (1986, p. 280) explain: "EI [enduring involvement] forms the baseline level of product involvement, since it represents the consumer's degree of interest or arousal for a given product on a day-to-day basis."

While most people's enduring involvement with most product categories tends to be low, many consumers experience higher involvement with one or a few product categories: "Consumers probably perceive relatively few products to be directly linked to their terminal values" (Knox et al., 1994). Some authors have identified marketplace involvement as a specific form of enduring involvement (Kassarjian, 1981). This approach is mirrored in the market maven school of research initiated by Feick and Price (1987, see also Wangenheim & Bayón, 2007, p. 237, and see section 3.1.4.6, where we referred to this form of involvement as "purchase involvement").

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[44] For objects of involvement, see below, section 4.3.

Situational involvement, on the other hand, is marked by a situation-based arousal of interest that is usually stimulated by a (sudden) rise in perceived relevance or risk of a subject matter for the given individual (Richins & Bloch, 1986, p. 280). It refers to "the ability of a situation to elicit from individuals concern for their behaviour in that situation" (Houston & Rothschild, 1978, p. 184). An example for situational involvement is the case of a broken fridge that suddenly needs to be replaced, and which induces a strong situational involvement with a product category that otherwise does not receive much attention from the consumer. We might equally assume, as with the debate about high and low involvement, that what is presented as a dichotomy, may in fact be a continuum between situational and enduring involvement. Accordingly, Assael (1981) states: "If it is frequent, situational involvement might lead to enduring involvement" (p. 75).

4.3   Objects of Involvement

4.3.1   Product

Involvement with a product (category) is often seen as a key aspect of involvement (Deimel, 1989, p. 154; pp. 58–62, Richins & Bloch, 1986, Knox et al., 1994). Involvement with a product can be conceptualised as the present combination of the level of both enduring and situational involvement that a consumer may experience in connection with a product (Knox et al., 1994; Richins & Bloch, 1983). The more a person knows about what a product's features and attributes mean in her personal life, the more she is involved with the product (Knox et al., 1994, p. 138).

Laurent and Kapferer (1985) rejected the notion that "perceived importance" alone is a sufficient measure for individual involvement levels, and suggested that product involvement depends on five antecedents which determine the involvement profile of a person with regard to a given product (category). These five antecedents are:

1. perceived importance of the product
2. perceived risk associated with the product (divided in two components, one is perceived importance of negative consequences in case of a wrong choice, the other is the probability of a negative choice occurring)
3. symbolic value attributed to the product, and
4. hedonic value or emotional appeal (p. 43)

Through factor analysis, they showed that such differentiation better explains the construct, and may therefore present a better method to predict consumer behaviour.

4.3.2   Message

Mühlbacher (1986) points out that involvement with an advertisement not only depends on the situation and the character traits of the person who is affected by the ad (as discussed in the above paragraphs on person-specific and situation-specific involvement), but also on the stimuli that the advertising message provides (p. 462).

He lists product category, brand and executional framework as involvement stimuli in an ad (p. 463, he also mentions specific features of the media environment, which we will discuss briefly in the following section on media involvement, as a separate area). These aspects of the ad "are […] chosen by the advertiser and are stable in their characteristics over situations" (p. 463). Deimel (1989) includes the ad's actual content, as another key element that influences involvement (p. 155). According to Muncy and Hunt (1984), involvement with an ad depends on the situation, and is of a transitory character. It connects the message to something that exists in an individual's life. Trommsdorff (2002, p. 61) points out that the breadth of stimuli that lead to message involvement is so wide, that it is virtually impossible to establish general rules about the functioning of, and interdependency between, various stimuli.

Berlyne (1984) provides a list of factors that make an ad more arousing and thereby may increase its potential for involvement:

1. intensity, size and colour
2. cue value
3. surprise value
4. complexity
5. uncertainty, incongruence and conflict
6. newness.

Message involvement is closely tied to the context or environment in which it is triggered, which leads us to involvement with the media.

4.3.3   Media

Mühlbacher (1986) defines media involvement as "the arousal induced by a person's (expected) contact with a media vehicle" (p. 470). A person switching on a television set or picking up a magazine experiences a certain type of arousal of attention which, initially, may be independent of the content. As the level of such type of media involvement differs between people and between media, a given message will have different effects on the same person when presented in different media, or upon different people when presented in the same media (Wright, 1973).

Usually, researchers differentiate between high and low involvement media (Trommsdorff, 2002, p. 60). Low involvement media, such as radio and television, allow the user to passively receive information. Assael (1981, p. 156) explains: "Why is television a low-involvement medium? First, television advertising is animate, while the viewer is inanimate (passive). Second, the pace of viewing is out of the viewer's control, and the viewer has little opportunity for reflection or making connections." High involvement media require active participation, which is traditionally assumed of print media: "In contrast, print media (magazines and newspapers) are high involvement media because advertising is inanimate, while the reader is animate. The pace of exposure is within the reader's control because the reader has more opportunity to reflect on the advertising" (Assael, 1981, p. 156). Today, modern interactive media – such as video games or websites – can be added to the category of high in-

volvement media (Trommsdorff, 2002, p. 60). Content and platforms on the web actually enable an even higher degree of involvement than traditional high involvement media (see chapter 1.1.3).

4.4   Involvement Effects

4.4.1   Overview

After summarising the key aspects of the involvement construct, we will now briefly discuss key consequences of involvement. According to Deimel (1989), involvement works as a motivational trigger for activation and, consequently, determines both intensity, and direction of behaviour, as well as the level of cognitive processing in areas such as information search and reception, information processing and storing, and attitude shifts and persuasion. More specifically:

1. Highly involved individuals spend more time with advertising information. They are better able to verify brand evaluation statements in ads, since they process brand information more deeply and generate more thoughts and cognitive responses. They also have higher levels of recall.[45] When considering the relationship between involvement and higher-order ad responses – such as ad/brand attitudes or purchase intentions – it becomes clear that cognitive responses play a mediating role. When the ad produces predominantly favourable responses, positive attitudes or intentions ensue (and vice versa). Also, high involvement attitudes decay less (Muehling, Laczniak & Andrews, 1993, p. 47–48). High involvement is more resistant against manipulation – the *quality* of the argument becomes important. Under conditions of high involvement, consumer behaviour follows the traditional learning hierarchy (Deimel, 1989; see also Krugman, 1965, and the above section 4.1): cognitive effect changes attitudes, which leads to behaviour change.
2. Low involvement reduces the likelihood of cognitive elaboration (Muehling, Laczniak & Andrews, 1993, p. 47–48). Consumers display a l2. ack of active information-seeking about brands, they spend little time or energy on comparing different brands or products, and perceive little difference between them, which leads to less pronounced preferences for a specific brand (Zaichkowsky, 1985, p. 346). In low involvement advertisement situations, peripheral cues and source credibility play a much more important role (see Petty & Cacioppo, 1981). Under low involvement conditions, there is less resistance to manipulation, and behaviour is said to follow a different hierarchy (again, as described above): cognitive effect changes behaviour that only then leads to attitude change.

In simple terms: the more involved a consumer is, the more complex his or her decision-making, and the more elaborate the individual's cognitive responses.

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[45] A finding that has to be qualified, however: when involvement with the non-advertising content is high, recall of ad messages is reduced (same source).

4.4.2 Involvement and Word of Mouth

4.4.2.1 Few Explicit Links Between Involvement and Word of Mouth

Within the involvement field of research, word of mouth has hardly been an issue debated at length – possibly the only notable exception being that enduring involvement with the category is regularly cited as a factor influencing opinion leadership (see Weimann's review, 1994, pp. 75–76). The connection is usually made implicitly, while accepted measures of involvement (Zaichkowsky, 1985; Laurent & Kapferer, 1985) have rarely been used to verify the link: "The *implicit* assumption in examining the personal influence of opinion leaders is that they are motivated to talk about the product because of their involvement with it" (Feick & Price, 1987, p. 84; italics added). Holmes & Lett (1977, p. 36) also link involvement and word of mouth: "A person's involvement can appreciably contribute toward the formation of an intention to buy a particular brand. Persons acknowledging such an intention, therefore, should be more inclined to transmit opinions because by so doing they could realize some measure of self-satisfaction as they share their sense of commitment with others."

Most researchers relate involvement types to brand attitudes, recall, etc., while hardly any focus their efforts on peer-to-peer communication effects that may ensue from varying involvement levels. After Dichter (see section 3.1.4.1), the following more recent studies – by Richins and Root-Shaffer (1988), Venkatraman (1990), and Wangenheim and Bayón (2007) – are exceptions that have shed light on the relationship between word of mouth and involvement.

4.4.2.2 Richins & Root-Shaffer (1988)

Citing Dichter (1966), the authors base their research on the assumption that involvement is an important determinant of word of mouth. While the opinion leader model posits that *enduring* involvement leads to opinion leadership, which in turn leads to word of mouth, Richins and Root-Shaffer additionally hypothesise that *situational* involvement can also lead to word of mouth, without the need for the speaker to have opinion leader status (p. 32).

In order to test the hypothesis, the researchers chose the automobile market as the product category because previous research had shown that automobiles tend to produce high levels of involvement at the time of purchase (Hupfer & Gardner, 1971; Richins & Bloch, 1986). The researchers also selected this category for their study because of the assumption that most respondents would be able to relate to the product category since a large percentage of the US population are car owners, the easy access to lists of new car owners which made it possible to identify respondents with high situational involvement, and finally, the assumption that the product category stimulates enduring involvement among some consumers (p. 33).

Through a mail survey, respondents were questioned about three aspects of their behaviour, while a fourth was modelled through selection of respondents. Opinion leadership and enduring involvement were measured through existing scales (King & Summers, 1970; Childers, 1986), while word-of-mouth behaviour was measured with a self-developed item list that was based on in-depth interviews with consumers

(p. 33). Additionally, respondents were classified according to the recency of their last automobile purchase. Those who had purchased a new car within the past two months were considered to have high situational involvement, while those whose last purchase dated back more than two months were counted in the less involved group (following Richins & Bloch, 1986).
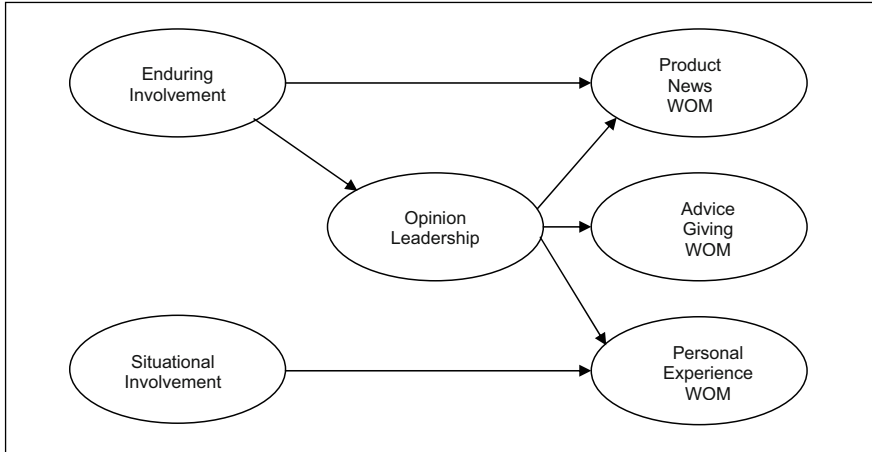
Figure 7: Revised Opinion Leadership Model (Richins & Root-Shaffer, 1988, p. 34)

The researchers found that situational involvement does not lead to opinion leadership (see figure 7). However, it is especially linked to "personal experience word of mouth", i.e., the kind of WOM that results from post-purchase experiences with an expensive product (i.e., after a recent high-risk purchasing decision – in this case, experiences with a new car). They also showed that enduring involvement is, indeed, an important factor for opinion leadership, and that it stimulates a range of word-of-mouth types, i.e., advice-giving, product news and personal experience word of mouth. (The link between situational involvement and WOM activity has also been observed by East et al., [2001] who found that, in the first year after a new service provider has been selected, customers tend to send more WOM.)

4.4.2.3   Venkatraman (1990)

In order to better understand the connection between opinion leadership and its characteristics (product class knowledge, influence, information sharing and innovative behaviour), Venkatraman analysed the relationship between enduring involvement and opinion leadership, so that she could determine which factor actually drives opinion leadership (p. 60).

She compared two possible hypotheses: The first one assumes that involvement has a moderating role, namely that involvement can augment the force of the relationship between opinion leadership and its characteristics. The second one assumes that

opinion leadership has a mediating role between enduring involvement and those characteristics commonly associated with opinion leadership. This means that enduring involvement may lead to opinion leadership, which results in corresponding behaviour (pp. 60–62). In the second case, it would mean that manipulation of involvement, if possible, would be less effective in terms of stimulating opinion leader behaviour, than in the first case of a moderating role of enduring involvement.
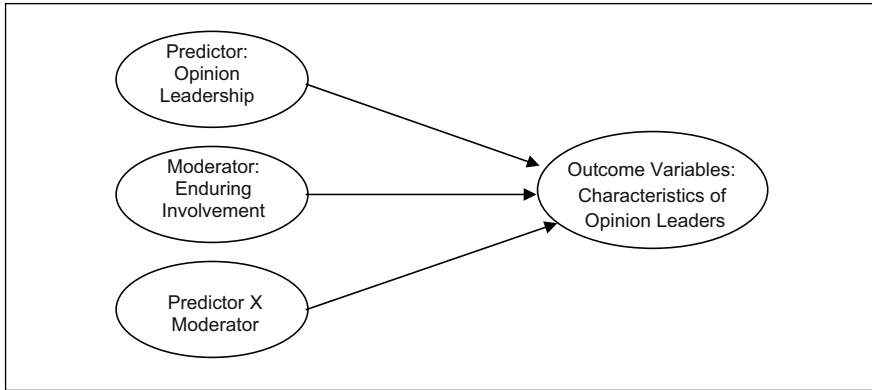
Figure 8: Involvement and Opinion Leadership, Moderating Model (Venkatraman, 1990, p. 61)
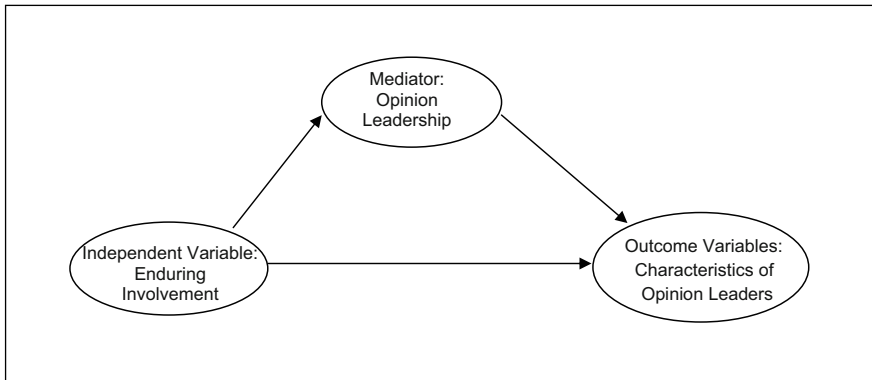
Figure 9: Involvement and Opinion Leadership, Mediating Model (Venkatraman, 1990, p. 61)

In the study, students were surveyed about movie consumption behaviour. The product choice was made because involvement levels in this category among students were assumed to vary significantly, so the product category would yield meaningful results. In terms of costs, movies are accessible to most students. Also, thanks to frequent new releases, there are many opportunities to see movies. And finally, word of mouth is thought to play an important role for movies (p. 62). Again, existing scales

were used for measuring opinion leadership and enduring involvement (Childers, 1986; Bloch & Richins, 1983), in combination with a specifically developed information sharing scale to measure the extent to which respondents shared opinions and talked about movies with others (p. 62).

In the study, Venkatraman found no moderating effect of enduring involvement on opinion leadership and its characteristics. However, the researcher did find that in her setting, opinion leadership mediated the effect of enduring involvement on knowledge, influence and information sharing (figure 9, the latter two can be considered to be facets of word of mouth). In other words, Venkatraman confirms the results of the Richins & Root-Shaffer study, according to which enduring involvement was found to be an important driver for opinion leadership, which then leads to word of mouth. The finding is interesting because it suggests that – contrary to most findings – opinion leadership without enduring involvement with a product category is possible.

4.4.2.4   Wangenheim & Bayón (2007)

The authors set out to quantify WOM communications from retained customers, in order to integrate them as relevant elements into models that analyse the return on customer satisfaction (see also Hogan et al., 2004). More particularly, they want to develop an integrated approach that models the entire chain from satisfaction to WOM to new customer acquisition. To increase the validity of their model, they also include involvement as a key moderating factor. They differentiate between product involvement, situational involvement and marketplace involvement, and incorporate these factors as moderating variables affecting the WOM behaviour of the WOM sender. They hypothesise that all three involvement types positively influence both the incidence and conditional number of WOM referrals given by a sender.
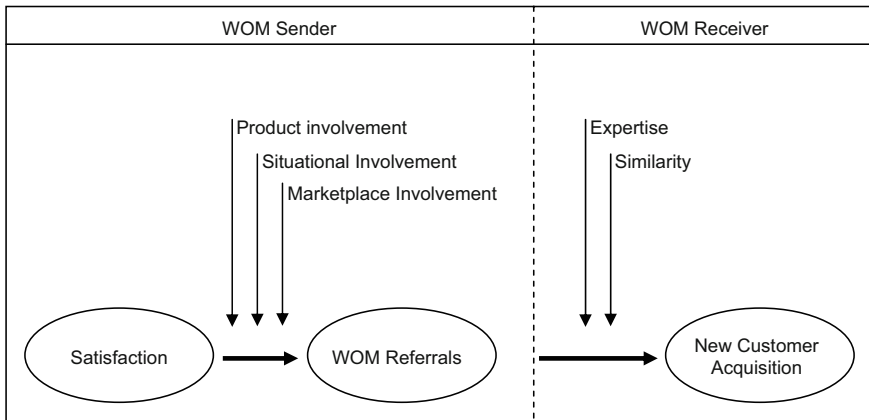
Figure 10: Hypothesized Relationships between Satisfaction, Referrals and Acquisition (Wangenheim & Bayón, 2007, p. 237)

The authors conducted two studies in the German energy sector, one in a business-to-consumer setting, and the other in a business-to-business context. In the consumer study, 800 random customers of an electricity company were questioned by telephone. Half of the customers had just switched to this provider and were thus considered to be in a state of high situational involvement, while the other half had stayed with the provider (after market liberalisation). For the industry sample, 416 people were randomly drawn from an industry marketing database.

The hypotheses were supported (some fully, some partially). In particular, differences between less and more satisfied customers' WOM behaviour, depending on their product involvement levels, was quite pronounced.

(In their analysis, the authors also find out, for instance, that, for highly involved and highly satisfied consumers, the customer lifetime value is underestimated by up to 40% when WOM effects are neglected.)

To summarise, this study also provides evidence that higher involvement levels help increase WOM communication from consumers.

4.5   Stimulating Involvement

4.5.1   Involvement as Internal and Individual-specific

The studies mentioned above support the notion that when involvement is present, consumers are more likely to vent this involvement by means of word-of-mouth communication to their peers – either as part of their behaviour as opinion leaders, or because situational involvement stimulates them to do so.

This takes us back to the objective of our analysis, to identify avenues for marketers to stimulate word of mouth as a communication channel, in order to spread marketing messages among consumers (see section 1.4). If involvement plays the role that the above literature suggests, the key seems to lie in stimulating involvement among consumers. However, many scholars seem to agree that involvement is a variable that largely depends on each individual, and even though involvement can be measured, it cannot really be 'produced' or 'created' (Zaichkowsky, 1985; Deimel, 1989, p. 153; Costley, 1988, p. 554, see also our involvement definition and additional considerations in section 4.1.2). Zaichkowsky (1985, p. 342) explains: "In the advertising domain, involvement is manipulated by making the ad 'relevant': the receiver is personally affected, and hence motivated to respond to the ad (…). In product class research, the concern is with the relevance of the product to the needs and values of the consumer. In purchase decision research, the concern is that the decision is relevant, and hence that the consumer will be motivated to make a careful purchase decision (…)."

So, in most research, academics observe situations of varying relevance for consumers, and their responses to them (see also Deimel, 1989, p. 153; Costley, 1988, p. 554). Yet they do not attempt to manipulate involvement as such. Even when explicit attempts are made to stimulate involvement with advertisements, there seems to be agreement that no matter how the advertisement is designed, internal factors still play

a major role. In fact, researchers have acknowledged that manipulating involvement is a difficult endeavour (Richins & Bloch, 1986, p. 283).

While this might seem like a dead end, two papers that are reviewed in the following paragraphs suggest a way out.

4.5.2   *Implicit Stimulation of Involvement*

Even though the involvement construct is not explicitly measured in the following two studies, each of them describes how involvement levels are raised in the marketing process, and how word of mouth results from it.

