NEGATIVE VERSUS POSITIVE WORD-OF-MOUTH: AN EXCEPTION TO THE RULE

Gillian Naylor, University of Nevada Las Vegas
Susan Bardi Kleiser, University of Texas at Arlington

ABSTRACT

This research examines what drives the amount (number of people told about experience) and extremity (negative versus positive) of WOM by a consumer. Utilizing longitudinal data collected from an upscale health and fitness resort we develop two models. The first model examines factors that influence whether consumers engage in negative WOM. The results challenge conventional thinking about the relative frequency of negative and positive WOM. Our second model examines potential drivers of differences in WOM dissemination.

Within our context we discover that, despite conventional thought, more individuals engaged in positive than negative WOM. Also, we find that individuals who engaged in relatively more extreme negative WOM talked to less people than those who made less extreme negative comments. We find that prestige/social approval characteristics are driving differences in the amount of WOM.

INTRODUCTION

Pick up any consumer behavior textbook and you will find the report of a study that suggests that people who engage in negative word-of-mouth talk to more people than those who engage in positive word-of-mouth. Hanna and Wozniak (2001), for example, report studies (e.g., Silverman 1997) in which less satisfied people engaged in negative communication to approximately 11 people, whereas the completely satisfied people told just 3 people. Likewise, the popular press abounds with studies that find similar patterns (e.g., Schlossberg 1991; Sokolosky 2000).

Word-of-mouth (WOM) communication is important to study because it has been shown across many contexts to influence choice and purchase decisions (e.g. Richins 1983; Brown and Reingen 1987; Herr, Kardes and Kim 1991). Numerous studies have examined the link between satisfaction and negative and positive WOM (e.g. Westbrook 1987; Swan and Oliver 1989; Anderson 1998), but whether negative word-of-mouth is always conveyed to more people, or under what conditions it prevails, has not been examined. In this study, we examine whether individuals who engage in negative WOM talk to more people than individuals who engage in positive WOM. We also look at the factors (satisfaction, the number of people to whom WOM is conveyed, satisfaction with how complaint was handled, and prior experience with the product) that influence whether consumers engage in negative and/or positive word-of-mouth. We then examine predictors (extremity of WOM, personality characteristics and prior experience) of an individual's amount of WOM.

The purpose of this research is to better our understanding of what drives the amount and extremity of WOM by a customer. Utilizing data collected from an upscale health and fitness resort and spa, we develop two models. The first model examines factors that influence the likelihood of engaging in negative WOM and offers a challenge to conventional thinking on the power of negative WOM. Our second model goes beyond this challenge to examine the factors that drive differences in WOM dissemination.

RESEARCH CONTEXT

The study utilized guests from a world renowned, full-service, destination health and fitness resort and spa in the Southwest. The resort is all-inclusive. It is unusual for the guest to incur any expenses outside of the resort; guests rarely leave the premises with the exception of an

occasional tour provided by the resort. Guests attend the resort for a large variety of reasons ranging from fun, rest, or relaxation to more health related reasons such as stress reduction, improved fitness or diet, smoke cessation, or injury recovery. The resort's promotions emphasize that even if a guest's motivation for a visit is to meet a life enhancement goal (lose weight, quit smoking, etc.) it can be accomplished in an environment that provides pampering, relaxation, and fun. The resort offers a wide range of services including medical evaluations and preventive health services, behavioral and self-management counseling, nutrition education, spiritual growth, movement therapy, exercise physiology, massage and body therapies along with skin care and beauty services. To promote healthful living, meals at the resort are low fat and no alcohol or soda is served. Healthful living is encouraged in an environment that also can provide luxury. Accommodations at the resort range from a standard room containing a bedroom and bathroom to luxurious fully self-contained haciendas. The overall ambiance reflects the resort's emphasis on fitness for the mind, body and spirit.

The resort represents an ideal context for a WOM study for several reasons. The resort experience is expensive, infrequently enjoyed (e.g., a "heavy user" may go to the resort once a year) and highly visible to friends and family. Furthermore, a vacation at the resort shows the guest's expressive value and reflects their personal taste. These characteristics reflect a product or service under which WOM is more likely to occur (Hanna and Wozniak 2001, p. 463). In this field study, every guest spoke to at least two people, with a typical guest speaking to 21 people after their vacation.