4.5.2.1   File, Judd & Prince (1992)

In service marketing, word of mouth has long been considered an important factor (Murray, 1991). The researchers, therefore, direct their attention to the relationship between the service delivery process and word of mouth. The way services are purchased and experienced makes word of mouth particularly important for the deliberation process before purchase. Services are usually characterised by experience properties (those that the customer can only experience *after* the purchase), and/or trust properties (those that the customer is unlikely to ever fully assess, and which force her to simply trust in the service rendered, see Nelson, P., 1970), in contrast to tangible products, which are most frequently characterised by so-called search properties (i.e., qualities that can be inspected before purchase).

In other words, it is usually considered impractical or impossible for consumers to obtain an actual quality impression of a service before purchase. That is why new customers are likely to heed advice from experienced buyers who can evaluate the quality of a service from past experience (File, Judd & Prince, 1992, p. 6). The authors hypothesise that – besides the established aspect of the degree of satisfaction with the service delivered (see also section 3.1.3.2) – the nature of the service encounter itself, and, more specifically, the degree of the customer's participation during the process, play a key role for post-purchase word of mouth behaviour from a customer (pp. 6–8).

Participation is considered an especially fruitful angle from which the service encounter should be analysed for two additional reasons. First, the degree of participation is largely under the control of the service provider (that is why this angle may therefore also present a way out of the dilemma mentioned above). Second, they assume that participation is closely linked with involvement, as "consumers participate in what they feel involved with" (p. 8). Consequently, they describe participation as a "behavioral precursor to the word-of-mouth dimensions" (p. 8).

In order to test the hypothesis that higher participation levels lead to more word-of-mouth communication from customers, the researchers selected a service area that would be marked by high customer involvement, risk, difficulty of evaluation, and complexity. The chosen area was estate planning services that are offered by attorneys. Clients of lawyers providing said services were interviewed.

The results show that clients who give high ratings on their relevant participation items – including tangibility, empathy, attendance and meaningful interaction – are also more active in producing word of mouth, showing a higher willingness to recommend to others both the service as a category, as well as the specific company. Therefore, the authors recommend that service companies create ways for clients to more actively participate in the service delivery process, as it "reinforces involvement, reduces perceived risk, ameliorates complexity, and eases understanding" (p. 10).

4.5.2.2   Mancuso (1969)

Mancuso understood the practical difficulties of identifying opinion leaders, and suggested that opinion leaders could actually be *created* for the marketing task at hand, as opposed to undertaking the effort required to *find* appropriate influentials for a given marketing campaign. He hypothesised that it should be possible to first identify and then manipulate the variables that can turn a person into an opinion leader, in order to then predispose this leader favourably toward the product (pp. 20–21).

He describes one incident in which said approach was chosen to support the marketing efforts for new products, namely, rock music records. For the process, highly sociable members of a relevant public – high school students with very visible social roles – were identified. Later research verified that the majority of the selected individuals only owned a few records, which led the researcher to the conclusion that, by standard criteria, these students would not have been considered opinion leaders in the subject matter, as they were lacking the required experience (and enduring involvement with the category).

The chosen students were then submitted to an experiment that lasted a number of months. They were contacted by mail and invited to join an exclusive group of "leaders" who were asked to help identify potential hits. Their help was rewarded with free records. They were also asked to share opinions with their friends, and to ask them for their opinions as well. Additionally, members were given exclusive access to information about the musicians, and were asked a few questions each month. The results were shared with all members of the panel. Mancuso claims that in cities where said approach was used, certain records from the experiment reached the top ten charts, although they did not achieve this success in any other city (pp. 21–22).

Based on this illustration, he proposes a framework for "creating opinion leaders", which is founded on considerations concerning both the object (product to be marketed) and the subject (person to be turned into an opinion leader). Key aspects of the product in this context include risk, divisibility (which Rogers, 2003, refers to as trialability, p. 258) and involvement, which Mancuso defines – somewhat uniquely – as a combination of product-inherent features such as relative advantage, communicability, complexity and newness. When a product either scores highly, or can be made to score highly, on each of these aspects, according to Mancuso, the approach illustrated above to create opinion leaders for the product can be applied. (See pp. 22–24.)

The subject's key aspects comprise mobility (which in his definition is more akin to social activity or gregariousness in opinion leader research, see Weiman, 1994, pp.

79–84), status (which is actually modelled along the lines of social influence) and confidence (as the least important variable, primarily based on knowledge).

To create opinion leaders for a given product, he recommends selecting individuals who already score highly on as many of the above-mentioned areas as possible, and reinforcing the areas in which they can still improve (p. 25). When compared to the research by File, Judd and Prince, it is striking to note that, similar to them, Mancuso also suggests that involvement through the active participation of potential word-of-mouth spreaders in the marketing process, may be key to generating word of mouth for a brand or product.

4.6   Summary: Involvement

The involvement construct, a much discussed and analysed concept in marketing literature, is frequently used to explain varying degrees of cognitive elaboration in the advertising reception process. Scores of researchers have tried to establish how different involvement levels relate to different results concerning ad, brand or product evaluations, and have tried to explain how marketers should measure, and then consider these different types of processing and attitude formation in their marketing efforts.

In the word-of-mouth context, involvement has not been a frequent object of detailed analysis. However, those studies that do take an empirical look at involvement with regard to word of mouth, as well as many conceptual considerations in other publications, suggest that a marketer who wants to support brand communications through positive consumer word of mouth, should attempt to raise involvement levels (Wangenheim & Bayón, 2007). Unfortunately, since the construct appears to be primarily contingent on internal factors within each consumer, and is thus outside the marketer's control, traditional involvement approaches seem less ideally-suited for advancing applicable knowledge in this domain.[46]

A few researchers have tried to raise involvement levels with regard to word of mouth by introducing aspects of participation. They suggest that involvement-centred marketing activities which go beyond merely exposing the consumer to advertising, may be the means to creating the type of involvement that will lead to word of mouth. In other words, they revolve around active participation in the marketing process (File, Judd & Prince, 1992), which ideally involves those members of the target audience who already have character traits that can help them effectively spread word of mouth (Mancuso, 1969).

Interestingly, recent advances in the development of online communication tools, such as blogs and other so-called Social Web applications, enable this kind of interactive marketing on a significantly larger scale. At the same time, consumers themselves are already and increasingly adopting these tools to manifest their own opin-

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[46] Wangenheim and Bayón (2007) pragmatically suggest to raise "short-term customer involvement […] via special events, promotions, etc.".

ions and expectations about products and brands on the web, as a demonstration of their (online) media-based empowerment. It may be an effort worth pursuing to develop a more thorough understanding of why and how this kind of online-based involving exchange may enhance brand communications through word of mouth effects.[47]

We observe, on the one hand, that marketing companies are beginning to actively pursue strategies of consumer empowerment in their marketing efforts (see section 1.1.5). And we believe, on the other hand, that empowerment as a construct can provide us with a research framework that might lead to a theoretically informed understanding of the WOM-centric creation of involvement. Therefore, we will now turn to a discussion of the concept of empowerment, and we will introduce a new concept of involvement, which we call "Empowered Involvement".

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[47] In an online context, some researchers seem to understand engagement as presenting advertising close to content that is similar to the advertising content, thereby making sure that a reader or user is already alerted to – "engaged with" – the subject matter and will therefore respond better to the advertising stimulus (Wang, 2006). However, we consider this a somewhat narrow engagement concept.

5 Empowered Involvement

5.1 Introduction

This chapter is organised as follows: first, we will provide a brief introduction to the empowerment construct by highlighting different fields of business research which have dealt with the idea of empowerment. We will then proceed by briefly discussing a major milestone in the conceptualisation of empowerment – the change from a relational to a motivational construct. Next, we will present Spreitzer's (1995) approach to measuring empowerment, in order to then move on to our own conceptualisation of Empowered Involvement (EmI) which is based on Spreitzer's construct, and which can be considered an adaptation of the empowerment construct for the (consumer) marketing process.

5.2 Empowerment in Various Fields of Business Research

5.2.1 Empowerment in Marketing

Consumer or customer empowerment has been less of a concern for marketing scholars until recently (Wathieu et al., 2002). Kumar and Ramani (2007) adopt a company-based view. To them, customer empowerment is not something customers do themselves (as sometimes described in the business press, see Markillie, 2005; see also section 1.1.3). It is, instead, something the company makes possible through its ways of interaction with the customer. They define customer empowerment as "the extent to which a firm provides its customers avenues to (1) connect with the firm and actively shape the nature of transactions, and (2) connect and collaborate with each other by sharing information, praise, criticism, suggestions, and ideas about its products, services, and policies" (p. 5).

5.2.2 Empowerment in Healthcare

In the healthcare industry, the concept of consumer empowerment is also a topic of discussion. Geller et al., (1998) define consumer empowerment as "clients' participation in treatment as collaborators with professionals and as the primary informants about what is needed from providers". Prewo (2000) defines consumer empowerment as a transfer of authority entirely to the individual patient, as to which health insurance scheme to choose. The US Office of the National Coordinator for Health Information Technology sees the active involvement of consumers as a critical element for personalising health care, for example, in the management of their own health care,

or for gaining benefits out of having their health information in a format that is easily accessible to them (Anonymous, 2006).

5.2.3   *Empowerment in Human Resources Management*

One field of business studies that has been focusing on empowerment and on ways in which subjects can be more strongly involved, and for much longer periods, is human resources management. The question of how much decision-making power an organisation should transfer to its employees, and at what level, has been repeatedly discussed since the first half of the past century. In their extensive review of this domain of human resources studies, which they refer to as "participation in decision making" (in short: PDM), Locke and Schweiger (1979) point back to the year 1924, when Elton Mayo started his first research project (p. 294). It was concerned with improving morale and efficiency at a company that was suffering from a high turnover rate and low productivity. By manipulating rest periods and later allowing the employees to schedule and assign the rest periods themselves, Mayo observed that morale and efficiency were increased.

Mayo is best known as the director of the famous Hawthorne studies, which are often cited to demonstrate the effectiveness of PDM in management-employee relations (Roethlisberger & Dickson, 1939; Mayo, 1933). However, researchers have repeatedly questioned the validity of some of their conclusions upon re-analysing the original findings in the Hawthorne documents (see Carey, 1967; Locke & Schweiger, 1979, pp. 295–296; Jones, 1992).

Numerous studies and analyses followed, and examined various methods that could make the workforce more motivated and more inspired to do productive work. But the results were often unclear in terms of what a more participative management style can actually achieve (see Locke & Schweiger, 1979). More recently, however, studies have suggested that positive effects can be demonstrated (Lawler, Mohrman & Benson, 2001). This change may have come about not only because of a stronger and more informed focus on empowerment, but also because of a changing competitive business landscape, marked by globalised economies and a much stronger focus on knowledge workers – factors that apparently require companies to adopt a different leadership style, as suggested by Lawler (1992, pp. 25–48, see also Drucker, 1988; Thomas & Velthouse, 1990, p. 667).

An established link between employee empowerment and marketing can be found in the field of services marketing. Since the interaction with the customer is an integral part of the service delivery process (and not something that may or may not occur, depending on the way distribution is organised in the marketing of physical goods), an employee's empowered status, allowing her to directly make autonomous decisions about errors or problems, is thought to have an immediately noticeable effect on the customer experience (Bowen & Lawler, 1995). More particularly, both the ability to address problems quickly and responsibly (Hart, Heskett & Sasser, 1990), and the opportunity to delight customers by exceeding expectations (Bowen & Lawler, 1995, pp. 1033–1034), are desirable outcomes which researchers link to service-employee empowerment.

5.3   Implicit: Involvement

Despite the fact that, in these contexts, involvement is rarely – let alone explicitly – defined as a concept, statements, such as the following, illustrate the conceptual link that is often made between empowerment and involvement: "To help create a sense of involvement, top […] management encouraged employees to participate in decisions affecting their work" (Locke & Schweiger, 1979, p. 288).

Similarly, for his book "The Ultimate Advantage" – about how organisations can better address the needs of their markets through a more empowering management style – Lawler used the subtitle "Creating the High-Involvement Organisation" (Lawler, 1992). And Spreitzer, in her research on empowerment in the workplace (1996), also refers to "high-involvement systems" within companies. Therefore, we can conclude that conceptually, the constructs empowerment and involvement seem to be closely linked.

5.4   Empowerment as a Motivational Construct

5.4.1   Conceptual Considerations, Dimensions of Empowerment

Improvements in research on empowerment may be partly linked to a more recent development in the theoretical thinking about empowerment: researchers have begun questioning whether a strictly organisational application of empowerment – i.e., formally delegating decision-making power to subordinates – effectively amounts to empowerment.

Conger and Kanungo (1988) describe a dichotomy of approaches for defining empowerment. Traditionally, empowerment is construed as a relational construct. In this context, "power" relates to the dependence or interdependence between actors. This approach essentially leads to the conclusion that power means control over organisational resources, with the implication that the more power someone has, the more likely she will be to achieve what she desires (pp. 472–473). Conger and Kanungo summarise (p. 473): "As a result, we find that most of the management literature on empowerment deals with participative management techniques […] as a means of sharing power or delegating authority."

They caution, however, that this approach does not sufficiently address the neo-behaviourist concern (see section 1.4.3) that a sharing of authority might not necessarily result in the workers actually *feeling* empowered (i.e., the question of what happens *inside* the organism), and that granting a certain degree of decision-making power is not necessarily the only or the best way of creating empowerment. As empowerment is beginning to be discovered by researchers focusing on consumer behaviour, this concern is mirrored when they question whether increased choice in a buying situation does indeed lead to a more empowering experience for the consumer, or whether it might actually achieve the contrary (Wathieu et al., 2002).

Bush, in her report for the National Consumer Council (Bush, 2004), repeats this argument and adds that, "other research shows that restricting a consumer's choice to few alternatives appears to make it easier to make a decision and leaves the consumer

more satisfied with the decision they have made. In addition, there is uncertainty as to whether, when consumers are given the power to make choices, they take options that make them better off" (p. 24).

In order to address these concerns in the human resources context – regarding the difference between what *appears* to be empowerment externally but *subjectively* does not amount to a *feeling* of empowerment – Conger and Kanungo suggest an alternative approach which views empowerment as a motivational construct, shifting attention away from the external relationship between actors, and moving it to the internal experience of the person who is supposedly empowered.

Assuming a psychological need for self-determination and for a belief in personal self-efficacy (Deci, 1975; Bandura, 1986), they propose that empowerment approaches should be concerned with a person's motivational disposition, so that empowerment in a management context is targeted at strengthening employees' self-determination needs or self-efficacy beliefs. This approach leads them to define empowerment as "a process of enhancing feelings of self-efficacy among organisational members through the identification of conditions that foster powerlessness and through their removal by both formal organisational practices and informal techniques of providing efficacy information" (p. 474).
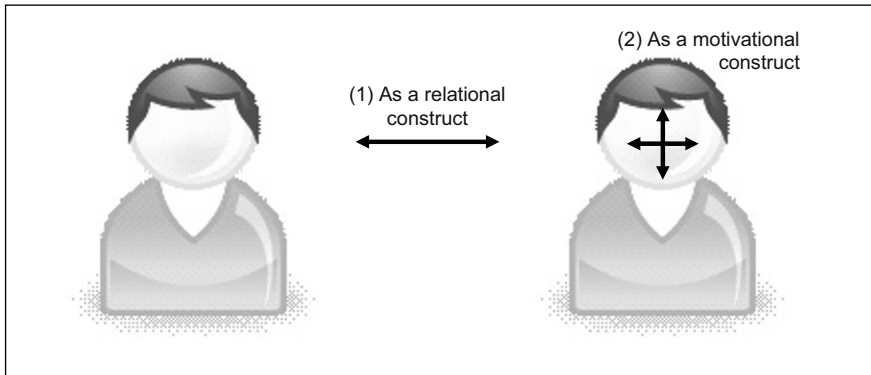
Figure 11: Two Views on Empowerment

Thomas & Velthouse (1990) expand the notion of empowerment as a motivational construct. More particularly, they propose a more multi-faceted approach, by specifying that it should be viewed as *intrinsic task motivation*. And in order to do so, they add three more cognitions to the self-efficacy (or impact) assessment mentioned above: competence, meaningfulness and choice. Some or all of these cognitions – or task assessments, as the authors call them – should be experienced, in order to allow a subject to experience psychological empowerment:

■ **Impact** refers to the extent to which individual behaviour is perceived as having noticeable consequences, in other words, "as 'making a difference' in terms of accomplishing the purpose of the task" (Thomas & Velthouse, 1990, p. 672).

- **Competence** is concerned with the degree to which a person feels she can perform certain activities with the relevant skills.
- **Meaningfulness** refers to the value that the person attributes to the task at hand.
- **Choice** relates to whether or not the person perceives herself as causally responsible for her actions, i.e., to what extent an individual feels autonomous in the way she makes decisions (Spreitzer [1995] calls this dimension 'self-determination', p. 1443).

Even though generalisations still appear tentative at this stage, one key conclusion seems to emerge from all of these different schools of research: empowerment on its own appears to be a mixed blessing in the eyes of those who are empowered. Unlimited or uncontrolled empowerment, when primarily defined as increasing (autonomous) choice – i.e., a more or less complete shift of decision power to individuals who were previously, noticeably less-empowered – is likely to overwhelm consumers ("information overload") and yield negative results, in terms of the subjective experience with the outcome achieved. A controlled shift of empowerment that takes into account the cognitive capacities and restrictions of the individual can, however, lead to an experience of increased satisfaction, and thus create positive overall effects.

5.4.2   Measuring Empowerment

Building on the conceptual work of Conger & Kanungo and Thomas & Velthouse, Spreitzer (1995) proposed the first model to measure the effects of psychological empowerment on the workforce. Like Thomas & Velthouse, she defined psychological empowerment as intrinsic task motivation, and explained that it required the subjects to feel meaning, competence, self-determination (equivalent to Thomas & Velthouse's 'choice') and impact (Spreitzer, 1995, pp. 1443–1444).

At the core of her model, these four factors combine additively to jointly create an overall feeling of empowerment – in other words, it is a formative model in which empowerment is the factor that results from combining the four individual conditions. (See p. 1444.) In her empirical study she applies a factor analysis, which suggests that her calculation is actually based on a reflective specification – i.e., that the four dimensions reflect the overall construct. This may be owed to the fact that, at the time of her writing, the debate about the distinction between formative and reflective models had not yet been developed to the point where it is today. For a discussion on the differences between formative and reflective models, see Diamantopoulos & Winklhofer, 2001; Rossiter, 2002; Jarvis et al. 2003; or Fassott, 2006; and section 6.3.5.1 in this research.)

In the work environment field, the claim is made that an empowering approach will produce advantages in terms of output, quality, productivity, speed and innovativeness (see Lawler, 1992, pp. 31–42, for an overview). In the context of marketing – and, more particularly, external brand communications – we follow the assumption that a subjectively empowered individual is more involved. This view also provides us

with a bridge to the involvement construct, and allows us to hypothesise that an empowering approach is likely to stimulate more positive word of mouth. This leads us to our model of Empowered Involvement.

5.5   Empowered Involvement as a Word-of-Mouth Marketing Paradigm

5.5.1   A Soft Constructionist Paradigm

Since the aim of our research is to identify ways for companies to stimulate *positive* word of mouth among consumers, we posit that a strictly social-structural perspective on empowerment – as the simple transfer of decision-making power to the individual – could entail a risk of alienating consumers. When empowerment is only assumed to exist by those trying to manipulate it, but not actually felt by those who are subject to the empowering exercise, or worse, when the subjects happen to feel less empowered during or after the process (because they may feel overwhelmed by choice, for instance – see Tversky & Shafir, 1992; Dhar, 1997), this would be counter-productive and might potentially lead to negative word of mouth.

In order to avoid this risk and provide a complete picture of what empowering consumers can mean in a marketing process, we adopt the approach that empowerment is to be understood both as a state governed by external factors, and as a motivational construct which needs to be measured in order to ensure that both its external antecedents are present, and that it is also felt by the individual.

We therefore follow the perspective that Thomas and Velthouse (1990) refer to as a soft constructionist perspective. This relies on giving equal consideration to the significance of internal interpretive styles (pp. 674–676), and the significance of the objectively verifiable external conditions (p. 669): "Observable external events and conditions are regarded as verifiable (i.e., as factual or objective). However, individuals' judgements and behavior regarding tasks also are shaped by cognitions that go beyond verifiable reality."

5.5.2   Empowered Involvement Defined

A definition that we previously relied on describes involvement as:

> *"A person's perceived relevance of the object based on inherent needs, values and interests."* (Zaichkowsky; 1985, p. 342)

Spreitzer (1995) defines and specifies psychological empowerment as follows:

> *"[…] a motivational construct manifested in four cognitions: meaning, competence, self-determination, and impact. Together, these four cognitions reflect an active, rather than a passive, orientation to a work role. […] The four dimensions are argued to combine additively to create an overall construct of psychological empowerment."* (p. 1444)

Combining these approaches, and referring to our theoretical considerations from the previous sections, we would like to propose the following definition of Empowered Involvement in the marketing context:

> *Empowered Involvement (EmI) is a person's perceived relevance of a marketing initiative based additively on the person's cognitions of meaning, competence, self-determination and impact related to said initiative, depending both on objective external conditions and the person's interpretive styles.*

In other words: by relying on the psychological empowerment construct, we shift the involvement perspective to a specific theoretical foundation, which explicitly allows for antecedent modification in order to stimulate the corresponding cognitions. Additionally, it is based upon the central idea of increased participation – a subject that we hypothesise to be of importance for a better understanding of how to stimulate word of mouth. Empowered involvement thus denotes a higher level of involvement than what is referred to as high involvement in the marketing literature, because it requires (inter)active participation on behalf of the individual, and not merely cognitive responses and, potentially, attitude changes.

As our overall hypothesis, it follows that companies that are interested in stimulating word of mouth for their brands, may do so by increasing cognitions of meaning, competence, self-determination and impact[48], and thereby stimulate Empowered Involvement among members of their target audience. (A discussion of how this may be achieved is presented in chapter 7.1.3.)

We specify the model as follows (adapted from Spreitzer, 1995, p. 1457):
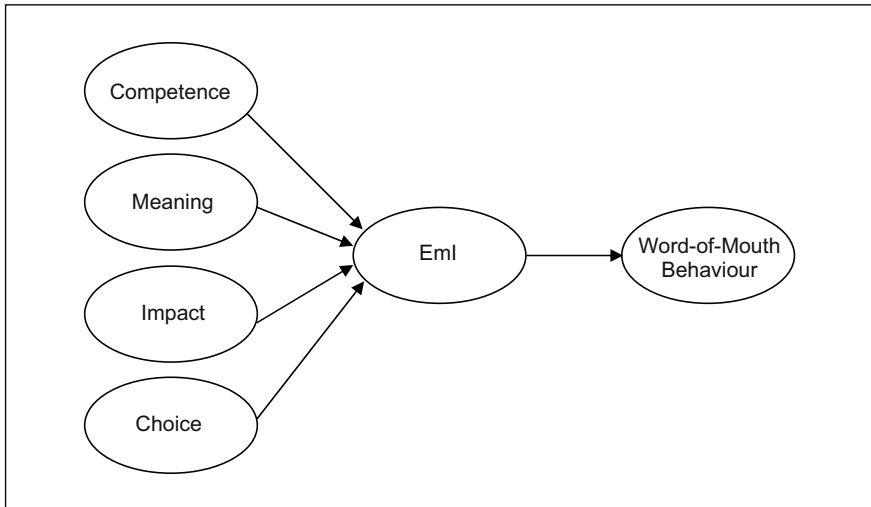
Figure 12: Empowered Involvement

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[48] In their analysis of motivational factors for the participation in so-called Open Source Marketing projects, Wiedmann, Langner & Hennigs (2007) also come to the conclusion that impact – i.e., the notion that contributed ideas are taken seriously – plays an important role in motivating participants (p. 145).

At this point, it may seem plausible to follow Spreitzer's construct more closely and treat empowerment and involvement as separate constructs. In such a scenario, empowerment would be conceptualised as the result of the four dimensions, and involvement, in turn, would be the result of empowerment. This would suggest that an entirely identical construct may be at work in both situations, i.e., that Empowerment, as described by Spreitzer, similarly impacts both the motivational make-up of a company's employees, and the motivations of a company's customers to produce word of mouth.

However, while we acknowledge marketing schools of thought that suggest a closer link between customer and employee (see particularly chapter 7), we do not believe that in the area of (consumer) marketing, the same type of empowerment that can be achieved with employees is possible with customers – while the former are on a company's payroll, rely on it to earn their daily bread, and come to work every day, the latter usually engage with the company only very infrequently and in a decidedly more casual way.

Therefore, we assume that, while the four dimensions of empowerment may be present, in the marketing context they result in a less substantial form of empowerment which is more akin to involvement, as known from marketing research. That is why we choose to present empowerment in this context as a single construct which is to be understood as a *type of* involvement – and which we therefore label "Empowered Involvement".

5.6   Summary

Empowerment seems to be a double-edged sword. On the one hand, it is presumed to provide substantial benefits when specific groups (employees, consumers) are empowered. On the other hand, the notion of empowerment that relies on externally observable modifications of relationships appears to bear some risk, as it might entail a subjective experience that does not provide a beneficial outcome. Researchers are, therefore, suggesting that empowerment should only be assumed to be present when the four cognitions of meaning, impact, competence and choice are felt by an individual in the given context.

In our attempts to provide an insightful path towards stimulating involvement for word of mouth, we build on this model and hypothesise that when present, these four cognitions also stimulate an individual to speak with other people more easily, and more positively, about a brand.

If we assume that stimulating word of mouth among consumers is becoming one of the responsibilities of marketing organisations, we can, consequently, conclude that it may become important to both assess the level of Empowered Involvement created by different types of marketing projects, and to try to increase these levels.

Additionally, if the empowerment model works in a word-of-mouth marketing context, this would provide a conceptually interesting link between human resources management and consumer marketing. As researchers are increasingly proposing a focus on an interaction orientation in marketing, they also explain that such a focus

would help turn customers into powerfully loyal allies, as "the firm's customers develop into a skilled resource for the firm" (Kumar & Ramani, 2007, p. 18) and as "marketing activities are conducted with the customer rather than for the customer" (Ramani & Kumar, 2008, p. 41). In other words, the consumers (or, even though we are referring to mass markets, here more aptly "the customers") start to play an active role in the marketing process, in some ways taking on the roles of quasi-employees.

Along similar lines, Judd, File & Prince (1992) point out "that the highest performing firms engaged their clients in some of the performance of the actual work". Also, research in business and industrial marketing has introduced the concept of customer integration, which explicitly recognizes the importance of the customer in the value creation of the firm (see Jacob, 2006, p. 46).

Figure 13 demonstrates how this view could alter the way consumer marketing may be conducted, as the focus on word of mouth effects moves closer into the core of marketing activities.
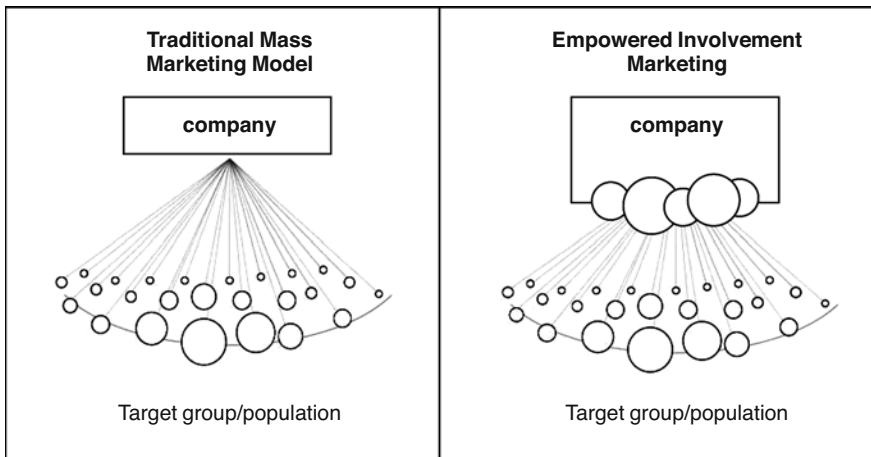
Figure 13: Traditional vs. EmI View on Consumer Marketing

Our research reflects this shift through the use of a model in marketing that is borrowed from human resources management research (See also Oguachuba, 2008, pp. 251–252, who also recommends the application of a motivational model from human resources management in marketing).

In the following section, we will describe our first approaches to an empirical testing of Empowered Involvement.

6 Testing Empowered Involvement

6.1 Introduction and Overview

6.1.1 A Deductive Approach

Our previous considerations have equipped us with a theoretical model that can help explain and predict the behaviour of consumers in an Empowered Involvement setting. First, we analysed the connection between involvement and word of mouth based on existing theoretical and empirical findings. Next, we conceptualised a particular type of involvement which we call Empowered Involvement, and which results from the combination of its four formative dimensions. We are now in a position that allows us to deduce conclusions concerning the relationship between Empowered Involvement and word of mouth (Chalmers, 2001; Popper, 1966).

In doing so, we develop a set of hypotheses, i.e., a number of general statements that describe our assumptions about the relationship between Empowered Involvement, its components, and word of mouth. The deductive approach (Popper, 1966) is based on the assumption that our theoretical considerations can be maintained and considered to be valid if we can observe the theoretically assumed relationships between the different components of our model in an empirical test – albeit, only as long as no new test falsifies the hypotheses, or until a new theory is developed which better explains the phenomena observed (Riesenhuber, 2006, pp. 2–4).

6.1.2 Two Stages of Empirical Analysis

The empirical part of our research consists of two stages. In the first stage, we set out to validate the general direction of our research, and more particularly, of our overall research hypothesis – as mentioned above – that an Empowered Involvement approach is likely to stimulate word-of-mouth communication among consumers. This first stage is more descriptive in nature, and less explanatory. In it, we tested whether a very simple form of Empowered Involvement – voting about ads – already leads to the hypothesised word of mouth effects. On the following pages, we will describe the experiment design, the sample selection, and the results.

Once the appropriateness of our direction was confirmed, we moved on to the second stage, based on a more complex conceptualisation, including a measurement of EmI, its antecedents and consequences. This more elaborate test was organised in co-operation with a German word-of-mouth marketing panel, and conducted within a campaign that introduced a new corporate blog. The second part of this chapter is dedicated to detailing all aspects of this test. It describes the considerations that led to the experiment design, explains the steps taken for the measurement of the different constructs (with a particular focus on the differentiation between forma-

tive and reflective specifications), and, finally, presents and discusses the results obtained.

6.2 First Preliminary Research

6.2.1 Introduction

In 2006, we conducted an early quasi-experiment with chewing gum maker Wrigley. The primary objective was to assess whether or not an approach designed to stimulate the four factors thought to contribute to an experience of empowerment, would indeed stimulate word of mouth activity.

Chewing gum was found to be suitable for a number of reasons. We follow Zaichkowsky (1985, p. 346), who, based on a literature review, suggested that low-involvement products are characterised by a lack of information-seeking about brands, little comparison between product attributes, perception of similarity among different brands, and no special preference for a particular brand. In light of this definition, we consider chewing gum to be a low-involvement product category. (Also, in one of Zaichkowsky's empirical analyses, instant coffee was shown to be a low-involvement product category, as was yoghurt, in Laurent & Kapferer [1985]. We assume that chewing gum, in terms of the level of involvement that consumers experience with it as a product category, can be considered to be similar to these two product categories.)

Because of low involvement, we were able to assume that the resulting word of mouth was not the product of intensive enduring involvement with the product category, but could indeed be attributed to situational Empowered Involvement.

Additionally, pre-testing showed that baseline WOM activity among the experiment target population (see below) for the chosen brand was virtually non-existent, since the brand is usually aimed at, and communicated to, a very sharply-defined target demographic (children). Choosing a brand that is not advertised to the survey population was also helpful for avoiding interference effects because of other marketing campaigns/projects.

Also, chewing gum is readily available and a product category that most people, our target population included, can relate to. The design consisted of two matched samples with one test group and one control group, thus constituting a quasi-experiment (Rack & Christophersen, 2006). The test group was invited to vote on an advertisement for a new chewing gum and subsequently witness the launch with the chosen ad, while the control group would only see the launch, without voting. The approach allowed us to make within-subject comparisons of the test group, both before and after, and between-subject comparisons between the test group and the control group.

6.2.2 Sample Selection

We matched sample groups of students at two university campuses. Students were chosen for a number of reasons. First, they are usually easy to reach, since they congregate on university campuses. Second, we anticipated that they would be open to

participating in the project. Third, they are typical consumers for the product category we had chosen to work with. Fourth, the brand we worked with was Hubba Bubba, a children's chewing gum brand. By working with a group that was clearly not part of the target population for the brand, we could ensure that no other marketing communication organised at the time of the experiment by Wrigley would interfere with our project, since such advertising would normally be directed at a much younger audience.

However, since some researchers have shown that student experiments may not easily be extrapolated to the general population (Cunningham, Anderson & Murphy, 1974; Soley & Reid, 1983), we will consider this factor in our interpretation of the results.

We chose the two cities of Paderborn and Oldenburg (Niedersachsen) in Germany. Both are cities of similar sizes (Paderborn has about 140,000 inhabitants, Oldenburg close to 160,000), and the universities also have similar sizes (the University of Paderborn has around 13,000 students, the University of Oldenburg around 11,000). In Paderborn, 101 students (50 women, 51 men) were subjected to the experimental treatment, through random selection by field researchers who addressed them with a questionnaire in a central university hallway close to the students' restaurant.

6.2.3   *Experimental Treatment and Data Collection*

The Paderborn students were informed that by participating in a short survey, they could enter a prize draw to win one Apple iPod Nano or one of ten large boxes of various chewing gum brands. If they agreed, they were first asked a few general questions (age, purchasing behaviour, word of mouth behaviour, etc.), and then informed that a new chewing gum from the Hubba Bubba brand would soon come out on the market. The advertising for this chewing gum would be organised in a different way than usual – instead of anonymously launching ads and expecting the students to purchase the product, in this case the students themselves could help decide and vote which ad should be used within the university, as they would know better which ads appeal to students and which do not. They were then shown two different advertising visuals, and asked to indicate which of the two ads would be more suitable – according to their own preference – for advertising the new product within the university building. They were asked for their e-mail addresses, as these were needed for a follow-up question a few weeks later, and to inform them in case they had won one of the prizes. Finally, they were thanked for their input and help.

Overall, the communication with the subjects was designed to provide the four elements that create Empowered Involvement. Namely, it was meant to:

■ create some sense of *meaning* for the participants as individuals, as they were told that the brand wanted to change its communication approach and, for the first time, involve the target group in this type of decision-making;

■ emphasise their *freedom of choice* in the project, by making it clear that the decision on which ad to chose was entirely up to them;

■ prove to them the *impact* of their decision by communicating the result of the survey after the votes had been collected, and by thanking them for their support and help;

■ instil a sense of personal *competence* with regard to the project by communicating to them during the survey that their opinion mattered because students knew best what type of ads would appeal most to other students.

Two weeks later, the ad that had received the majority of votes (93,5%)[49], was put up in the same area in the building where the survey had taken place (Paderborn). Also, the product was put on sale in the cafeteria. At the same time, the advertising and the product were also introduced in the control university (Oldenburg), where no students were involved in the decision-making.

Another two weeks later (four weeks after the initial survey in Paderborn), two further surveys were administered in both cities. In Paderborn, all participants from the first wave were sent an e-mail informing them about the outcome of the voting, and providing a link to an online questionnaire that asked them to answer a few follow-up questions about their attitudes and word of mouth behaviour.

In the control area, field researchers administered a similar survey to a random selection of students in a section of the university building where the ads had been put up and where the new product had been put on sale in a cafeteria outlet. Out of the 101 participants in the test area, 76.2% answered the online questionnaire as follows: 77 people in total, 41 male, 36 female, with an average age of 22.6. In Oldenburg, the researchers spoke with 120 people: 60 female, 60 male, with an average age of 24.2 years.

The following table presents the different steps in the research process in an overview:

Table 4: Research Process Chewing Gum Study

Timing	Research Process	Paderborn (Test)	Oldenburg (Control)
Start	1st questionnaire	Students asked about WOM behaviour	
	Experimental treatment	Participants voted on two ads	
2 weeks later	Product launch	Product on sale and ads put on display	Product on sale and ads put on display
2 weeks later	2nd questionnaire ("After treatment" questionnaire)	Students asked about WOM behaviour (online survey)	Students asked about WOM behaviour

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[49] Pre-testing had established that one of the two ads would be received much more favourably than the other, that way making sure that we would have an ad that would receive the majority of votes.

The participants' data can be summarised as follows:

Table 5: Participant Data Chewing Gum Study

City	Paderborn (Test)	Oldenburg (Control)
Number of participants	77	120
Percentage male – female	53% – 47%	50% – 50%
Average age	22.6	24.2

6.2.4   Scales/Measurement

Word of mouth behaviour was measured with the following two questions that were administered by field researchers:

Table 6: Word-of-Mouth Behaviour Questions

WOM question 1	Normally, people do not usually speak much about chewing gum – but if we assume that you would recommend a chewing gum: how likely is it, on a scale from 1 to 7, that you would recommend to try and test Hubba Bubba? (1 would be very unlikely, 7 very likely.)
WOM question 2	Have you spoken about Hubba Bubba with your friends in the past four weeks? (Yes – No)

6.2.5   Hypotheses

We started the experiment with the following four hypotheses regarding the expected behaviour of the participants:

Hypothesis 1a: Participants who voted on an ad talk **more** about the brand with their friends after the experiment than before.

Hypothesis 1b: Participants who voted on an ad talk **more favourably** about the brand with their friends after the experiment than before.

Hypothesis 2a: Participants who voted on an ad talk **more** about the brand with their friends after the experiment than members of the control group.

Hypothesis 2b: Participants who voted on an ad talk **more favourably** about the brand with their friends after the experiment than members of the control group.

6.2.6   Results

We were able to observe that the above attempt to produce Empowered Involvement seems to have lead to both significantly more and significantly more positive Word of Mouth from the participants to their peers about the brand. A high response rate (76.2%) for the online survey already appears to indicate that involvement levels

seem to have been raised in the test group. The results from the within-subject measures indicate substantial rises in word of mouth activity: before the treatment, only 5.2% of the participants had claimed to have spoken about the brand to their friends in the past 4 weeks, while 68.8% claimed to have done so afterwards. The application of a Chi-squared test reveals strong statistical significance for this difference.

Table 7: Results Hypothesis 1a, Chewing Gum Study

Treatment group	Percentage who had spoken to friends about brand in previous 4 weeks	Level of significance
Before treatment	5.2%	$p < 0.001$
After treatment	68.8%	

Also and maybe more importantly: when asked about their likelihood of recommending the brand to their peers, on a scale from 1 to 7, the average shifted from 2.58 before the experiment to 3.26 afterwards. T-testing for equal means qualifies this difference again as strongly significant.

Table 8: Results Hypothesis 1b, Chewing Gum Study

Treatment group	Average likelihood to recommend on 7-point scale	Level of significance
Before treatment	2.58	$p < 0.001$
After treatment	3.26	

Both held true also when compared with the control group. The members of the control group spoke significantly less with their friends about the brand than their counterparts who had voted on the ads:

Table 9: Results Hypothesis 2a, Chewing Gum Study

Treatment and Control group	Percentage who had spoken to friends about brand in previous 4 weeks	Level of significance
Test group, after treatment	68.8%	$p < 0.001$
Control group, after treatment	13.33%	

Furthermore, they were also significantly less willing to recommend the brand to their peers:

Table 10: Results Hypothesis 2b, Chewing Gum Study

Treatment and Control group	Average likelihood to recommend on 7-point scale	Level of significance
Test group, after treatment	3.26	p < 0.001
Control group, after treatment	2.19	

We can conclude that our first empirical observations appear to substantiate our assumptions. The hypothesised effect was observed, as both test and control group appeared to behave the way we expected them to. None of our hypotheses were refuted, so these first results encourage us to continue with step 2 in our research project.

At this point, we felt confident that allowing participants to get actively involved in the shaping of the marketing process does indeed appear to give them something worth talking about, and to improve advocacy for the brand among the target population.

6.2.7   Limitations

A number of limitations should be noted in connection with these results, and they will have an impact on the following steps of our research:

1. The between-subject results have to be interpreted with some caution. Due to the experiment design, it was not possible to exactly mirror all conditions in the control group – in particular, it was not possible to alert the control group participants to the project at the beginning, so that they would be as attentive to the ads as the involved group must have been. Therefore, whether or not we were actually interacting with students who had noticed the advertisements and the new product, was a question of chance. Had we alerted them beforehand, this would have constituted a first intervention, which would have made interpretation of the results just as difficult. Also, the spatial conditions in the two universities were not exactly the same, so this is another factor that may have played a role in the way the brand and product were received by the two groups.

2. The ads used in the process were only displayed in a limited area of the respective university buildings, they were not used on a larger scale within the city or the country. This means that some laboratory effect may have been present.

3. As mentioned above, the fact that we worked with students is likely to produce a sample bias – even though we find that the experiment intervention seems to have led to a change in behaviour, we have difficulty predicting if this effect can be reproduced in other segments of the population.

4. It is uncertain whether the intervention has indeed led to Empowered Involvement, or whether it may simply have been the novelty aspect of a brand asking for votes about ads that has triggered the word of mouth behaviour (see Derbaix & Vanhamme, 2003, for an investigation into word of mouth triggered by surprise).[50] As described before – Empowered Involvement should be felt, not assumed to be conferred. Thus, actually measuring Empowered Involvement appears necessary.

In order to remedy these limitations, a second study was carried out.