CONCEPTUAL BACKGROUND

Word-Of-Mouth

WOM refers to informal communications directed at other consumers about the usage of particular products or services concerning evaluations of goods and services (Westbrook 1987). WOM is very important to marketers because it can be a major potential source of future business (Brown and Reingen, 1987; Silverman 1997). On the other end of the scale, WOM is also important because it presents a major threat if negative WOM is spread (Hunt, Hunt and Hunt 1988).

Spread of WOM

There are numerous factors that influence whether individuals engage in WOM activity. Satisfaction is a factor that has been studied extensively because it plays a large part in the spread (amount) of WOM. Satisfied customers likely engage in positive WOM, whereas dissatisfied customers are motivated to spread negative WOM. With the understanding that dissatisfied customers are likely to engage in more WOM than are satisfied customers, marketers engage in many tactics - such as handling customer complaints -- to help reduce this dissatisfaction.

Conventional wisdom suggests that consumers who are dissatisfied with an experience will talk to more people than consumers who are satisfied (e.g., Hanna and Wozniak 2001; Silverman 1997). Academic research on the relationship between satisfaction and WOM has found conflicting results. For example, contrary to conventional thought, research conducted on satisfaction and word-of-mouth activity has found a positive linear relationship i.e., as satisfaction increased word-of-mouth activity increased (Holmes and Lett 1977; Swan and Oliver 1989). In contrast, Anderson (1998) found the relationship between word-of-mouth activity and satisfaction follows a U-shape. Highly dissatisfied and highly satisfied customers tend to engage in the most word-of-mouth activity with extremely dissatisfied customers engaging in slightly more word-of-mouth activity than extremely satisfied customers. Whether the relationship between amount of WOM and satisfaction is negatively linear (conventional wisdom), positively linear (e.g., Holmes and Lett

1977) or U-shaped (Anderson 1988), clearly a relationship exists. Academicians appear to have paid less attention to the role of other influences on WOM. These influences might suggest which form of the relationship is appropriate.

Situational Factors. Beyond satisfaction there are other factors that might affect the amount and valence of WOM. Hanna and Wozniak (2001), for example, state that WOM is more likely to be sought when products are expensive, infrequently bought, highly visible, have expressive value and reflect personal taste. Because more WOM is sought for these products, we can assume more WOM is likely to be given under these conditions. This literature explains the high amount of WOM activity we saw within respondents. Hanna and Wozniak (2001) also propose the probability of WOM occurring should increase when dissatisfied consumers have difficulty complaining about their dissatisfaction to the responsible party, or when the consumer has a favorable or unfavorable emotional reaction to the experience.

Communicator Characteristics. Differences in WOM activity have also been attributed to variation in individuals. A broad range of characteristics that might influence WOM activity have been examined. Previous research has examined the link between characteristics such as desire for power and prestige, high need for social approval, necessity to diminish own reservations about the purchase made (cognitive dissonance), and increased social involvement (e.g., the need to share experiences with others) and WOM activity (Dichter 1966; Mowen 1995; Richins 1984). Interestingly, social involvement will more likely drive the spread of WOM when the communicator has enjoyed high satisfaction with an experience that interests another (Bone 1992; Dichter 1966).

Product involvement and/or expertise have also been linked to WOM. Involvement or expertise motivates a person's spread of WOM since an interest in the product category promotes talking about it (Feick and Price 1987; Richins and Bloch 1986; Venkatraman 1990). It has also been shown that loyal customers are more likely to engage in positive WOM (Reichheld and Sasser 1990). From the above studies we can develop a list of characteristics and situational factors that might account for differences in how much and what type of WOM individuals promote. Satisfaction, situational factors and communicator characteristics will be incorporated into our conceptual framework presented in the following section.

CONCEPTUAL FRAMEWORK

The review of the literature suggests a number of personal characteristics and situational factors that might influence the valence (negative or positive) and the amount of WOM activity. Our first model examines the situational factors that influence the spread of WOM. The second model incorporates individual characteristics, suggested by the literature, along with measures of negative and positive WOM to learn which of these factors are the primary drivers of the amount of WOM activity.