6.3   Second Research Study

6.3.1   Introduction

The first study provided a certain level of confidence that the hypothesised effects could indeed be observed. The second stage of the experiment was conducted in order to obtain a more thorough understanding of how Empowered Involvement functions. It was particularly instrumental for evaluating to what extent the four factors identified in the workplace environment – impact, competence, choice and meaning – would be present in a consumer marketing context, and which role each factor would play individually in producing Empowered Involvement.

This section will proceed as follows. We will start by describing our hypotheses for the analysis that we have carried out. We will then proceed by explaining the approach and the sample with which the experiment was conducted. Next, we will present our chosen approach for analysing the data, and assess the quality of the data collected. Finally, we will discuss the results that were obtained in the study.

6.3.2   Hypotheses

As noted above, Spreitzer argues (1995, p. 1444) that the four dimensions of empowerment "combine additively to create an overall construct of psychological empowerment. […] the lack of any single dimension will deflate, though not completely eliminate, the overall degree of felt empowerment". Accordingly, we conclude that Empowered Involvement as a construct relies on the participants' subjective experience of one or more of the four dimensions (Meaning, Impact, Choice and Control, see section 5.5).

To give an example: we suppose Empowered Involvement to be present when a person – in the context of a word-of-mouth marketing programme – experiences a certain degree of "Meaning" because of her participation in such a programme (see, for instance, the Nike Armstrong case, section 7.1.3.1). In that case, however, we assume that the level of Empowered Involvement is lower than in another case, in which a person feels that she has a lot of impact on a marketing programme and feels quite competent in her ability to do so. So, in other words, when two of the four dimensions

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[50] The author would like to thank Prof. Dr. Ansgar Zerfaß for pointing out this limitation in an early discussion of this research project.

are active (at similar levels), the level of Empowered Involvement should be higher than when only one of the dimensions is felt.

Taking into account the literature on involvement and on word of mouth which we have analysed so far, we assume that the higher a person's involvement with a brand, a product, or a brand communications initiative, the higher the likelihood that this person will spread positive word of mouth about the object of their involvement. And we assume Empowered Involvement to be a form of involvement that leads to such word of mouth.

Consequently, – by drawing on our conclusions from the empowerment literature and by combining them with our observations from the involvement and word of mouth literature in the previous chapters – we can now develop the following five hypotheses for our model of Empowered Involvement:

Hypothesis 3: The higher a person's experienced level of *Empowered Involvement* with a marketing communications project, the more probable that the person will create positive word of mouth about the project.

Hypothesis 4: The higher a person's subjectively experienced Competence with regards to a marketing communications project, the higher the person's *Empowered Involvement*.

Hypothesis 5: The higher a person's subjectively perceived Meaning of a marketing communications project, the higher the person's *Empowered Involvement*.

Hypothesis 6: The higher a person's subjectively experienced Impact on a marketing communications project, the higher the person's *Empowered Involvement*.

Hypothesis 7: The higher a person's subjectively experienced level of Choice concerning his or her participation in a marketing communications project, the higher the person's *Empowered Involvement*.

The following graph describes the hypotheses visually:
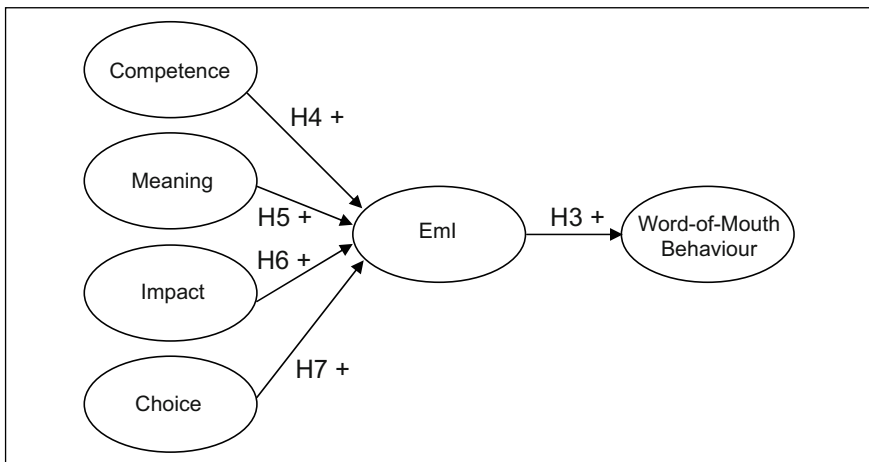
Figure 14: EmI-hypotheses

6.3.3 Methodical Considerations, Project Description and Sample Selection

6.3.3.1 Collaboration with Word-of-Mouth Marketing Company

For the second study, a setting had to be identified which would fulfil a number of requirements. The main purpose of these requirements was to remedy the limitations that we identified in the first study (see section 6.2.7). Namely, this meant:

1. The setting had to provide a population which is used to the idea that marketing projects may be carried out in collaboration with consumer groups. This was needed in order to make sure that the project would not trigger word of mouth because of the novelty of the approach, but because Empowered Involvement was indeed experienced by the participants. Some marketing approaches rely on surprising consumers, and this may also lead to word of mouth. However, surprise as a trigger for WOM is not the object of our study, which is why surprise effects should be limited.

2. The group should be composed of a broader demographic range of members, and not only students, because that would help us eliminate the sample bias – as explained above, results from surveys or experiments with students cannot easily be generalised to other demographic groups.

3. Within the group, it had to be possible to administer a questionnaire to both the participants and to non-participant observers of an Empowered Involvement marketing project. This would enable a comparison of EmI-levels between these two groups (test group and control group), in order to correctly attribute the resulting behaviour to the experiment manipulation and exclude other factors.

4. The experiment should ideally be conducted with a *'real-world'* Empowered Involvement-based marketing project that would have a lasting tangible result in the marketing reality of a brand. This would help avoid the laboratory effect, i.e., if participants understand that their behaviour and actions are reflected in a way that has a lasting impact on the way a company conducts (a facet of) its marketing operations, the actual effect of such Empowered Involvement in the marketing reality could be assessed more reliably.

In order to fulfil these requirements, a collaboration with the German marketing services company TRND AG ("the real network dialogue", online at www.trnd.com) was initiated. TRND conducts word-of-mouth marketing campaigns with their own online-community of close to 100,000 members.[51] An EmI marketing project that TRND carried out for the client company Loyalty Partner, was chosen as a suitable setting for the experiment. Loyalty Partner operates Payback, a German multi-brand loyalty programme. Payback had already conducted a campaign with TRND in late 2006, and now planned to launch a corporate weblog. The company wanted to ensure that the blog would be received favourably within the German blogosphere. To achieve this, the blog was designed and configured in collaboration with a selection

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[51] Number of members at the time of writing (End of 2008).

of TRND members – 111 were selected for the project. With this project, the four requirements listed above could be met:

1. TRND members know that TRND clients organise their marketing campaigns in collaboration with the members – an Empowered Involvement approach is therefore no surprise to them.

2. TRND has not only student members, but also participants from a much broader demographic range.

3. A differentiation between those TRND members who were participants in the project and those who were not, could be made easily. Both groups could be approached with questionnaires on the TRND web platform, as the company regularly conducts surveys among members, both within and independently of specific marketing projects.

4. The corporate blog project was a *'real-world'* client project that was meant to be employed long-term as a new Payback online marketing tool.

6.3.3.2   Blog Launch Project Description

The blog launch project was organised as follows:

■ **Project launch: 30th of November 2006.**
All TRND members (about 45,000 at the time) were invited to apply for the project. From roughly 1,000 applicants, a selection of 111 members was made from those who showed both an interest in blogs and/or an interest in the Payback loyalty programme.

■ **Project start: 7th of December 2006.**
Between the 7th of December 2006 and the 24th of January 2007, the participants could get involved with the blog project in two ways. First, various issues regarding the new blog were discussed on a dedicated campaign blog. This project blog was only meant for discussions about the new corporate blog to be launched by Payback. In comment-based discussions, project members could discuss Payback's corporate blogging project with both employees from TRND and with the prospective corporate blogger from the Payback PR department.[52] Additionally, three surveys among the project members were conducted, in which they were asked to vote on the blog design (members could choose from three alternative design templates for the blog), decide which topical categories the blog should feature, and vote on the blog's name.

■ **Closed beta launch of the new blog: 25th of January 2007.**
On the 25th of January, all project members were given exclusive access to the password-protected new blog that had been set up according to the discussions and voting during the previous stage of the project. They were asked to test the site, to

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[52] This campaign blog is still online at http://paybackblog.trnd.com/.

send in any comments they might have, and to report potential mistakes or technical problems. In a fourth survey on the 11th of February 2007, project members were asked to decide whether the blog was ready to go online.

■ **Blog launch: 19th of February 2007.**
The blog was launched at the following address: www.paybackblog.de.

After the project had been carried out, it provided an opportunity to measure and compare levels of Empowered Involvement of both those TRND members who had been part of the project and had been given a range of opportunities to shape and influence the way the blog would be designed and maintained, and other TRND members who only knew about the project but were not involved. By collecting answers from both groups with a questionnaire that measures EmI and word of mouth levels, we were able to develop a quasi-experimental setting with two matched samples (Rack & Christophersen, 2006).

6.3.3.3   Sample Selection

On the 14th of March 2007, all TRND members (at that time, around 47,000, this includes those who had participated in the project) were invited to answer an EmI/word of mouth questionnaire about the Payback blog. It was explicitly stated that the questionnaire was not limited to participation by project team members, but that any TRND member was welcome to answer. As an incentive, all participants would be eligible for a drawing to win one of three mp3-players.

Within one week, the survey yielded 1,810 responses from both project members and non-members combined.

6.3.3.4   Test Group

Eighty-six of the survey participants stated that they had been members of the blog launch project. Double-checking revealed that 18 of these claims were incorrect. In other words, these members had in fact not been part of the project group; the corresponding datasets were removed. Thus, from the 111 participants in the project, 68 had answered the survey (which amounts to a participant response rate of 61.3%). Because of missing data, 51 could be retained as the test group for the study.

6.3.3.5   Control Group

Among all other participants in the survey the following steps were taken to compose the final control group:

■ 287 non-project participant responses were eliminated because they had indicated that they did not read blogs. Since the project participants had been discussing a blog project, the matching control group should be equal in the respect that they should be familiar with blogging as such.

■ Seventeen were eliminated because of inconsistent answers.

- Seventy-six were eliminated because they had become TRND members on or after the 19th of February (date of the Payback corporate blog launch). They could not have provided meaningful answers in the survey because they could not be aware of the blog project.
- 510 sets of responses were eliminated in order to avoid sample bias, because these had signed up directly after a targeted TRND recruiting drive for a specific demographic group.
- Among the remaining non-project participants, a random choice of 51 was made. The choice was made by drawing random numbers with the free online random-algorithm random.org. Once a group of 51 participants was selected, key basic demographic data of the participants in the project was compared. Blind random redrawing took place until the two sets of test and control group had demographic structures that were as similar as possible.

Table 11: Test and Control Group, Blog Experiment

Test group (51 members)	**Control group** (51 members)
Payback members: 20 (39.2%)	**Payback members:** 20 (39.2%)
Sex: male: 35 (68.6%) female: 16 (31.4%)	**Sex:** male: 36 (70.6%) female: 15 (29.4%)
Nationality: Austrian: 2 (3.9%) Swiss: 1 (2%) German: 48 (94.1%)	**Nationality:** Austrian: 2 (3.9%) Swiss: 0 (0%) German: 49 (96.1%)
Average TRND membership: 1.54 yrs.	**Average TRND membership:** 1.42 yrs.
Average age: 23 years	**Average age:** 29.2 years

Overall, both groups had matching demographic data, so the sample selection provided the desired statistical control. It was particularly important to have an equal number of Payback customers (members of the loyalty programme) in both groups, so that membership would not account for any differences in word-of-mouth behaviour. The only important difference that could not be eliminated was the average age in the two groups – a difference of 6.2 years proved to be statistically significant ($p < 0.001$), so this factor had to be taken into consideration in the data analysis.

6.3.4   Questionnaire Development

6.3.4.1   Measuring Empowered Involvement

The Empowered Involvement questionnaire was adapted from Spreitzer's Empowerment Measurement Scale (See Spreitzer, 1995, pp. 1450–1452 and pp. 1464–1465):

- Meaning items were based on Tymon (1988).
- Competence items were based on Jones' self-efficacy scale (1986).

■ Self-determination is measured through the autonomy scale developed by Hackman and Oldham (1985).

■ Impact is adapted from a scale measuring helplessness (Ashforth, 1989).

One challenge was that in a workplace context – for which the questionnaire was originally designed – almost anyone can be asked general questions about the four constructs without creating a contextual problem, because any employee experiences a personal level of empowerment in the workplace, be it high or low.

The same cannot be said of Empowered Involvement in our experimental setting. Here, a fundamental difference exists between those respondents who participate in an EmI project and those who do not. Also, Spreitzer (1995, p. 1444) points out that "empowerment is not a global construct generalizable across different life situations and roles but rather, specific to the work domain". Consequently, a few adjustments had to be made in the way some of the questions were worded. Also, in order to further improve reliability and provide a more stable measurement, a fourth item was generated for each of the four constructs (see Saab, 2007, p. 135–136; Churchill, 1979, p. 66).

Three questions were reverse-coded. This also allowed non-project-participants to express a high level of agreement with some of the questions. Their scores on all aspects of EmI were hypothesised to be fairly low, so without reverse coding, non-project-participants would have had to go through a full set of 19 questions, and would have been expected to consistently enter relatively low scores. This might have created a fatigue effect and yield a more negative overall outcome than what would have been indicative of their actual cognitions and behaviour. The reverse-coded questions were designed to limit this effect.

(One additional question was also needed to assess blog readership/familiarity with blogs, so that matching samples could be produced.)

6.3.4.2   Measuring Word of Mouth

Three questions were used to measure word-of-mouth behaviour. The first asked about actual past behaviour. This was a simple yes-no response as to whether or not WOM recommendations had been made. (Asking respondents about past WOM behaviour is an established approach to measuring word of mouth; see, for instance, Arndt, 1967c.) The second was the Net Promoter Score question that was extensively discussed in chapter 1.3.1. The third question also probed for "willingness to recommend", with a slightly different wording than the NPS question. (These three questions are discussed in some more detail in a later section where we explain the reflective nature of the measurement, see 6.3.5.3.)

It would have been desirable to add further questions about word of mouth behaviour – for instance, about the number of WOM episodes that had taken place, how high the percentage of online WOM vs. offline WOM was, or to which type of ties (strong or weak) these recommendations had been made. However, the objective of our research was to test the hypotheses concerning Empowered Involvement, and questionnaire length had to be kept to a minimum, in order to limit respondent fatigue

in the real world setting in which the questionnaires were answered. Consequently, it was decided to refrain from asking any additional questions, and to limit the WOM behaviour questions to the ones described above.

One dilemma which had to be dealt with when designing the questionnaire should be pointed out briefly: it had to be decided if participants are asked about their word-of-mouth behaviour concerning the brand and/or product itself, or about their WOM behaviour concerning the marketing device which was the object of the Empowered Involvement process.

As we have discussed before (see section 1.2.4.2), WOM marketing strategies, which are exclusively directed at creating word of mouth about or around an advertising vehicle, might be considered questionable, as it is difficult to determine whether such campaigns actually create word of mouth that has a positive effect for the brand. Differently put, forwarding an ad is arguably not tantamount to recommending a brand.

In this case, however, we decided to ask respondents about their word of mouth concerning the marketing device (the blog, in this case), and not the brand/product itself. This was because less than 40% of the participants in both groups were Payback members themselves. Recommending the adoption of a loyalty programme may constitute a social risk because such a membership can significantly alter the way shopping is experienced, since shoppers are incentivised to adapt their shopping behaviour to the outlets that award points within the loyalty scheme. To advise a friend to become a member might seem strange to those 60% of participants who weren't members themselves. On the other hand, answers about recommending the blog to others could easily be given by all questionnaire respondents in the same way. That is why the decision was made to focus on WOM about the blog in the survey.

6.3.4.3   Questionnaire Introduction and Wording

Since comparison of the results between the two groups necessitated a single set of questions to be answered by all participants, the explanatory text introducing the questionnaire was fairly extensive, and, more particularly, it contained the following section (emphasis and italics in the original text):

> "The survey is about the Paybackblog and the collaboration for its launch, however, **all TRND members who were not part of the Paybackblog project should *also* participate**. Even if, at some times, this may seem slightly strange – it has been deliberately designed this way. Just answer as honestly as you can."

A similar introduction was part of the e-mail text that was sent out to all members, in order to invite them to fill out the questionnaire.

The following questionnaire was used (translation from German). Questions are presented in the order in which they were asked. The order of the questions was designed to separate items that belong to the same construct, in order to minimise participant fatigue:

Table 12: Blog Experiment Questionnaire

Item nr.	Statement	Type of response	Construct
1	"I think I was able to make helpful suggestions for the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Competence
2	I myself could determine my participation in the development of the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Choice
3	"Some of my input is reflected in the final Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Impact
4	"I am indifferent about the development of the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Meaning (reverse)
5	"How likely is it that you would send the Paybackblog URL to friends, acquaintances or colleagues, or recommend that they have a look at the Paybackblog?"	Net Promoter Score measurement (see Reichheld, 2003), express likelihood on 0 to 10 scale.	Word of Mouth behaviour (positive – negative)
New page			
6	"I haven't had the slightest impact on the way the Paybackblog looks today."	Agreement – Disagreement on a 1–7 Likert scale	Impact (reverse)
7	"I independently helped make decisions about the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Choice
8	"I took a personal interest in the development of the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Meaning
9	"I believe that I could provide meaningful support to the Paybackblog project."	Agreement – Disagreement on a 1–7 Likert scale	Competence
New page			
10	"My input on the Paybackblog development is reflected in the final result."	Agreement – Disagreement on a 1–7 Likert scale	Impact
11	"I had valuable contributions to make to the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Competence
12	"I completely volunteered to be part of the Paybackblog project."	Agreement – Disagreement on a 1–7 Likert scale	Choice
13	"I am quite ready to point out the Paybackblog to friends or acquaintances."	Agreement – Disagreement on a 1–7 Likert scale	Word of Mouth behaviour
14	"Having been part of the Paybackblog project means something to me."	Agreement – Disagreement on a 1–7 Likert scale	Meaning
15	"Do you read blogs?"	Yes – No	Sorting question for matching samples.

Table 12: Continued

Item nr.	Statement	Type of response	Construct
New page			
16	"My input was of use for the development of the Paybackblog."	Agreement – Disagreement on a 1–7 Likert scale	Competence
17	"I cannot identify at all with the Paybackblog as a web project."	Agreement – Disagreement on a 1–7 Likert scale	Meaning (reverse)
18	"I independently decided how I would contribute to the Paybackblog project."	Agreement – Disagreement on a 1–7 Likert scale	Choice
19	"That the Paybackblog turned out the way it did was in part also thanks to me."	Agreement – Disagreement on a 1–7 Likert scale	Impact
20	"Have you sent the Paybackblog URL to others, or have you mentioned it to others (possibly on your own blog, or in a conversation)?	Yes – No	Word of Mouth behaviour

The questionnaire was discussed with both researchers and potential respondents, to ensure face validity, clarity and applicability. No item had to be removed in the process.

At this stage, an extensive pre-test of the questionnaire would have been desirable, in order to ensure the reliability and validity of particularly those items from the empowerment research that had to be adapted for the marketing context.

However, as real-life EmI marketing projects are still fairly rare in the German marketing practice, and as access to them is difficult to obtain, a pragmatic decision had to be made. The Payback marketing project was following a schedule that allowed for a brief period of two weeks in which questioning the participants was possible. After that, additional measures were scheduled in the marketing project; and these might have distorted results. Since the above-mentioned questionnaire was developed briefly before this period, the questionnaire could either go into pre-testing, or be applied directly in the context outlined above. Thus the decision was made to forego the pre-testing and directly use the questionnaire with the participants.

6.3.5   Data Analysis: Structural Path Modelling

6.3.5.1   Empowered Involvement as a Formative Construct

In order to conduct the statistical analysis of the data obtained from the questionnaire, it was important to determine the nature of the EmI construct. More particularly, the distinction between a formative and a reflective specification had to be made, in order to avoid specification errors (Diamantopoulos and Winklhofer, 2001; Jarvis et al., 2003; Eggert & Fassott, 2006).

This question fundamentally hinges on the theoretical considerations that lie at the base of the construct. Thomas and Velthouse (1990, p. 671) explain that the four dimensions within which workers operate when assessing tasks (since the focal context of their work lies in worker empowerment) "are seen as having additive motivational effects" for creating a personal experience of empowerment. They go on to explain (p. 672) that "[e]ach of these variables, in fact, has been treated by earlier theorists as a separate intrinsic need or reinforcer". Spreitzer's own assessment mirrors this view, as has been pointed out previously (see sections 5.4.2 and 6.3.2).