The Likelihood of Spreading Negative WOM

As discussed in the conceptual background, prior research has found that the spread of negative WOM is related to satisfaction. Negative WOM has also been related to complaint handling (Richins 1983). From this literature we propose a model in which the likelihood of spreading negative WOM goes down as satisfaction goes up (See Figure 1). We also expect less likelihood of engaging in negative WOM among respondents with experience because someone who has visited the resort before was previously satisfied. Another situational factor we include in the model is complaining behavior. We should find that the more satisfied a consumer is with how a complaint is handled by the resort, the less likely they will have negative things to say compared to consumers who did not have a complaint handled satisfactorily. To further test conventional wisdom, we investigate within our resort context, whether the likelihood

Figure 1
Proposed Factors that Impact Spread of Negative WOM

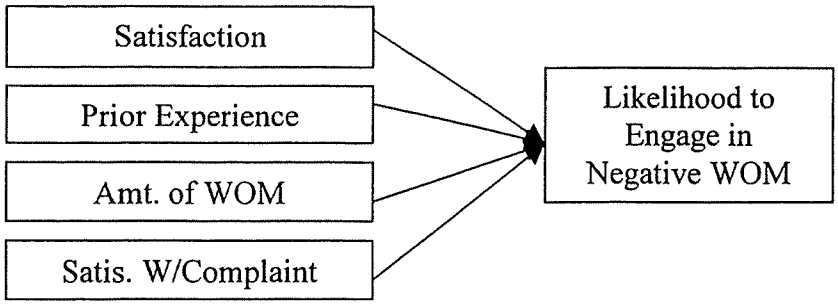
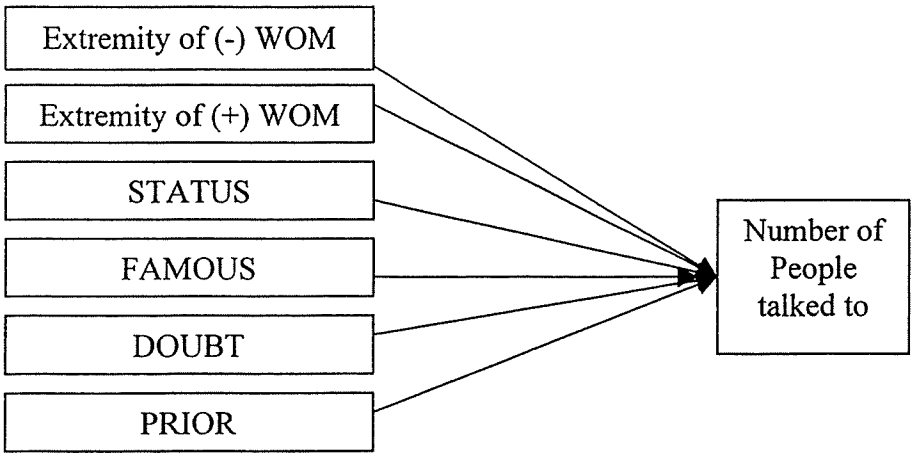


Figure 2
Predictors of Amount of WOM



of engaging in negative WOM is significantly related to the amount of WOM.

Predictors of the Amount of WOM activity

Many reasons have been given for the variation in the amount of WOM. One such reason – which is the focus of this research -- suggests the difference lies in whether WOM is negative or positive. Other literature suggests the causes are due to personal characteristics of the individuals such as need for social approval, to diminish dissonance with a purchase, or expertise. Our second model examines these influences on the amount of WOM. (See Figure 2).

To examine the role of negative and positive WOM on amount of WOM we use measures that reflect the extremity of the positive and negative WOM. Conventional wisdom would suggest that as WOM gets more negative the amount of WOM would increase. We also include the role of social approval through two prestige/social approval measures. We expect that people who are more concerned with how an experience reflects on their success are more status conscious (STATUS). Our second social approval/prestige measure questions whether knowing that the resort has famous guests (FAMOUS) increases confidence of enjoying the stay. Interest in social prestige/social approval should lead to more WOM. To assess whether need to erase doubts impact the amount of WOM, we include a

measure that addresses cost concern (DOUBT). We anticipate that if individuals are concerned with cost, they might be individuals with more doubts. The WOM literature suggests that individuals with doubts engage in more WOM to cancel their doubts.

In the next section, the models we developed are tested and their results are presented. We follow with a discussion of our findings. We conclude with implications for managers and directions for future research.

METHOD

Data Collection Process

We conducted a longitudinal study over a ten-month period. For this study we used information gathered from all three surveys: pre-visit, post-visit and follow-up survey. A total of 825 pre-visit surveys were sent out. Two hundred sixty-seven surveys were returned, representing a 32 percent response rate. The post-visit survey was sent to 267 resort guests that returned the pre-visit survey prior to their stay. A total of 218 responses, representing an 84% return rate were received. The follow-up survey was sent, approximately six months later, to the 218 resort guests that returned the post-visit survey. One hundred seven surveys were returned within three weeks; 97 had sufficiently complete information to utilize for this analysis.

Pre-visit Survey. The pre-visit survey was four pages in length. Guests were asked to fill out the survey and return it prior to their visit to the resort. For the purposes of this study we utilized survey items about respondents' priorities for their visit. The priority questions were designed to measure status, variety seeking and cost concern characteristics. For this study, we were interested in determining the desire for social approval/prestige and the potential for doubts. To measure the desire for social approval/prestige we asked: 'My vacations are a reflection of how well I am doing in life' and 'Knowing that the resort has famous guests increases my confidence that I will enjoy my stay ', anchored by 1= strongly disagree and 5 = strongly agree. The propensity to have doubts was addressed with the question: 'I am concerned about the costs of a vacation like this' (1= strongly disagree; 5 = strongly agree). To assess expertise, information on prior resort experience was also gathered and utilized for the study (See Table 1 for survey measures.).

Post-Visit Survey. While the guests were visiting the resort, a post-visit survey was mailed to their homes. The purpose of this survey was to capture the guests' evaluations of overall satisfaction they received during their resort stay. To measure satisfaction a scale of three items was developed (See Table 1). The reliability of the scale items equaled .91. Because of the high reliability of these three measures we felt it sufficient and appropriate to use the average score of the three questions as the basis for the composite measure, SATIS.

Follow-up Survey. The follow-up survey was sent approximately six months later. Four WOM measures from the survey were utilized in this study. Several complaint measures were also included (see Table 1).

Subjects

Females represented 84% of the respondents and the remaining 16% were males. Age of the respondents ranged from 28 to 77; the mean age was 51. Thirty five percent of the respondents had never been to the resort before. Guests with prior experience at the resort had visited an average of 3 times before. These demographics were judged to be representative of resort decision-makers by the resort's Vice President of Marketing. A MANOVA analysis reveals that there are no significant differences in satisfaction, predictors of WOM, or WOM behavior across the various demographic factors.

Of the 97 guests, based on a 1 to 9 scale, 39% had a composite satisfaction score of 9. (Scores on the composite "SATIS" measure were rounded to the nearest integer, or scale point value. For

Table 1
Survey Items

STATUS:	My vacations are a reflection of how well I am doing in life. 1 = strongly disagree/5 = strongly agree
FAMOUS:	Knowing that the resort has famous guests increases my confidence that I will Enjoy my stay. 1 = strongly disagree/5 = strongly agree
DOUBT:	I am concerned about the costs of a vacation like this. 1 = strongly disagree/5 = strongly agree
PRIOR:	Have you been to [xxx] before? _____ Yes _____ No
SATIS:	Composite satisfaction scale [OSAT + COMPARE + EXPECT]/3; OSAT: How satisfied overall were you with your recent experience at [xxx]? 1 = Very dissatisfied / 9 = Very Satisfied COMPARE: Compared to other vacation or travel experiences, how would You rate your satisfaction with [xxx]? 1 = Very dissatisfied / 9 = Very Satisfied EXPECT: To what extent did your recent experience at [xxx] meet your 1= Fell short of my expectations / 9 = Exceeded my expectations
NUMWOM:	Since returning home, with how many people would you estimate you have discussed [xxx]? ____
VALENCE:	How would you describe what you have told others about [xxx]? 1= All negative / 3 = Some negative & some positive / 5 =All positive
POS:	If you have shared any **positive** information about [xxx] with others, how positive would you rate the information? 1 = Barely positive / 5 = Very positive
NEG:	If you have shared any **negative** information about [xxx] with others, how negative Would you rate the information? 1 = Barely negative / 5= Very negative
RECOMMEND:	Have you recommended [xxx] to others? _____ Yes _____ No; If **yes**, about how many people?_____ (NREC)
COMPL:	During your recent stay at [xxx] did you have any complaints? __ Yes ___No If you answered yes, did you express your complaint to an employee? __Yes __No
COMPSAT:	Were you satisfied with how your complaint was handled? ____Yes ____ No ____ Somewhat satisfied

example, SATIS scores between 6.5 and 7.49 were counted as "7".). Of the mostly satisfied guests, 17 (18%) had a composite satisfaction rating of 7, 31 (32%) had an 8 and 38 (39%) had a 9 (Table 2). Our high satisfaction scores were not unexpected for several reasons. First, prior research by Peterson and Wilson (1992) shows that self-reports of customer satisfaction are biased towards the high end of the satisfaction scale. Also, we have many repeat visitors. Obviously, guests would not return if they were less than very satisfied.