Diamantopoulos and Winklhofer (2001) provide a list of six characteristics that separate formative from reflective indicators (pp. 270–271); the first three particularly help to distinguish the two different types[53]:

1. Formative indicators are not interchangeable. Each indicator provides one facet of the overall construct, and this facet would be lost if the respective indicator were to be eliminated. In our model, this is the case, as the four dimensions, Meaning, Impact, Choice and Competence, all denote different aspects of the way an individual assesses an empowerment situation – for instance, the question to what extent someone has had an effect on a given outcome (i.e., 'Impact') can be considered to be quite independent from the question of whether or not this was done according to independent decisions (i.e., 'Choice'). (See also Bollen & Lennox, 1991, p. 308, who note that "omitting an indicator is omitting a part of the construct".)

2. It follows that correlations between formative indicators cannot be explained by the measurement model. If indicators relate to fundamentally different and additive aspects of a construct, there is no need for a specific degree of correlation to exist between them. Again, this can be assumed to be the case for Empowered Involvement – in any single scenario, levels of subjectively experienced Impact and Meaning (for example) do not need to correlate in any foreseeable way. To illustrate this, we can assume that an advertisement on television is highly charged with meaning for a given individual. It can, however, be quite natural for this person at the same time to not have had any impact on its development (which is actually the typical way most advertising is experienced by most people).

3. As a consequence, "internal consistency is of minimal importance because two variables that might even be negatively related can both serve as meaningful indicators of a construct" (Nunnally & Bernstein, 1994, p. 489; as quoted in Diamantopoulos & Winklhofer, 2001). Again this could be the case with Empowered Involvement, as can be seen in the hypothetical example in the previous point.

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[53] We acknowledge that in our model, the four dimension of EmI are not indicators but latent constructs. However, at this point we are only concerned with the way the overall construct of EmI has to be specified, so we follow the reasoning concerning formative indicators. According to Chin, second order constructs are latent variables that are measured by means of first order latent constructs (Chin, 1998, p. 10). The specification of the four dimensions will be presented in the following section.

Based on Jarvis, MacKenzie & Podsakoff (2003), Fassott (2006) provides a list of seven questions that can help determine the character of a variable. He summarises that the one issue at the heart of the matter is always the causality between the indicator and the latent variable (see also Hermann, Huber & Kressmann, 2006).

Consequently (and as stated above, see section 5.4.2), we understand Empowered Involvement as a second-order formative construct, which results additively from its four latent dimensions.[54] Each dimension contributes an important facet to the overall construct, none of which should be omitted, so that as complete an estimation of Empowered Involvement as possible can be achieved. (While this is in line with Spreitzer's interpretation, it is in some contrast to the way she treated the data in her analysis – see section 5.4.2. But, as stated above, we assume that this is owed to the methodological state of thinking at the time of her writing.)

6.3.5.2   Four Dimensions of EmI Measured Reflectively

In contrast to the overall construct of Empowered Involvement, its four dimensions are latent variables that should be measured reflectively. While formative models are focussed on the antecedents of latent constructs, reflective models observe the consequences (Diller, 2006, p. 613) and reflect a factor-analytical approach (Eberl, 2006, p. 652) in which the latent construct is interpreted as the cause for the observed indicators (Christophersen & Grape, 2006, p. 116). In the present study, the assumption is that, in order to reliably measure cognitions of Impact, Meaning, Competence and Choice, a range of indicators should be used that reflect these underlying dimensions.

The dimensions themselves are fundamental cognitions which do not result additively out of other factors, but which are thought of as "cognitive components" (Thomas & Velthouse, 1990, p. 671). Despite the fact that Spreitzer (1995) does not explicitly discuss the difference between formative and reflective indicators, her description of the scale development (pp. 1450–1452), and her analysis (p. 1457), indicate that she also specified them as measures which all reflect the underlying construct. Therefore, we base our analysis of the four components of EmI on the assumption that the items, which measure them, do so reflectively.[55]

In empirical research within the social sciences, there seems to be a fairly broad agreement that multi-item measures of any given latent construct are to be preferred to single-item measures: The joint use of several indicators enables a more precise measurement – potential weaknesses of individual indicators can be evened out, and there is a higher likelihood that the full scope of a construct is accurately reflected in the measurement (see Homburg & Dobratz, 1991, p. 214; Churchill, 1979, p. 66; Homburg & Pflesser, 2000, p. 420). Consequently, in this research, both the measurement of Empowered Involvement and of word-of-mouth behaviour (see the next section) were carried out with multi-item scales.

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[54] This also becomes apparent when considering our hypotheses 4–7 (see section 6.3.2). It would not be possible to test them separately if the construct were not specified in a formative way.

[55] Homburg and Klarmann (2006, p. 731) point out that often, the decision about the most suitable specification in a given context cannot be made solely on objective grounds, and will always include a certain degree of subjectivity.

6.3.5.3   Reflective Measurement of Word-of-Mouth Behaviour

It could be argued that word-of-mouth behaviour should be measured formatively. This would necessitate a comprehensive review of all facets of word-of-mouth behaviour, which would then be turned into a complete collection of items that jointly produce the total picture of an individual person's word-of-mouth behaviour.[56] However, such an approach would go beyond both the scope of this study and beyond the intentions pursued with it. In this context, we aim only to assess the differences in word-of-mouth behaviour between groups with and without Empowered Involvement.

   For this purpose, we chose to conceptualise the participants' overall word of mouth behaviour about the marketing project as the underlying cause, which is reflected in different ways and measured by the following three indicators as reflective measures:

1. **Actual behaviour recall:** Since the survey took place less than a month after the project had been carried out, we expected the respondents to still recall their behaviour from the time during and immediately after the project. Even though respondents' word-of-mouth behaviour recall may be fraught with the risk of inaccurate memory (Brown & Beltramini, 1989, p. 9), this is less of a concern here because we can assume that the same memory errors would appear in both the test and the control group, that way neutralising each other in the experiment. Thus, our first question addressed actual word-of-mouth behaviour with regard to the blog. (See item 19 in the questionnaire. Yes/No questions concerning word-of-mouth behaviour have been used in the literature before, see also Brown & Beltramini, 1989, p. 11.)

2. **Net Promoter Score:** Reichheld's (2003) NPS metric has found widespread adoption as an advocacy metric (Keiningham et al., 2007), and we are using it both in order to attempt a benchmarking of results, and as an established positive vs. negative word of mouth measure (see item 5 in the questionnaire).

3. **WOM-Readiness on 7-point Likert scale:** In order to obtain a second measure for readiness to recommend, we used a question that has been used similarly in previous literature (item 13; see File, Judd & Prince, 1992, p. 13).

6.3.5.4   The Structural Path Model of Empowered Involvement and
            Word of Mouth (Measurement and Structural Model)

We can now analyse the relationships between the four components of EmI, Empowered Involvement itself, and word-of-mouth behaviour with the help of the path modelling approach. Stemming from the empirical social research field, the path modelling approach combines regression and factor analysis, in order to identify quantita-

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[56] In a related manner, Bearden and Oliver (1985) speak about a "multiple agenda" with regards to complaint behaviour.

tive relationships between the latent and the manifest constructs, which can then be interpreted within a theoretical context that has been developed beforehand (Ringle, 2004; Saab, 2007, pp. 133–139). However, since the theoretical foundation only allows to infer causal relationships based on the underlying theory, we opted for a quasi-experimental setting, in order to be better equipped for drawing conclusions on causality (Bagozzi & Yi, 1989).

Defining the relevant latent constructs and their relationships is key for the structural path modelling approach. (The following is based on Backhaus et al., 2006, pp. 339–342.) Latent constructs describe abstract concepts, which neither allow direct measurement nor are certain to actually exist. They are described in theoretical terms, in relation to the theoretical assumptions that the researcher attempts to study.

In many scientific disciplines, latent constructs play an important role because they help describe important objects of scientific analysis, such as motivations, attitudes, images of self and others, or intentions. Frequently, the interactive relationships between various hypothetical constructs are of particular interest for the researcher. This is the case in our study, in that we want to understand how the six theoretical constructs of Competence, Meaning, Impact, Choice, Empowered Involvement and word-of-mouth behaviour are related. In order to be able to measure these latent variables, they need to be operationalised.

This is done by assigning indicators to each construct, which are assumed to accurately either reflect or jointly form (see discussion in section 6.3.5.1) the latent construct. These indicators are formed in terms that relate to observable effects in real-life scenarios.

A third class of elements which is needed to build a path model, is formed by the various correspondence rules that are assumed to govern the relationships both among latent variables and between latent variables and their respective indicators.

Based on the theoretical considerations we undertook in previous chapters, we now propose a structural path model of EmI and WOM. Latent constructs are depicted as circles, indicators as rectangles, and correspondence rules as arrows (see figure 15, *next page*).

The model contains two sub-models. The structural model describes the relationships between the latent constructs – in this case, the links between the four EmI components and EmI itself, as well as the relationship between EmI and WOM behaviour. The measurement model describes the relationships between the manifest indicators and the latent constructs that they measure (Ringle et al., 2006, pp. 81–82; Panten & Thies, 2006, p. 313).[57] EmI is a reflective first order and formative second order construct (which Jarvis et al., [2003, p. 205] refer to as a "Type II" model).

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[57] Herrmann, Huber & Kressmann (2006, p. 36) differentiate further by splitting the measurement model into one that measures exogenous latent variables (here: the four components of EmI) and endogenous latent variables (here: word-of-mouth behaviour). See also Buch, 2007, p. 14.
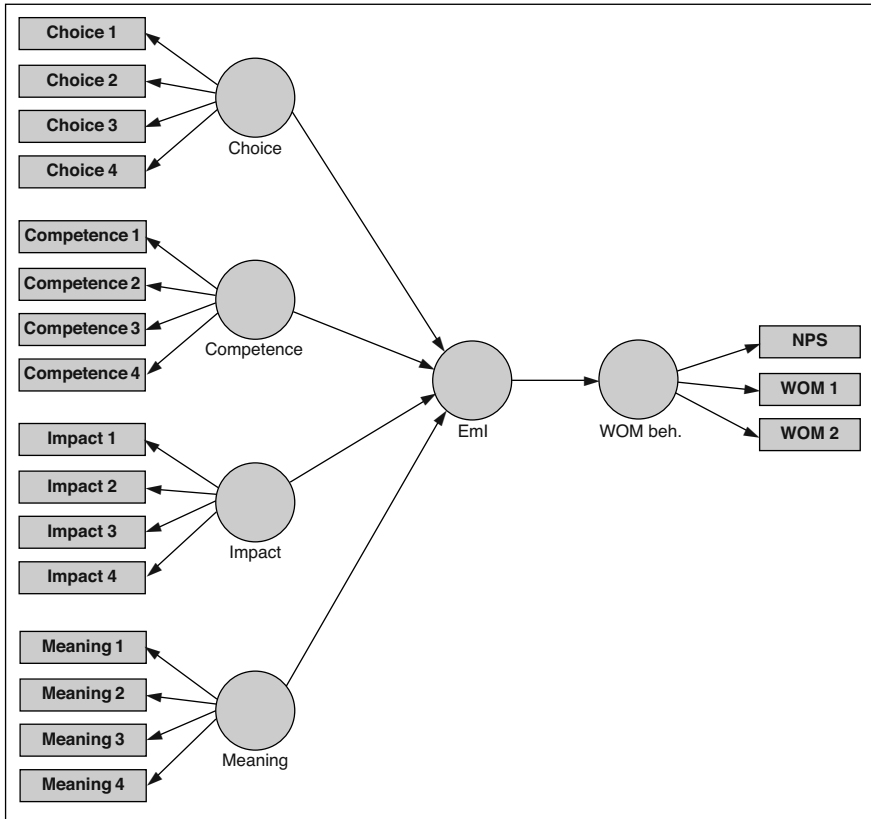
Figure 15: Structural Path Model of Empowered Involvement and Word of Mouth

6.3.6   *Choice of an Algorithm*

6.3.6.1   Variance- and Covariance-based Algorithms

In order to estimate the path model, a suitable algorithm needs to be identified. The recent debate about variance-based and covariance-based estimation procedures (see, for instance, Panten & Thies, 2006; Homburg & Klarmann, 2006; Scholderer, Balderjahn & Paulsen, 2006; Saab, 2007, pp. 139–149) indicates that an informed choice between one of these two approaches should be made. The most popular and widespread covariance-based approach is LISREL (Jöreskog & Sörbom, 1979), while Wold (1966) developed a variance-based approach with Partial-Least-Squared path modelling (PLS) that was later turned into a software application (Lohmöller, 1989).

LISREL has found such widespread adoption that it is sometimes used synonymously with structural path modelling (among others, Saab observes this, 2007, p.

141; or Panten & Thies, 2006, p. 312). This widespread diffusion in (marketing) research circles, coupled with its lesser appropriateness for formative models, have led some authors to conclude that many formative constructs have erroneously been used reflectively as a result of applying LISREL, simply because this is what LISREL is good at calculating (see, for instance, Herrmann, Huber & Kressmann, 2006, p. 35; Ringle, 2004, p. 10; or Diller, 2006, p. 614). However, accessible software solutions for PLS are readily available today (for instance SmartPLS by Ringle, Wende & Will, 2005), and a decision for a method should be based exclusively on methodological considerations. Therefore, in the following section, we will discuss the choice of the proper method with regard to the above model and data.

In this context, it seems appropriate to highlight the fact that LISREL and PLS should not be regarded as competing approaches, but rather as complementing solutions which each have their role to play, depending on the circumstances under which a study is conducted and analysed (Panten & Thies, 2006, p. 318).

6.3.6.2   Selection Criteria

A literature review reveals three criteria that apply in the context of our study and indicate which of the two is the more appropriate approach (see Herrmann, Huber & Kressmann, 2006; Saab, 2007, pp. 139–153; Henseler, 2005; Ringle et al., 2006; Ringle, 2004; Panten & Thies, 2006; Homburg & Klarmann, 2006; Huber et al., 2007):

■ **Formative indicators:** LISREL can handle formative indicators, but it is less well suited for them than the PLS algorithm, as it is based on a factor-analytical process, which implies a reflective specification (Herrmann, Huber & Kressmann, 2006, p. 43); as a consequence, it comes with several restrictions for formative models. One of them is that from any formative construct in the model, at least two paths must lead to reflective constructs (Saab, 2007, p. 145). In our case, this condition cannot be met.

■ **Sample size:** PLS can handle smaller sample sizes than LISREL. Based on Chin & Newsted (1999), most authors recommend the following heuristic to determine the minimum requirement for PLS: Ten times the number of independent variables in the most complex regression of the model. In our case, this would mean a minimum of 40 cases. In PLS we can thus calculate the model, and even run estimations for both the test and the control group independently, as each has 51 cases. LISREL has higher requirements for the minimum number of cases (sample sizes of less than 100 are considered problematic, and satisfactory results can only be expected with more than 200 cases, see Homburg & Klarmann, 2006, p. 733). So this criterion also suggests PLS as the method of choice in the context of the present study. (In order to estimate the minimum number of cases independently of such heuristics, some authors recommend a power test, but in research practice, this has apparently not yet been applied very often, because it is considered prohibitively complex, see Saab, 2007, p. 144; Homburg & Klarmann, 2006, p. 734.)

■ **Binary Variable:** In order to make full use of the variables which we have employed, it would be desirable to include the binary variable on actual past word-of-mouth behaviour (Yes – No, item 19 in the questionnaire) in the calculation. LISREL cannot compute nominal variables, while judging from the PLS algorithm, this is possible: within the PLS algorithm, the reflective indicators are used in two ways: one, for estimating the outer weights, and two, for the outer approximation. If we use a binary item among the items of a construct, a Pearson-Correlation between a binary and a metric variable would be used for the first part. For the second part, latent variable scores are used as linear combinations of the metric and the binary manifest variable. Both are valid procedures.[58] (Eggert et al., [2007] agree when they note that PLS can accommodate nominal exogenous variables [p. 240].)

Consequently, the choice of PLS seems indicated. Unfortunately, there are also downsides to this choice, a central one being that because of the soft distributional assumptions, there is no goodness-of-fit criterion for PLS (Fornell & Cha, 1994; Homburg & Klarmann, 2006, p. 734; Ringle et al., 2006), only a general assumption about "consistency at large" (Wold, 1984) which increases with both the number of indicators and the number of cases.

6.3.6.3   Assessing the Reflective Measurement Models

The four components of EmI are all measured reflectively. In order to ensure their underlying factor structure, an exploratory factor analysis is applied (Saab, 2007, p. 150). The fact that we assume no normal distribution is not problematic for the factor analysis, since "[f]rom a statistical standpoint, departures from normality […] apply only to the extent that they diminish the observed correlations". (Hair et al., 2006, p. 114.)

Application of a confirmatory factor analysis for the reflective measurement models would have been desirable, since it enables assessments with second-generation criteria for reliability and validity, and is considered superior to the exploratory factor analysis (Homburg & Giering, 1996). However, as its application is usually done with the LISREL algorithm, the above constraints (see previous section 6.3.6.2) prevent us from making use of it here.

The Cronbach's Alpha statistic for assessing the internal reliability of the scales for the reflective measurement was applied; for a satisfactory level of reliability it should exceed 0.7, ideally 0.8 (Nunnally & Bernstein, 1994).

We rely on the following benchmarks when assessing the factor analysis: a satisfactory indicator reliability is assumed when the squared indicator loadings reach a minimum level of 0.4 (Homburg & Baumgartner, 1995). The factor's explained variance should be at least 50%, while the composite reliability should not fall below 0.7 (Saab, 2007, p. 151). Only factors with an Eigenvalue >1 (Kaiser-Criterion, see

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[58] The author would like to thank Dr. Jörg Henseler for his input concerning this aspect and for his generous support regarding the use of the PLS algorithm and SmartPLS.

Backhaus et al., 2006, pp. 295) are extracted. The average variance extracted (AVE) should be higher than 0.5 (Fornell & Larcker, 1981). For the Kaiser-Mayer-Olkin criterion, we set an acceptable minimum of 0.7 ("middling", see Backhaus et al., 2006, pp. 276).

The exploratory factor analysis and Cronbach's Alpha were calculated using SPSS 11.0, with principal axis factoring (see Backhaus et al., 2006, pp. 292–293). The PLS software used was SmartPLS (Ringle, Wende & Will, 2005).

In order to work with a second-order construct that cannot be measured directly with reflective indicators (in our model, the only indicators that point to the EmI construct are the four formative components), the approach allows the possibility of additionally re-assigning all 16 indicators to the second-order construct. This is also referred to as a "repeated indicator approach", based on Wold, who explains that a "given […] block of indicators is reproduced to the right, and the PLS algorithm […] is applied to the ensuing two-block", as shown in the following illustration (Wold, 1982, p. 40–41, see also Huber et al., 2007, pp. 32–33).[59]
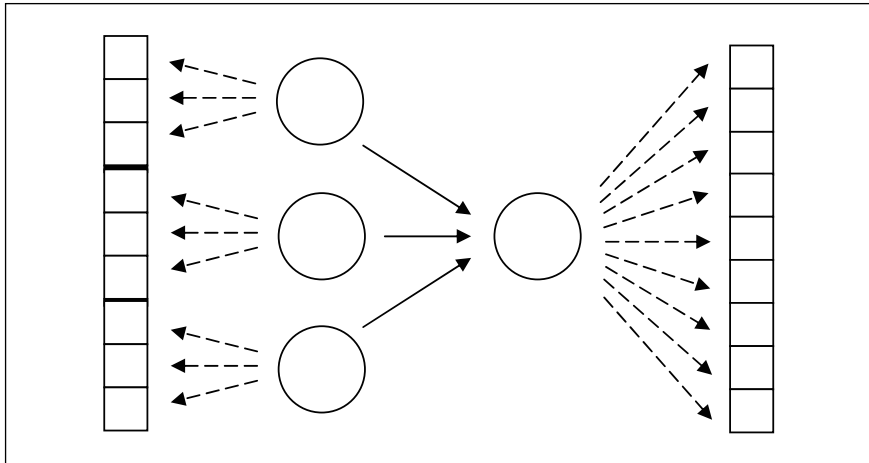
Figure 16: Arrow Scheme for PLS Estimation (Wold, 1982, p. 41)

PLS was run with the Path Weighting Scheme (since this corresponds with the heuristic for the minimum number of cases, see Ringle, 2004, p. 16) with a maximum of 300 iterations, the bootstrapping procedure was run with 102 cases and 5,000 iterations.

We now chart the results of the exploratory factor analysis for the first component 'Choice' (The table layout is based on Saab, 2007, p. 180).

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[59] In SmartPLS, the re-assigning of the indicators is done with a simple additional "dragging" of the indicator names from the indicators' menu on the left-hand side of the programme interface, on to the second-order construct symbol in the main path-design section on the right-hand side of the programme interface. For a more clearly arranged representation of the graph, SmartPLS then allows one to "hide" the second set of indicators on the interface.