Despite a seemingly high number of satisfied guests there are significant differences across these guests. An ANOVA analysis reveals that repeat intentions are significantly lower for guests reporting a composite satisfaction of less than 9. The mean repeat score for guests that reported a

Table 2
Overview of Respondents

SATIS	Frequency	VALENCE (mean)	POS (mean)	NEG (mean)	COMPSAT (frequency of yes)	Only (+) (frequency)	Both (+)(-) (frequency)	Only (-) (frequency)
1.00	1	2	2	5	-	1	1	-
3.00	1	5	5	1	-	1	1	-
4.00	4	3	4.5	3.5	-	1	1	-
5.00	2	4	4	1.5	-	-	-	-
6.00	3	4.3	4.3	1	1	3	2	-
7.00	17	4.3	4.3	1.5	1	16	13	-
8.00	31	4.6	4.9	1	6	29	23	-
9.00	38	4.9	4.6	1	5	43	21	-
Overall	97	4.6	4.6	1.2	13	94	62	-

composite satisfaction score of 9 was 4.6 (1 = very unlikely; 5 = very likely). In contrast, guests with composite satisfaction scores of 7 and 8 reported repeat intention scores of 3.58 and 3.71 respectively. Although the satisfaction scores are clustered toward the high end, there are differences within the "satisfied" group. We should expect differences among guests who are anything less than very satisfied. Overall, as satisfaction went up so did the valence of the WOM ($t_{95} = 7.852$; $p = 0.00$) and the extremity of the positive WOM ($t_{95} = 2.044$; $p = 0.04$). Likewise, composite satisfaction went down as the extremity of negative WOM increased ($t_{95} = -4.915$; $p = 0.00$).

ANALYSIS

Initial investigation of the data highlighted that fewer respondents spread negative WOM than spread positive WOM. Specifically, of the 97 respondents, 94 made favorable comments whereas 62 respondents made unfavorable comments (3 respondents engaged in neither positive nor negative WOM). Interestingly, negative WOM was spread only if positive WOM was also spread (Table 2). Further evaluation of the amount of WOM (number of people talked to and number of recommendations) by the valence of WOM finds that the more positive the information, the higher the amount of WOM and recommendations (Table 3). To illustrate, respondents that engaged in some negative and some positive WOM (valence = 3) talked to an average of 12 people and recommended the resort to 2 people while those that engaged in just positive WOM (valence = 5) talked to 24 people and recommended the resort to 13 people (Table 3). Furthermore, in comparing the activity of the guests with predominantly negative WOM (valence=2) to that of the predominantly positive WOM guests (valence=4), we see that the people who spread predominantly negative WOM spoke to half as many people as did those who spoke mostly favorably of their experience. These findings form the foundation for this research's challenge to conventional wisdom on negative WOM. Specifically, the negative linear relationship does not emerge.

The Likelihood of Spreading Negative WOM

Now we explore why these dynamics are occurring. First, a logit analysis is performed to determine what influences the probability that a guest would engage in both negative and positive WOM, as opposed to engaging in positive WOM only. The two mutually exclusive groups used in

Table 3
Amount of Word-of-Mouth Activity by Valence of Word-of-Mouth Activity

	Valence WOM: (1 = all neg.; 5 = all pos.)				
	1	2	3	4	5
Mean Amount of Word-of-Mouth:	-	10	12	20	24
Mean Number of Recommendations:	-	-	2	9	13
Frequency	-	1	7	26	63

Table 4
Logit Analysis of the Spread of Negative WOM[a]

Independent Variables	Parameter Estimate	Standard Error	p-value
Intercept	8.28	3.26	**.011**
SATIS	-0.78	0.37	**.035**
PRIOR	-1.24	0.66	**.060**
NUMWOM	-0.02	0.01	.153
COMPSAT	-0.14	0.13	.303

Model Assessment	Statistic	p-value
-2 Log-Likelihood (Intercept Only)	94.030	--
-2 Log-Likelihood (Intercept & Covariates)	80.907	--
Likelihood Ratio (χ^2_4)	13.123	**.01**
Proportion of Correctly Classified	.813	
C_{max}	.680	
C_{pro}	.564	

[a] Model Based on 75 observations

this logit analysis are the "positive and negative WOM" group and the "positive only" group. Although this distinction would suggest the presence of a third group – "negative WOM only," this group did not exist in the data since not one respondent spread only negative WOM. Covariates included satisfaction with the experience (SATIS), prior experience with the resort (PRIOR), the number of people to whom WOM was spread (NUMWOM) and the guest's satisfaction with how complaints were handled (COMPSAT).