1) Choice: Individual Indicators

Table 13: EmI Component: Choice

Indicator	Corrected Item-to-Total Correlation	Factor Loading (exploratory factor analysis)	Factor Loading (PLS)	Indicator reliability (squared indicator loading)	t-statistics and significance levels (PLS boostrapping)	
Choice 1	0.65	0.72	0.79	0.63	17.33	$p < 0.01$
Choice 2	0.72	0.82	0.88	0.78	51.34	$p < 0.01$
Choice 3	0.73	0.84	0.88	0.77	38.64	$p < 0.01$
Choice 4	0.56	0.61	0.69	0.48	8.86	$p < 0.01$

Standardised Cronbach's Alpha (≥ 0.7):	0.83
Explained variance (exploratory factor analysis) in % (≥ 50):	66.9
Eigenvalue (exploratory factor analysis) (≥ 1):	2.7
Composite reliability (≥ 0.7):	0.89
Average variance extracted (AVE) (≥ 0.5):	0.67
Kaiser-Mayer-Olkin Criterion (≥ 0.7):	0.79

Since all minimum levels are exceeded, no indicator needs to be removed. Analogous to the above, the following are overviews for the three other components of Empowered Involvement:

2) Competence: Individual Indicators

Table 14: EmI Component: Competence

Indicator	Corrected Item-to-Total Correlation	Factor Loading (exploratory factor analysis)	Factor Loading (PLS)	Indicator reliability (squared indicator loading)	t-statistics and significance levels (PLS boostrapping)	
Competence 1	0.85	0.86	0.91	0.82	29.28	$p < 0.01$
Competence 2	0.94	0.96	0.97	0.94	142.46	$p < 0.01$
Competence 3	0.93	0.95	0.96	0.92	124.89	$p < 0.01$
Competence 4	0.93	0.96	0.96	0.93	122.32	$p < 0.01$

Standardised Cronbach's Alpha (≥ 0.7):	0.96[60]
Explained variance (exploratory factor analysis) in % (≥ 50):	90.2
Eigenvalue (exploratory factor analysis) (≥ 1):	3.61
Composite reliability (≥ 0.7):	0.97
Average variance extracted (AVE) (≥ 0.5):	0.90
Kaiser-Mayer-Olkin Criterion (≥ 0.7):	0.86

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[60] Cronbach's Alpha could have been raised marginally – to a rounded 0.97 – through omission of "Competence 1", but considering the high level already obtained, this option was neglected.

3) Meaning: Individual Indicators

Table 15: EmI Component: Meaning

Indicator	Corrected Item-to-Total Correlation	Factor Loading (exploratory factor analysis)	Factor Loading (PLS)	Indicator reliability (squared indicator loading)	t-statistics and significance levels (PLS boostrapping)	
Meaning 1	0.74	0.79	0.84	0.71	24.81	$p < 0.01$
Meaning 2	0.77	0.82	0.89	0.79	57.46	$p < 0.01$
Meaning 3	0.84	0.91	0.92	0.85	73.77	$p < 0.01$
Meaning 4	0.75	0.81	0.85	0.72	22.34	$p < 0.01$

Standardised Cronbach's Alpha (≥ 0.7):	0.90
Explained variance (exploratory factor analysis) in % (≥ 50):	76.9
Eigenvalue (exploratory factor analysis) (≥ 1):	3.07
Composite reliability (≥ 0.7):	0.93
Average variance extracted (AVE) (≥ 0.5):	0.77
Kaiser-Mayer-Olkin Criterion (≥ 0.7):	0.80

4) Impact: Individual Indicators

Table 16: EmI Component: Impact

Indicator	Corrected Item-to-Total Correlation	Factor Loading (exploratory factor analysis)	Factor Loading (PLS)	Indicator reliability (squared indicator loading)	t-statistics and significance levels (PLS boostrapping)	
Impact 1	0.80	0.83	0.87	0.785	27.80	$p < 0.01$
Impact 2	0.84	0.87	0.91	0.830	37.52	$p < 0.01$
Impact 3	0.88	0.92	0.93	0.872	33.81	$p < 0.01$
Impact 4	0.88	0.93	0.94	0.879	52.02	$p < 0.01$

Standardised Cronbach's Alpha (≥ 0.7):	0.94
Explained variance (exploratory factor analysis) in % (≥ 50):	84.2
Eigenvalue (exploratory factor analysis) (≥ 1):	3.37
Composite reliability (≥ 0.7):	0.96
Average variance extracted (AVE) (≥ 0.5):	0.84
Kaiser-Mayer-Olkin Criterion (≥ 0.7):	0.860

Again, these three factors also display levels that exceed the minimum criteria required, there was therefore no need to remove any indicators.

However, strong correlations between the four components may indicate multi-collinearity as a potential problem: "Excessive collinearity among indicators thus makes it difficult to separate the distinct influence of the individual [indicators] on the latent variable [...]" (Diamantopoulos & Winklhofer, 2001, p. 272). In order to probe for multicollinearity, a regression was performed on the four components as exogenous variables, with WOM behaviour as the endogenous variable. The corresponding tolerance and VIF values are reported here:

Table 17: Multicollinearity Statistics

	Collinearity Statistics	
	Tolerance	**VIF**
Choice	0.36	2.78
Competence	0.11	9.21
Impact	0.13	7.94
Meaning	0.29	3.45

Dependent Variable: Word of Mouth Behaviour

Usually, a VIF higher than 10 is considered critical (Hair et al., 2006, p. 230). The tolerance measure indicates which part of the variability of the selected variable is not explained by the others; it is calculated as the inverse of VIF. It should be above 0.1. Consequently, even though in some cases the levels remain under the critical value by only a slim margin, we can assess that our data do not cross the thresholds that would indicate a problematic level of multicollinearity, in particular as this data does not suggest "excessive collinearity".[61]

Another factor analysis was conducted for the right-hand side of the measurement model – the reflective construct measuring word-of-mouth behaviour. According to Hair et al., (2006, p. 112), non-metric data can be used within a factor analysis. The binary indicator (item 19) was coded as yes = 2 and no = 1, and all indicators were then standardised. The procedure produced the following data:

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[61] An analysis of the model with the two factors Competence and Impact combined, was also carried out. VIF value for the combined component was 4.24 (tolerance 0.24). All other analysis results were comparable to the results reported here, with the exception that the model had less explanatory power in that it no longer allowed reports on separate relationships between Impact and EmI, and Competence and EmI, respectively. It was therefore decided to report the results of the analysis with the four components.

5) Word of Mouth Behaviour: Individual Indicators

Table 18: WOM Behaviour

Indicator	Corrected Item-to-Total Correlation	Factor Loading (exploratory factor analysis)	Factor Loading (PLS)	Indicator reliability (squared indicator loading)	t-statistics and significance levels (PLS boostrapping)	
WOM 1 (NPS)	0.63	0.71	0.80	0.64	13.28	p < 0.01
WOM 2	0.71	0.84	0.87	0.76	29.54	p < 0.01
WOM 3 (binary)	0.68	0.78	0.90	0.80	66.20	p < 0.01

Standardised Cronbach's Alpha (≥0.7):	0.882
Explained variance (exploratory factor analysis) in % (≥50):	73.6
Eigenvalue (exploratory factor analysis) (≥1):	2.21
Composite reliability (≥0.7):	0.89
Average variance extracted (AVE) (≥0.5):	0.73
Kaiser-Mayer-Olkin Criterion (≥0.7):	0.71

Again, the results suggest a high level of reliability and convergent validity, and no indicator needs to be removed.

Also, it is recommended that one probe for discriminant validity between the latent variables. Götz & Liehr-Gobbers (2004, p. 728) advise comparing the Average Variance Extracted (AVE) of each latent variable, with the squared correlations between the different latent variables. The following table presents the corresponding data:

Table 19: Discriminant Validity

	Squared correlations between latent variables					
	AVE	Choice	Competence	Impact	Meaning	WOM Beh
Choice	0.6659		0.6466	0.6084	0.5700	0.3250
Competence	0.9015	0.6466		0.8703	0.7127	0.4625
Impact	0.8416	0.6084	**0.8703**		0.6821	0.4176
Meaning	0.7671	0.5700	0.7127	0.6821		0.5265
WOM behaviour	0.7326	0.3250	0.4625	0.4176	0.5265	

There is only a single case that seems to be problematic – the AVE of the Impact component is lower than its correlation with Competence (in bold typeface). As we have noted before (see footnote 61), we calculated a slightly altered model with Competence and Impact combined. In this model, however, all other results stayed quite close to the results presented here (and in the following section), so we do not consider this partial lack of discriminant validity to be problematic – particularly when considering that the critical levels for multicollinearity are not exceeded.

6.3.6.4   Assessing the Formative Structural Model

As known from regression analysis, R^2 can be calculated in PLS for the latent endogenous variable – word-of-mouth behaviour in our case. At 0.50, it is above what Chin (1998) refers to as average, and may be considered acceptable (Ringle, 2004, p. 19). This may actually be a satisfyingly high level when we consider the early stage that Empowered Involvement research is in. The Bootstrapping procedure revealed the following t-Values:

Table 20: EmI Path Significances

Path	Weight	T-Value	Confidence Level
Choice → EmI	0.20	14.77	$p < 0.01$
Competence → EmI	0.31	34.34	$p < 0.01$
Impact → EmI	0.28	31.50	$p < 0.01$
Meaning → EmI	0.27	23.57	$p < 0.01$
EmI → Word of Mouth Behaviour	0.71	14.38	$p < 0.01$

An overall assessment of the path model cannot be made, because no criteria have been developed so far for doing so (Fornell & Cha, 1994; Homburg & Klarmann, 2006, p. 734; Ringle et al., 2006).

However, having used an experimental setting for the data collection in connection with a structural path model for the data analysis, presents one considerable advantage of this research compared with other structural path studies, where the relationship between cause and effect is usually solely supposed on the basis of the theoretical foundation on which the hypotheses are built. An experimental setting, on the contrary, allows a much higher degree of control over random errors, and makes it possible to more closely control the effect of the different variables in the process. Consequently, the combination of an experimental set-up and path modelling enables the testing of complex causal structures (Eggert, Helm & Garnefeld, 2007, p. 239).

6.3.7   Results

6.3.7.1   Descriptive Statistics

In a first step, we compare word-of-mouth behaviour between the two groups. As has been pointed out in the previous paragraph, at this point, the experimental character of the research makes it possible to clearly attribute cause-and-effect relationships: Differences in behaviour are assumed to be causally linked uniquely to differences between manipulation of the test group, and lack thereof in the control group (presuming that the quasi-experimental set-up succeeded at creating two groups that only differed in the manipulation within the experiment).

Following our hypotheses, the group that had participated in the project should display a higher level of word-of-mouth behaviour and propensity to create word of mouth than those respondents who had not participated in the project (assuming that

they also had a higher level of EmI, see hypothesis 3 – an assumption that will be dealt with in the next section).

When asked for their agreement on a 7-point Likert scale about whether or not they were ready to recommend the Paybackblog to their friends and acquaintances (item 13), there was a statistically significant difference in the responses between the two groups – as hypothesised:

Table 21: Comparison Means, Readiness to Recommend

Groups	Mean	Std. deviation	Std. Error Mean	t-value	Level of significance
Project participants	5.45	1.59	0.223	4,89	p < 0.001
Non-participants	3.71	1.99	0.279		

The same holds true for question item 19, which asked whether or not the respondent had recommended someone else to look at the Paybackblog. A cross-tabulation analysis also revealed a significant difference:

Table 22: Comparison Actual Recommendations

	Project participants	Non-Participants	
Yes, did recommend	38	8	46
No, did not recommend	13	43	56
	51	51	102

Chi-Square: 35,64   p < 0.001

Thirdly, we can compare the NPS scores of the two groups (item 5). The NPS score is calculated as follows (Reicheld, 2003, p. 7): Respondents answer the following question: "On a scale from 0 to 10, how likely is it that you would recommend X to a friend or colleague?" Those respondents who answer 10 or 9 on the scale are coded as 'promoters', those who respond 7 or 8 are considered 'passives', and those who answer 6 or lower are grouped as 'detractors'. The Net Promoter Score is then calculated by taking the percentage of promoters and subtracting the percentage of detractors.

Stated in a slightly different way, this means that the more positive the NPS is, the more the promoters outnumber the detractors, and the more positive the supposed effects in the market. Even though a causal relationship has not been empirically proven, proponents of the NPS see enough evidence to make the assertion that the higher the NPS, the stronger the growth of the company in its market (Reichheld, 2003; Marsden et al., 2005). Companies scoring high on the NPS have scores between 60 and beyond 80 (examples given include Harley-Davidson, Amazon, Ebay, Porsche, or Apple Computers; see Reichheld & Seidensticker, 2006, p. 185–186). A negative NPS, conversely, indicates that there is a majority of people who would rec-

ommend against using the product or service in question, which is, in turn, assumed to slow growth or even shrink the business.

After computing these scores, the two groups show different levels of NPS:

Table 23: Net Promoter Scores

	Participants	Non-Participants
NPS Paybackblog	−47.1	−74.5

It is quite apparent that, in absolute terms, even the project members display a surprisingly low level of advocacy, according to this metric. Given their intensive involvement, it might have been expected that a majority of them would be willing to advocate perusal of the site after it had been set up according to their input. However, NPS scores are category-specific (see Reichheld, 2003), so the levels should not be seen in absolute terms, but in comparison with others from the same category. Unfortunately, NPS data from the loyalty service industry was not available to us.

It seems particularly striking that only five members of the group gave a 9-point score for the NPS question (none gave 10), so according to Reichheld, only these five would be considered promoters (which means people who are highly likely to advocate use of the product or service in question), while 38 claimed that they had actually recommended the blog to someone else. This apparent inconsistency may be explained by the fact that culturally, there could be a difference between the way actual behaviour and reported attitude correspond in the USA, where the NPS was developed, and in Germany, where this study was conducted. Also, it highlights once again the need to closely differentiate between actual behaviour and attitude, and stated intentions, which have frequently been shown to not accurately predict actual behaviour (Morwitz, 1997; Ajzen & Fishbein, 1980).

The chief difference between the two groups was that the project had apparently helped turn detractors into passives (which was one of the objectives, in order to make sure that in the blogosphere the new corporate blog would not suffer from too much criticism at launch – an issue that some corporate blogs have had to deal with).

Estimating the statistical significance of the difference between NPS scores in the two groups proves difficult. When coding members as either promoters or detractors (passives are neglected for this analysis) to calculate a cross-tabulation analysis that compares group structure, one of the cells only has three members, which makes a Chi-Square analysis difficult to carry out (Bortz, 1999, p. 165):

Table 24: Comparison Promoter and Detractor Groups

	Project participants	Non-Participants	
Promoters	5	**3**	8
Detractors	29	41	70
	34	44	78

However, at this point, we can still confidently state that, according to expectations, participants in the project were more willing to recommend the blog to others, and more of them actually did so.

6.3.7.2   PLS Analysis

First, we present the data from an overall analysis of the path model when both datasets (participants and non-participants) are combined:

Table 25: Weights PLS Path Modelling

Path	Weight	T-Value	Significance
Choice → EmI	0.20	14.77	$p < 0.01$
Competence → EmI	0.31	34.34	$p < 0.01$
Impact → EmI	0.28	31.50	$p < 0.01$
Meaning → EmI	0.27	23.57	$p < 0.01$
EmI → Word of Mouth Behaviour	0.71	14.38	$p < 0.01$

Entered into the model with our hypotheses, we can, first of all, state that, according to this empirical data, all of our hypotheses H4–H7 can be maintained:
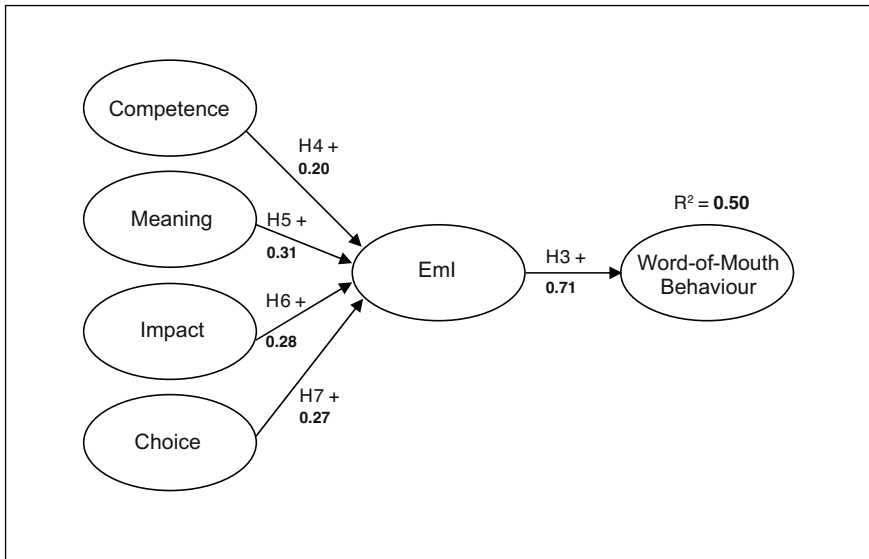

Figure 17: Empowered Involvement, Hypotheses Test Results

Also, we can report the total effects of the four components on word-of-mouth behaviour, as reported by Smart PLS:

Table 26: Total Effects

Total effects	WOM behaviour
Choice	0.14
Competence	0.22
Impact	0.20
Meaning	0.19

However, in order to assess whether or not a difference in EmI can, in fact, be attributed to the manipulation, i.e., participation in the Payback blog project, we have to evaluate to what extent the groups show statistically different levels of EmI. (That word-of-mouth behaviour between groups is different, has already been established on previous pages.)

We are doing so in two ways. One, we will compare latent variable scores of the two groups by means of an independent samples means comparison (this is possible because PLS provides these scores, see Ringle, 2004). And two, we will map group membership as an additional exogenous variable in our model.

Comparison: Means Comparison, Non-parametric Test (Mann-Whitney)

The Mann-Whitney test does not make distribution assumptions and thus provides a more cautious test.

Table 27: Mann-Whitney Test, Influence of Group Membership

	Choice	Competence	EmI	Impact	Meaning	WOM Beh
Mann-Whitney U	174,500	118,000	70,000	109,000	97,500	521,500
Z	−7,556	−8,007	−8,236	−8,078	−8,054	−5,218
Asymp. Sig. (2-tailed)	$p < 0.001$	$p < 0.001$	$p < 0.001$	$p < 0.001$	$p < 0.001$	$p < 0.001$

According to these computations, the difference in mean latent variable scores is significant for all variables. (A manual comparison of the means confirmed that the values in the test group were higher than in the control group.)

If we include group membership as an additional variable in the model (as a latent variable, the construct is reflectively measured without measuring error through the single variable "group membership"), we can probe for the role it plays for the values of the four components of EmI (see table 28).

Consequently, both assessment approaches indicate that group membership does play a significant role for the participants' subjectively felt level of Empowered Involvement.

Table 28: Path Model, Influence of Group Membership

Path	Weight	T-Values (Bootstrapping)	Confidence Level
Group membership → Choice	0.76	15.57	p < 0.01
Group membership → Competence	0.81	19.14	p < 0.01
Group membership → Impact	0.81	21.32	p < 0.01
Group membership → Meaning	0.81	27.53	p < 0.01

Before we can discuss these results, a last item needs to be checked. As stated in the introduction, age differed significantly between the two groups. If age has a significant influence on the observed variables, this would significantly lessen the explanatory power of our study. It is, therefore, important to assess the effect of age on the level of Empowered Involvement. In order to do so, we will separately analyse the impact of age in the context of the model for the two groups. Doing so with the combined group would confuse the readings we get – we have established that there is a statistically significant difference of EmI levels between the two groups, and we also know that there is a statistically significant age difference between the two. This might lead to data that suggest a causality when in fact there is only a correlation. In order to avoid this problem, we will probe for the effect of age only within the two groups. The results are as follows:

Table 29: Influence of Age, Group "Project Non-participants"

Path	Weight	T-Values (Bootstrapping)	Confidence Level
Age → Choice	−0.00	0.03	n. s.
Age → Competence	−0.13	1.00	n. s.
Age → Impact	0.10	0.68	n. s.
Age → Meaning	0.17	1.19	n. s.

Table 30: Influence of Age, Group "Project Participants"

Path	Weight	T-Values (Bootstrapping)	Confidence Level
Age → Choice	−0.13	0.90	n. s.
Age → Competence	−0.10	0.57	n. s.
Age → Impact	−0.10	0.69	n. s.
Age → Meaning	−0.10	0.55	n. s.

According to these data, we can confidently assume that age does not play a role in explaining the difference in EmI levels between the two groups.

6.4   Discussion of the Results

6.4.1   *A Word-of-Mouth Marketing Paradigm*

The results of this research appear promising against the background of an increasing push for the professional management of word-of-mouth marketing. Overall, our study's findings suggests that Empowered Involvement seems to be a helpful theoretical foundation on which programmes for stimulating word of mouth can be built.

In our analysis, EmI has a fairly strong impact on word-of-mouth behaviour – a weight of 0.70 does indicate that raising the EmI levels of those who participate in, or contribute to, marketing projects is a useful approach for stimulating their word-of-mouth behaviour. The fact that R^2 is 0.50 should not be surprising – besides an Empowered Involvement project, a given individual's motivation to recommend a branded website such as a blog, will always hinge on more than just the effects of Empowered Involvement. For instance, an individual's personal attitudes towards the brand and the company, or the structure of a person's social network, will also have a strong effect.

6.4.2   *Insight for Community Marketing*

Our research has raised and answered an important conceptual and managerial issue that is linked to a current development in marketing: many brands are trying to build (online) consumer communities, in order to reduce their dependency on traditional mass marketing approaches (which are increasingly deemed to be losing their effectiveness, see section 1.1.2), and in order to improve loyalty and word-ofmouth behaviour among existing customers.

Successful examples, such as the Harley Owners Group ("HOG"), are often cited: "In the creation of HOG, Harley-Davidson has done more than commercialize products of counterculture; the company has created a vital parallel subculture to the greater [Harley-Davidson-oriented subculture of consumption]. (…) Within the exclusive confines of HOG rallies and other corporate-sponsored events, Harley-Davidson is marketing to a loyal following; but the rallies also generate significant amounts of positive publicity for a more general audience" (Schouten & McAlexander, 1995, p. 58).

However, there is only very little empirically-based insight into the kind of activities that marketers should carry out when working with such a community once it has been built. Considering this question, Godes & Mayzlin (2004a) ask: "Given whom we should be targeting and how we might be able to find them, what should the firm do to encourage them to go out and tell people about the firm?"

Our research can fill this gap, because it shows that when the four empowerment cognitions are subjectively experienced by a consumer in a marketing context, more positive word-of-mouth behaviour results. The formative character of the four factors suggests that it is not necessarily important to equally build on all four of them for any given project – some marketing project may focus more strongly on the meaning aspect, while another allows for more individual impact, etc.

6.4.3   *Four Drivers of Empowered Involvement*

Interestingly, at face value these factors correspond with some of the drivers that were identified by Schouten and McAlexander when they immersed themselves in the Harley-Davidson subculture. This is particularly interesting, since the Harley-Davidson example is considered by some to be one of the most successful (Dye, 2000, p. 144), even paradigmatic (Cova & Pace, 2006, p. 1087) brand community marketing success stories. An interpretation of the four factors with reference to some of the findings from the Harley-Davidson case study might therefore seem useful at this point.

6.4.3.1   Meaning

Maybe not surprisingly, when a marketing project instils a sense of meaning in the individual consumer, this plays a strong role in how willing the person is to recommend the project to others. Consequently, companies who want to capitalise on this effect, have to make sure that the marketing projects in which they want to involve consumers convey a sense of meaning. When, as in the second study, consumers help a company discover the world of blogging, and communicate more openly and transparently, that may have been the element of meaning that people associated with the blog project.

For Harley owners, "personal freedom" and the protection of the "American heritage" are the types of meaning (Schouten & McAlexander, 1995, pp. 51–54) gleaned from the membership within the community: "Part of the appeal of Harley-Davidson across subgroups of the [Harley-Davidson-oriented subculture of consumption] is their perception of the motor company as an American folk hero in an economic war with Japan." Companies might also tap into this effect when they integrate cause-related factors (donations for a good cause, for instance) into their marketing efforts (McConnell & Huba, 2003, pp. 69–70).

6.4.3.2   Impact

For decades, marketing gave the consumer a fairly passive role – while brands designed products, determined prices, chose distribution routes and developed and published advertising, the consumer's role was restricted to voting with their wallets and either adopting a product or foregoing purchase. As the stimulation of word of mouth receives more attention in marketing, this may change. Giving people a say in how marketing initiatives are conducted is the second important facet for creating Empowered Involvement. In the study described above, as people saw that their own expectations or decisions impacted on the way a company set up a new weblog, this increased identification and made people more willing to recommend the company's product or service.

In the Harley context, the impact dimension may be exemplified by the fact that "consumer-initiated innovation has generated many of the design ideas in Harley-Davidson clothing and accessories" (Schouten & McAlexander, 1995, p. 57), and,

generally, that the culture, rules and regulations according to which the groups operate are initially defined by the members themselves, and then, later, carefully incorporated in the activities of the company, in that the marketing executives "expropriate certain symbols of the outlaw subculture and employ the product design of the fashion system (…) in order to redefine their meanings just enough to make them palpable to a broader group of consumers" (p. 57).

6.4.3.3   Choice

Empowerment is useful, but the results also suggest that it should happen on the consumers' terms. Reflecting the notion that Empowerment cannot be decreed but must be felt, consumers should feel autonomous about the way they get engaged in the process. They should have the chance to autonomously make decisions and determine their own level of activity, in order to feel like they completely master their own behaviour in the context of the project.

Being part of the Harley subculture is a choice that a person deliberately has to make: "The club does not approach you; you must approach the club as a supplicant" (Schouten & McAlexander, 1995, p. 49). And the choice aspect is also reflected by the freedom to choose the subgroup of the subculture that best suits a person's personality (pp. 48–49): "One important form of license is the freedom to create for oneself a persona or temporary alter ego. Jim Paterson, then president of the Harley-Davidson Motor Company, compared the Harley to a blank canvas that allows its owner to paint himself (or herself) in any fashion desired" (p. 53).

6.4.3.4   Competence

Empowerment cannot be felt if the subject does not believe her contribution to be worthwhile to the betterment of the project as a whole. In other words: a person who feels that she cannot provide helpful input will not feel empowered, simply because she cannot value her own activity within the context of the project.

In the blog project, the fact that each individual was a competent helper for the design and setting up of the blog was repeatedly emphasised, by pointing out that Payback needed the participants' advice and help for competently dealing with the challenge of first understanding blogging, then building a blog, and finally running it the way it should be run.

In the Harley example, the competence facet is something that develops over time, and is not present from the start. Quite contrarily, the newcomer is quite ignorant of the rules of the game, then slowly starts to understand. Schouten and McAlexander explain how a new member undergoes an intensive process of familiarisation with the rules of the group, thereby developing both competence and standing: "Within-group status increases as the rider gains experience, forms interpersonal relationships, customizes his motorcycle, and otherwise invests time, energy, and money into Harley ownership" (p. 56).

Thus, these four dimensions can serve as helpful guidelines, in order to build and maintain a community that spreads word of mouth.

6.4.4 Performance Measure

The previously-presented data allow us to create a performance visualisation for this particular project (adapted from Martensen & Grønholdt, 2003). For this purpose, we only consider the latent variable scores from the test group:

Table 31: Performance Data

	Direct effect on WOM Behaviour	**Latent Variable Scores**
Choice	0.20	6.11
Competence	0.31	4.98
Impact	0.28	4.91
Meaning	0.27	5.63

On the y-axis, we are plotting the latent variable scores, on the x-axis the direct effect of the component. This leads to the following visualisation:
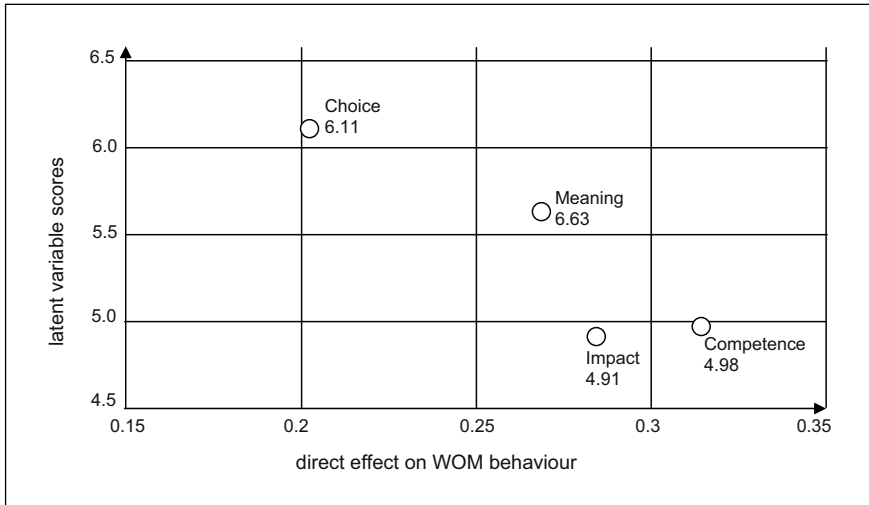
Figure 18: Performance Visualisation

In order to assess to what extent the Paybackblog project made best use of the group's potential for word of mouth through Empowered Involvement, we can conclude that the most important drivers were Impact and Competence. However, higher scores were attained on the less important components, Choice and Meaning. As a consequence, we could conclude that the word-of-mouth behaviour from the participants on this particular project could have been improved if more emphasis had been placed on communicating to the project team how valuable their input was, and by in-

tegrating more measures that would have clearly demonstrated a direct impact of participants' decisions. In an on-going project with a stable group or community, such analysis could help improve the performance yielded from Empowered Involvement projects.

7   Outlook

7.1   EmI as a Component of a Word-of-Mouth Marketing Strategy

7.1.1   *Linking Engagement Marketing and Word of Mouth*

This research is, to our knowledge, the first to scientifically demonstrate that a specific form of engagement marketing (namely: Empowered Involvement) can lead to positive word of mouth and improve advocacy levels. The approach may therefore be considered to be a promising avenue for marketers who need to both meet the challenges of empowered consumers, *and* deal with the growing importance of word of mouth. It thus provides a suggestion for marketers who "try to stimulate situational involvement for existing consumers" (Wangenheim & Bayón, 2007, p. 247).

If we want to combine our findings on Empowered Involvement with our visualisation of the different actors and actions in the word-of-mouth marketing setting (see section 1.4.2, figure 2), we could incorporate it as follows[62]:
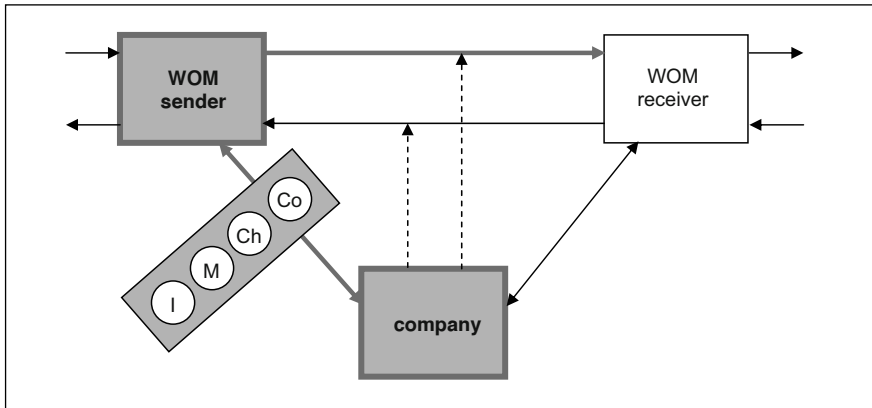
Figure 19:   Word-of-mouth Marketing Model, with Empowered Involvement

The Empowered Involvement approach would, in this way, constitute one option to design the exchange processes with relevant consumer groups in WOM marketing programmes.

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[62] The four circles in the box between company and WOM sender stand for the four dimensions of EmI: I stands for Impact, M stands for Meaning, Ch stands for Choice, and Co stands for Competence.

With reference to our "Awareness WOM Marketing Framework", the EmI approach would be situated in the lower right circle, as a key approach for "Relationship-based word-of-mouth stimulation" (see section 1.2.5, figure 2).

7.1.2   Dialogue and Engagement as a Response to Media Fragmentation

Our findings have some implications for the practice of word-of-mouth marketing. Since consumers are becoming increasingly media-savvy, since the media are increasingly fragmenting, and since advertisers are increasingly finding that their established approaches are losing effectiveness, companies will attempt to forge more intensive relationships with their consumers, in order to stimulate word of mouth as part of their brand communication efforts (see also Gremler et al., 2001).

Our research suggests that a targeted psychological empowering of consumers in the marketing process – which we refer to as Empowered Involvement – may be a useful approach in this context. Both theoretical and empirical findings suggest that those subjects who get actively involved in the shaping of marketing activities experience a type of involvement that leads to positive word of mouth.

Marketing companies that are challenged by today's increasingly complex media environment may therefore be well-advised to not only use their advertising to stimulate word of mouth ("viral advertising"), but also to focus on strategies that more actively involve customers or consumers in the marketing process, and, more particularly, grant them a certain level of decision-making power that allows them to experience psychological empowerment.

The current state-of-the-art in Internet-related communications technology is increasingly providing new instruments for online dialogue and exchange. As a consequence, this type of empowering interaction may become a viable option even in those industries that previously considered the costs of direct interaction with their consumers prohibitively high because of extremely high numbers (Gummesson, 1999, p. 27; this refers particularly to packaged consumer goods companies). Even in these large consumers markets, firms can now begin to regard so-called CICs [customer-initiated contacts] as an opportunity to enter into a dialogue that allows them to initiate Empowered Involvement, in order "to build and manage customer loyalty and to influence word of mouth (WOM) with the objective of increasing customer profitability" (Bowman & Narayandas, 2001, p. 282).

It follows that any customer actively getting in touch with a company presents an opportunity for stimulating Empowered Involvement and thus improving their word-of-mouth behaviour. Accordingly, some practitioners recommend viewing the consumer affairs department, i.e., that part of a company that deals with incoming questions and complaints, as "the new advertising department" (Blackshaw, 2005; see also Blackshaw, 2008).

7.1.3   Stimulating Empowered Involvement

On the one hand, the voting process in the preliminary study was a very simple mechanism. On the other hand, the elaborate discussion and voting on the blog project,

were noticeably more extensive, and required substantially more time and effort on behalf of the participants. For each given WOM marketing scenario, it will be necessary for a company to use a more differentiated range of empowerment types in order to involve their consumers, and to support and improve their word-of-mouth behaviour.

Each tool applied should closely correspond with the needs and expectations of different target group niches: die-hard fans of a brand will be willing to contribute a lot of time and energy when collaborating with the brand on marketing projects (Cherkoff, 2005), and it might be necessary to equip them with news and information more frequently, as previous research suggests that they may have already "fed their networks", i.e., influenced others with their existing knowledge (Godes & Mayzlin, 2004a). Non-loyals and more casual observers, contrarily, will be likely to expect easier access to empowerment requiring less time and effort (see Marsden & Oetting, 2005, for examples).

In 2006, Ross Mayfield proposed a "Power Law of Participation" on his blog, which illustrates different levels of participation that are possible on the web today:
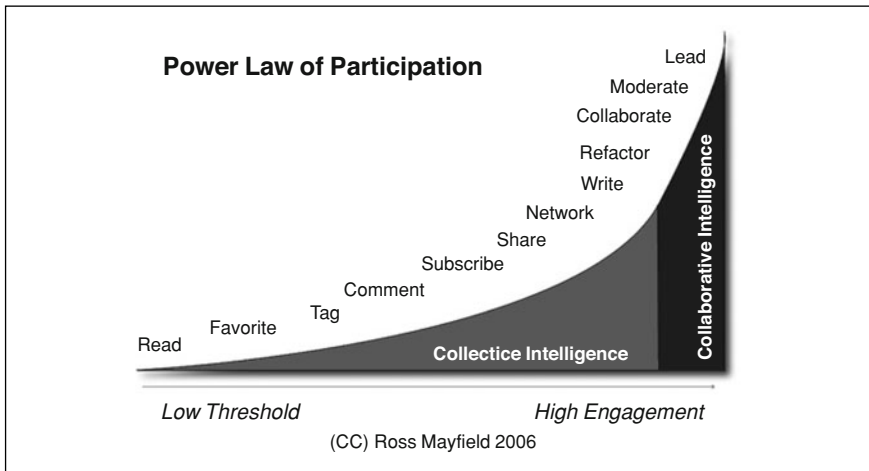
Figure 20: "Power Law of Participation" (Mayfield, 2006)

At the lowest level, a reader simply visits a company's web site – she only reads text; yet by doing so, she leaves a trace on the website's log files, which can be analysed by the owner of the webpage – thereby creating a very simple feedback loop. From this perspective, a simple visit to a website is already a very basic form of interaction. At the highest level, a customer can manage and moderate an active online discussion forum about a brand, and she can thereby wield a lot of influence over how the brand is perceived by thousands, if not millions of other users online.

Developing more detailed insight about the tools that should be applied most effectively to work with the four cognitions of Empowered Involvement (see also sec-

tion 7.3.1.2), can be considered a promising avenue for future research. At this stage, however, the types of participation illustrated in Figure 20, and their application in the reality of today's marketing, might provide a starting point to identifying those approaches that a company can or should enable on its own websites and blogs, as well as in the offline world (at marketing events, for instance). That way, companies can get a feeling for how to make Empowered Involvement happen, and for putting it to work within the marketing discipline.

In the following section we will provide four short examples of marketing practice, to illustrate how the EmI approach can take different shapes in the reality of marketing. Based on these examples, and on our previous considerations, we will then propose an exemplary approach to start working with Empowered Involvement.

7.1.3.1   Nike Armstrong Bands: Meaning

In 2004, Nike launched a cause-related marketing effort in collaboration with the Lance Armstrong Foundation for cancer research and education by selling yellow wrist-bands with the words "Live Strong" (Lance Armstrong's mantra) written on them. Proceeds from the sales were donated to the foundation. Without any additional advertising effort, the yellow bands spread through many countries – within six months, 20 million bands had been sold in the USA and in 60 other markets.

The company was able to connect a strong and meaningful message to a very simple clothing accessory, thereby initiating a very powerful meaning-based EmI effort. This also shows that Empowered Involvement is not necessarily linked to online engagement alone. (Example taken from Marsden, 2006, p. xxiv.)

7.1.3.2   Kettle Chips: Impact, Choice and Competence

Kettle Foods Inc. is a US-based maker of snacks. In 2005, the company started the so-called "People's Choice' campaign. Through PR, e-mail newsletters and at trade fairs, consumers were invited to submit their ideas for a new potato chip flavour. From 16,000 submissions, five were chosen for the final selection. Consumers could try these flavours and vote for the final variants. Fifty thousand votes were cast over a period of 10 weeks, and ultimately, consumer demand for the two new variants "Spicy Thai" and "Cheddar Beer" was higher than anticipated.

In this example, a company partially "outsourced" the new product design process to a self-forming community of fans. Thanks to the campaign, the participants felt that they could both have an impact on the company's decisions, and were considered competent to make decisions for the firm. (Example taken from Oetting, 2006, p. 187–188. Also see Tapscott & William, 2006, for an extensive discussion about how to involve external factors into product design and the configuration process.)

7.1.3.3   Tremor: Impact

Since 2001, the Procter & Gamble subsidiary, Tremor, has been working with approaches that incorporate Empowered Involvement effects. The company runs its own word-of-mouth panel of teen members, and these participants are encouraged to

take part in online voting, in which various brand communication decisions are taken by the community. Among other things, the company has invited participants to contribute their own ideas for slogans to be printed on cola cans, select a backing music track for a hair shampoo commercial, vote on a T-shirt design for a concert tour, or choose the logo for a teenager movie.

By demonstrating to the participants that their involvement has an impact, the company increases the word-of-mouth potential of these marketing activities. (Example taken from Marsden & Oetting, 2005.)

7.1.3.4   Saftblog: Meaning

In January 2006, the small juice company "Kelterei Walther", just outside of Dresden in Germany, started a weblog (called "Saftblog", which literally translates as "Juice-blog"). What started as an experiment – a handful of people writing about what goes on inside the company – turned into a surprising success story. All kinds of users and bloggers started to notice the blog, and respect it as an interaction point that enables a dialogue between people inside and outside the company. The blog has given the company national exposure and visibility, and made it possible for them to now successfully market and distribute their juices countrywide. Kirstin Walther, managing director of the company, says: "In 79 years, since the company was started in 1927, nothing has had as much influence on the way we conduct our business as the weblog that we started in 2006."

Interacting online with a company, and learning from them directly how passionate they are about their own products, is a powerful way of conveying meaning. That way, the company is no longer an anonymous entity that tries to market like the next one. Instead, such an online dialogue enables the forming of a shared sense of meaning which creates a much stronger bond between the company and its customers, and which can be considered a cornerstone for an Empowered Involvement approach. (Example taken from Eck, 2007, pp. 34–35.)

7.1.3.5   A Basic Empowered Involvement System

If companies want to start an Empowered Involvement programme, the best way may be by starting a corporate blog. As we have seen from the previous example, a blog is a means for starting a dialogue on the web, and enabling interested and web-active customers to learn more about the mission and purpose of the company. If used the right way, the blog can become the focal or rallying point for an online community of users who are interested in what the company is producing or has to say.[63] This can turn into a very helpful instrument – for conveying what the company does, particularly when the blog is used for communicating the background, stories and spirit (in other words: meaning) that define the company. Since any blog reader can choose on her own terms

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[63] Adequately discussing all relevant aspects of corporate blogging would go beyond the scope of this research. Interested readers are invited to consult Scoble & Israel (2006), Eck (2007), or Zerfaß & Boelter (2005).

whether and when she wants to engage with it, the Choice element – as the second dimension of Empowered Involvement – is already a given, simply thanks to the nature of the web. Additionally, there would also be the element of increased trust thanks to the blog, which – as mentioned in section 1.2.4.3 – also helps stimulate word of mouth.

The Choice dimension can be considered a prerequisite on the web. Particularly advanced and more vocal users expect to control any marketing communications activity that may be taking place on their behalf. This is aptly illustrated by a couple of recent examples: Towards the end of 2007, the social networking platform Facebook[64], tested a new type of alert ads which, once they were switched on, informed users about the online shopping activities of their friends and contacts. This type of automated word-of-mouth dissemination backfired – users were outraged because they had not been consulted about the new feature, and had no say in the way it was used. In a similar way, the European platform Xing had to cancel ads that were displayed on member pages without the members' consent – a negative response from the user community lead the company to withdraw them.

Once an active readership has gathered around the blog, this creates opportunities for tapping into the other two dimensions of EmI. It can be assumed (or ascertained through online surveys) that those reading and interacting with the blog have a favourable disposition towards, and interest in, the company (thereby constituting a self-selecting group of brand fans, see also section 7.3.2). These customers can then be invited to contribute by proposing various participation styles: they can share their own content in the comments, they can be invited to contribute in other ways, and they can, especially, be invited to cast votes about various aspects of the company's marketing efforts, and potentially about other aspects of the business as well. The following is a simple illustration of such an EmI system (see figure 21).

Instead of a blog, a marketer could also use Facebook, Twitter, other social media platforms, or even real-life events. Computer-maker Dell has recently introduced a system that is quite similar to this model. Dell Ideastorm is a web platform that invites users to contribute and vote on ideas and initiatives that should find their way into new products developed by Dell.[65]

Such a system enables the forming of dialogue-based relationships even in consumer markets. This would not only enhance the word-of-mouth activity of customers through Empowered Involvement effects, it would also help realise the paradigm shift towards a service-centred view of marketing, as advocated by Vargo and Lusch in 2004 (p. 13): "Historically, most communication with the market can be characterized as one-way, mass communication that flows from the offering firm to the market or to segments of markets. A service-centred view of exchange suggests that individual customers increasingly specialize and turn to their domesticated market relationships for services outside their own competences. Therefore, promotion will need to become a communication process characterized by dialogue, asking and answering questions."

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[64] Online at www.facebook.com.

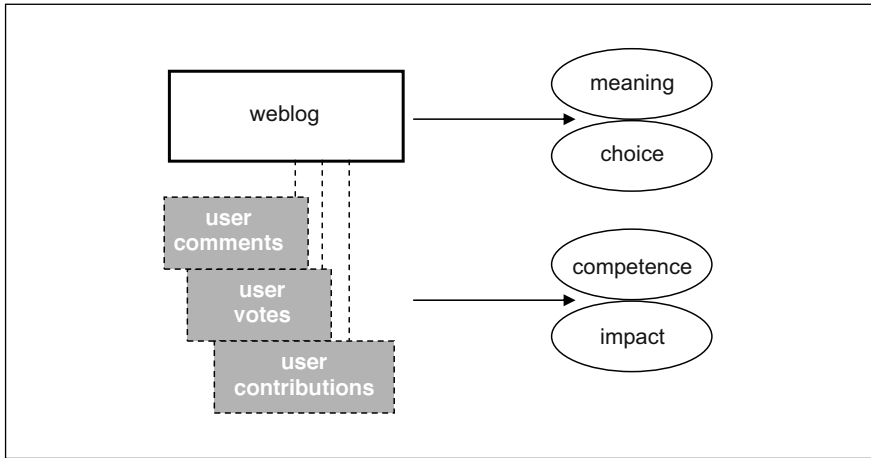[65] On the web at www.dellideastorm.com.

Figure 21: Basic Empowered Involvement System

This takes us to the role that our research can play in the on-going debate about the future of marketing.

7.2 Empowered Involvement in the Current Marketing context

7.2.1 *From Transaction-Orientation to Interaction-Orientation*

Marketing is changing: "[…] the *modus operandi* for marketers in a post-modern era may be 'business as *un*usual'. Consequently, there may be a need for traditional marketing management practitioners to reassess their assumptions about markets and the strategies they use to create competitive advantage and capture market share" (Firat & Shultz, 1997, p. 183, emphasis in the original).

Marketing researchers are calling for a new approach to consumer-marketing, one that moves away from a transaction-based view, to a relationship-based view that has a longer-term focus: "an alternative paradigm of marketing is needed, a paradigm that can account for the continuous nature of relationships among marketing actors" (Sheth & Parvatiyar, 2000, p. 140). As a consequence, both business-to-business marketing and business-to-consumer marketing will increasingly approach marketing with an interaction orientation that reflects this need for relationship building (Ramani & Kumar, 2008).

Rooted both in the human resources and in the marketing schools of management research, our study's results on Empowered Involvement are consistent with this call for a new approach to marketing. In it, the relationships between companies and their customers or consumers are the focal point of any marketing effort, and the success of a marketing effort is now primarily defined by the quality of the exchange between these partners (Vargo & Lusch, 2004).

The underlying idea is that the attention focuses on the role of a company's offer within the reality of the individual customer (see Ramani & Kumar, 2008, p. 27), irrespective of whether or not this offer may – in the traditional sense – be regarded as a service or a product. "The traditional division between goods and services is long outdated. It is not a matter of redefining services and seeing them from a customer perspective; activities render services, things render services. The shift in focus to services is a shift from the means and the producer perspective to the utilization and the customer perspective" (Gummesson, 1995, pp. 250–251, see also Oguachuba, 2008, pp. 247–248).

This idea – that the buyer is much more than a largely passive recipient of marketing messages – has a long tradition in industrial and services marketing. Plinke (1991) explained that investment goods marketing had to go beyond the simple idea of a stimulus-response (or stimulus-organism-response) model, and acknowledge that a truly interactive view of the actors and actions that govern the marketing process is needed (pp. 175–176). Such a view leads the marketer to a very different understanding of the company's role in the marketing process: while the company has to develop and provide a basic potential for carrying out the delivery of an individualised service and/or product, it requires the help and involvement of the customer in the preparation and production process for the marketing effort to actually succeed (Jacob & Kleinaltenkamp, 2004; Jacob, 2006).

It seems that these thoughts may also begin to bear fruit in mass consumer markets, since consumers seem to be becoming equal partners, empowered creators, makers of media and sometimes even products themselves (Tapscott & Williams, 2006, pp. 124–150).

7.2.2   Interaction With a Ripple Effect

At this point, our research on Empowered Involvement can add a dimension: an interaction-orientation focusing on the participation of individuals is not only needed because it has beneficial effects on the relationship with that particular individual consumer and may increase loyalty and repurchase behaviour. We have empirically shown what others have postulated before – it is needed also because the returns from forging such relationships extend beyond that single individual. These relationships have ripple effects: "An interaction orientation increases positive word-of-mouth by encouraging and enabling customers to refer the firm to new customers" (Kumar & Ramani, 2007).

This is the main contribution that this research makes. It shows that intensive relationships that build on empowering consumers in the marketing process, create a communication effect that is nowadays needed in many marketing situations. These consumers more willingly spread the word to others and thereby support the marketing communications efforts that a company undertakes.

As companies are increasingly contemplating the role which interaction-based web applications may play for the future of marketing (now frequently referred to as "social media"), the Empowered Involvement construct, and its word-of-mouth effects, may provide a substantial argument for the use of such applications in marketing.

7.2.3 The Customer As A Co-Worker

Additionally, EmI hints at a larger idea. The fact that we have successfully applied an approach from the human resources to the marketing field could suggest that the way marketing companies deal with their consumers may indeed change in the coming years. There may be a substantial benefit in viewing specific consumers increasingly as genuine partners whom companies want to truly empower within their marketing processes, treating and motivating them like a type of co-worker.

Correspondingly, Firat & Schultz (1997, pp. 194–197) argue: "For consumers to fulfil their desires, marketing organizations will need to empower the consumers to become marketers of (self) images themselves. (…) mature post-modern marketing strategies will be those that empower the consumers to become partners with marketing organizations as influential participants in the construction of experience(s) and (self-)images when and if they choose." Arguably, this is precisely what lead to a number of recent word-of-mouth success stories on the Web, such as YouTube or Spreadshirt, which built their business model on empowering the user or consumer to design their own brand or media presence.[66]

Ramani and Kumar (2008) endorse this view, when they explain that "[f]irms that resist the growth of power in the hands of their customers risk distancing themselves from their source of business" (p. 29). Acknowledging this increasingly important role that the customer plays for the company, will inevitably lead to the development of new marketing competencies, and thereby accommodate this changing role of the customer.

Again, when we look at industrial marketing, we discover that the competencies that are needed to incorporate the customer into the value-creation process are already being developed. Jacob (2006) offers "a proposal of how to measure customer integration competence, to verify this proposal, and to use it to analyze the impact on market success" (p. 47). And since one facet of market success is referral behaviour, the link between both concepts is already made explicit in the model (p. 53).

Situating our study within the interaction-orientation model proposed by Ramani & Kumar (2008), we can conclude that we have analysed a sub-facet (bold font/dashed line) (see figure 22, *next page*).

Cova & Pace (2006) describe a dichotomy of the mass communication world on the one hand, controlled by the brand, and the "virgin territory" of grassroots sites and forums on the other hand, where fans define brand meaning in their own way. We would like to suggest that there will be an increasingly important middle ground between the two, in which brand and customers establish a dialogue, and in which they jointly decide on brand matters. This area of collaboration seems to be a fertile ground for both creating strong bonds, *and* stimulating word of mouth.

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[66] YouTube, online at www.youtube.com, allows users to host their own videos for free on the web, and to display them on any other website at no cost and with minimal programming effort. Spreadshirt allows users to design their own t-shirts (and other clothes), and to get them shipped and to sell them to others through a pre-configured e-commerce solution.
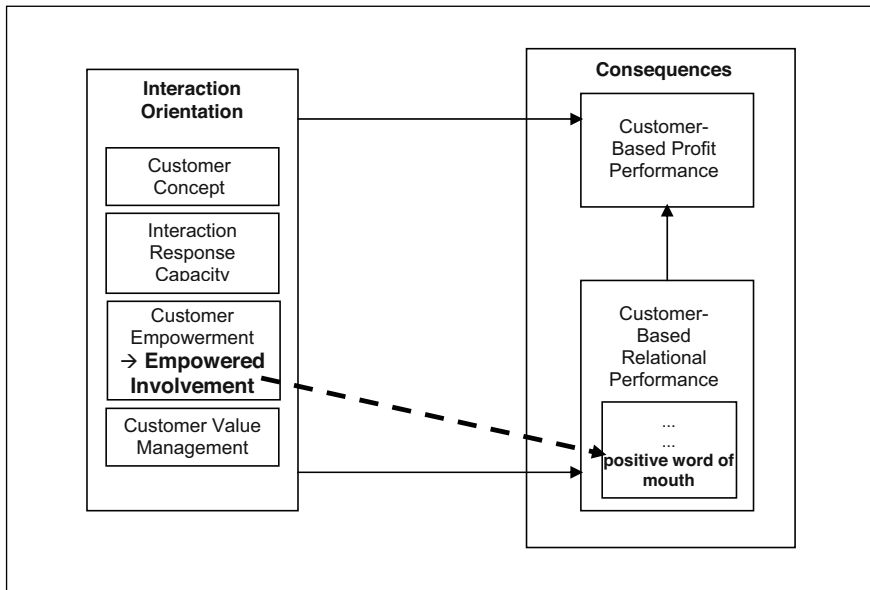
Figure 22: Customer-level Consequences of Interaction Orientation, with Added Empowered Involvement (based on Ramani & Kumar, 2008)

Against this background, it becomes apparent that the collaborative creation of advertising vehicles can only be a first step in the development towards truly interactive marketing processes, in which customers and company meet on an equal footing, and in which the division of labour in the value-creation process – between what were formerly the producer and the consumer – will have to be redefined in entirely new ways. Tapscott and Williams, in their influential treatise on collaborative business processes (which they refer to as "Wikinomics", 2006), describe a broad range of examples that can illustrate the possibilities that the web helps realise. Word-of-mouth marketing is likely to evolve into a collaborative creation of value, as a joint effort between the company and its more influential and more vocal customers. Which brings us to a point which lies beyond the scope that we described in the introduction (see section 1.4): strategically organised word-of-mouth marketing will need to go beyond the competencies that the marketing department is usually limited to – it will have to include the entire scope of activities and processes that make up marketing, be they 4 Ps, 7 Ps, or 30 Rs. And it therefore, ultimately, becomes a task not only for a single department, but for the entire company.

In closing, we can summarise our findings with Cox, who already stated in 1967 (p. 186, italics in original): "… the marketer has several types of opportunities to work *with* rather than in ignorance of consumer communication channels".

This has never been truer and never more necessary than it is today.

7.3   Limitations and Further Research

Our research has a number of limitations, and suggests avenues of research yet to be explored, which merit further attention.

7.3.1   Limitations

7.3.1.1   Limited Generalisability

A general validity of our findings for marketing processes cannot yet be ascertained. The findings were gleaned from two fairly particular marketing projects – the voting on chewing gum poster advertisements, and the development of a corporate blog for a bonus programme. And both were conducted with particular types of participants – students in the pre-study, and the members of the TRND panel in the main study, both of which are not necessarily representative for the general population.[67]

Also, blogging cannot (currently) be considered a mainstream activity in Germany (see, as an illustration, Brauck et al., 2008), so we cannot be entirely certain to what extent these effects will equally apply when a company chooses to use Empowered Involvement with customers for the design of a shop, or the development of TV advertising or other promotional material.

Thirdly, as the second study focussed on word of mouth about a branded marketing vehicle (recommending the blog), and not so much about a brand itself (or its products and services, see section 6.3.4.2), Empowered Involvement studies that analyse word-of-mouth behaviour regarding a particular service or product would add helpful insight.

7.3.1.2   Complete Set of Cognitions, Ways to Stimulate Them

The quality of a formative construct is highly contingent on the completeness of the formative indicators assembled (Diller, 2006, p. 614). Even if we have followed a theoretically informed model to derive the four cognitions needed for experiencing Empowered Involvement, a qualitative approach might help identify potential further drivers of EmI which are not yet part of the model presented above. Also, it might be fruitful to analyse which factors – such as attitude towards the brand or satisfaction with the brand – can interfere as mediating or moderating factors.

Another factor to consider, that can only tentatively be evaluated from this analysis, is, which tool in the (evolving) marketing toolbox can help shift which of the four cognitions. In other words, which approach can most effectively influence one or more of the four cognitions of EmI. Such an analysis would help practitioners identify the most efficient Empowered Involvement strategies. In this context, a qualitative

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[67] Even though, for pragmatic reasons, one could argue that the TRND members are fairly representative for those individuals who would be willing to get more actively involved with a brand. If self-selection is used as a selection criterion for an EmI project, chances are that people similar to the self-selected TRND members may sign up. (See also below, section 7.3.2.)

approach for identifying various antecedents to the four cognitions might also be helpful.

Also, since, hopefully, more EmI research will be conducted, it would allow the benchmarking of different levels of EmI and its components, so that the effectiveness of a measure can easily be evaluated against other initiatives.

7.3.1.3   Complete Analysis of WOM Behaviour

The objective of this research's empirical section was to determine whether or not the Empowered Involvement construct is indeed suitable for explaining the difference in WOM behaviour between participants and non-participants in a marketing project. In this context, the measurement of word-of-mouth behaviour was not as elaborate as it could have been. Interesting questions that could be answered in the future might address how many people the participants spoke with, what exactly was transmitted in the respective WOM episodes, or how this type of communication was received by the WOM receiver. Additionally, the study took only a single measure at a given point in time. A chronological analysis mapping WOM behaviour and other cognitions or attitudes from EmI participants and non-participants over time, could provide a better understanding of how these effects evolve.

7.3.1.4   Difference Awareness-WOM vs. Experience-WOM

The communication resulting from EmI would have to be considered "Awareness-WOM" rather than "Experience-WOM" (see 1.2.3). To date, no analysis has yet been made on how Awareness-WOM is different from Experience-WOM, in terms of the effect it has on the sender as well as on the receiver: What is the "quality" of the word of mouth that is stimulated through these approaches? We assume that Awareness-WOM can cut through the clutter, but can it necessarily convince? The need for this distinction has been proposed before: "Conceptually, a distinction may be made between *exposure* to messages from a given source and the persuasive power, or *effectiveness*, of a message, given exposure" (Arndt, 1967b, p. 195, italics in original). As a first attempt, we can hypothesise that an NPS shift indicates that Awareness-WOM will lead to sales increases.

7.3.1.5   Cross-Cultural Applicability

At this stage, we cannot predict to what extent these effects will also work in other countries. For instance, research on opinion leadership has proven to reveal very different characteristics in different cultural environments (Weimann, 1994, p. 88). And even though WOM seems to be a common feature across cultures (Abratt et al. 1995; Christiansen and Tsiourtis, 1998), in some respects, word-of-mouth behaviour may still be very different: It does appear that culture is an extra-personal condition which impacts WOM behaviour (Buttle, 1998, p. 249, see also Cheung et al., 2007). It would, therefore, be highly desirable if research could be conducted that assesses the validity of the EmI construct in other cultural environments.

7.3.1.6   Integrating SOR- and Interaction Approaches

As initially pointed out, the research paradigm that we have relied upon, was developed out of the behaviourist school of research (see section 1.4.3). Our assumptions and hypotheses are based on the idea that we can model consumer behaviour with a stimulus-organism-response (SOR) model; this is reflected in our conceptualisation of Empowered Involvement. However, as has been pointed out on the previous pages, such a perspective on the relationship between consumers and a company may appear less and less adequate, while an increasingly reciprocal relationship between equal partners appears to be a more realistic model for the future not only of industrial marketing (Plinke, 1991, p. 176), but of consumer marketing as well.

This indicates that future research about Empowered Involvement and word-of-mouth marketing should rely on an integration of both SOR and interaction approaches (Plinke, p. 177), a requirement that this empirical approach does not yet fulfil.

7.3.2   *Further Research: Selection of Participants*

The above section provides an overview of questions that were not adequately addressed in the present study. In the following paragraphs, we would like to point out an issue of interest in the EmI context that warrants particular attention: the question of which type of participant to select for inclusion in an EmI marketing programme. As has been previously pointed out (see section 2.2.1), many researchers seem to agree that different types of consumers have differing levels of impact when communicating with others about products and brands, while others dispute – at least partially – this assumption (see section 1.3.3). Also, researchers believe that certain personality traits, such as self-esteem and locus of control, have an impact on the empowerment that a person can experience (Spreitzer, 1995, pp. 1446–1447).

Consequently, it might be useful to direct attention to the type of participants that should be involved in EmI projects. As already suggested (see footnote 67), the most pragmatic approach for selecting participants is to allow some form of self-selection. An open invitation allows those customers who already have both a certain level of involvement with and a positive disposition towards the brand to participate in EmI projects.

However, this may also be considered a weakness of the present study. The fact that the participants were selected based on their self-expressed interest either in blogging, or in Payback, could indicate that – besides Empowered Involvement – there may be other factors at play, such as brand preference – which lead to the word-of-mouth behaviour. (By making sure that the percentage of Payback loyalty programme members was equal in both groups, we tried to limit this effect.)

Some practitioners argue that a strong focus on opinion leaders or influentials, may actually not be justified, and that it makes more sense to involve those who are simply expressing an interest in getting involved (Balter & Butman, 2005). This also corresponds with research that says that too much focus on certain (ostensibly?) more influential individuals, may actually not prove helpful for a marketing approach di-

rected at making a message spread through informal networks (Watts & Dodds, 2007). Since EmI is, first and foremost, a form of situational involvement, such an approach would thus follow the thought first suggested by Mancuso (1969) who claimed that it is possible and advisable to actually "create" a type of "instant opinion leaders" for a given project.

A different view would advocate the targeted selection of influential individuals, for instance through the use of opinion leader or market maven scales, or other research approaches (see Summers, 1970; Feick & Price, 1987; Reynolds & Darden, 1971; Keller & Berry, 2003). Their WOM communication would be considered to have a greater impact. Interestingly, these two diverging views are reflected in the business models of two of the largest WOM marketing companies in the USA. While the Procter & Gamble company, Tremor, claims to rely on an elaborate selection system that tries to identify those individuals who have a high propensity to communicate, and have an above-average number of social ties, the independent companies BzzAgent and TRND AG are more open in their admission procedures (Farah, 2005; Oetting, 2006, pp. 193–194).

Against this background, it would be particularly interesting to conduct research that would enable a better understanding of the types of participants that are more receptive to EmI programmes, and the different kinds of resulting WOM behaviour, in terms of valence and impact.

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