As highlighted in Table 4, the overall model is significant (Chi-Square for Covariates: χ^2_4 = 13.123, p=.01) and predicts well. In line with conventional thinking, an increase in satisfaction with the experience decreased the probability that the guest engaged in both positive and negative WOM (b= -.78, p=.035). In other words, increased satisfaction had a favorable effect on the probability of spreading only positive WOM, as would be expected. Similarly, guests who have stayed at the resort before were more likely to engage in only positive WOM (b=-1.24, p=.060)

Table 5
Predictors of the Amount of WOM

Independent Variables	Beta Estimate	t-statistic	p-value
Extremity of + WOM (POS)	0.25	0.083	0.934
Extremity of - WOM (NEG)	-2.56	-1.633	0.108
Prestige/Social approval (FAMOUS)	3.41	2.189	**0.033**
Prestige/Social approval (STATUS)	6.91	3.002	**0.004**
Erase doubts (DOUBT)	-7.15	-3.380	**0.001**
Prior experience (PRIOR)	-6.58	-1.752	**0.085**
F (6, 55) = 3.84; Sig. of F = .0028			

$R^2 = 0.22$

These results are consistent with prior research (e.g. Westbrook 1987; Swan and Oliver 1989; Anderson 1998).

Two interesting results emerge that contradict prior thinking on WOM. If guests engage in both negative and positive WOM, they should talk to more people than if they engaged in only positive WOM. We do not find this effect. In fact, amount of WOM does not influence the probability of engaging in negative and positive WOM versus positive-only WOM (b=-0.02, n.s.). Furthermore, it would be expected that guests who had complaints that were not resolved during their stay would be more likely to engage in negative WOM. Again, we find no support for this expectation (b=-0.14, n.s.). In this research context, positive WOM prevails.

Predictors of the Amount of WOM Activity

We now turn our attention to the predictors of the amount of WOM. We utilize OLS regression to perform the analysis. Our dependent measure represents the number of people the consumer told about their experience (NUMWOM). There are six single item independent measures: the strength of positive WOM (POS), the strength of negative WOM (NEG), prestige (STATUS and FAMOUS), cost concern (DOUBT) and prior experience (PRIOR).

The results reveal that the strength of positive WOM is not a significant predictor of amount of word-of-mouth/recommendation activity (t= .083). This result is not unexpected. Conventional wisdom would support that the strength of positive WOM wouldn't increase the amount of WOM. Instead, conventional wisdom would suggest that there is more likely to be a link from the strength of negative WOM to amount of WOM. In other words, it would be expected that the purveyors of extremely negative WOM would engage in significantly more WOM. Again, our results challenge conventional thinking. Within our context, we find a marginally significant negative link between NEG and 'many' (t=-1.633, p=.10). The more negative the word of mouth, however, the lower the amount of WOM.

We expected that prior experience would result in more WOM. We did not get this result. In fact, PRIOR was marginally significant in a negative direction (t = -1.752, p=.09), suggesting that people who had been to the resort before spoke to fewer people than did novice guests. In retrospect, this is possibly explained by hesitance to repeat previous WOM. Having told friends how wonderful the resort is deters friends from wanting to hear about it again. Our prestige characteristics performed as expected. STATUS (t = 3.002) and FAMOUS (t = 2.189) are both significant predictors of the amount of WOM. We had also anticipated that if individuals were concerned with cost, they might engage in more WOM to diminish their dissonance. This was not the case; WOM activity diminished as doubt went up. We follow with further discussion of the findings.

DISCUSSION

The results of the various analyses performed highlight that the conventional thinking on the relative frequency of negative and positive WOM may not always hold. In our research context, a stay at an exclusive resort represents an ideal purchase situation in which WOM is likely to take place. This service is expensive and infrequently purchased, and reflects a guest's personal taste in vacations (Hanna and Wozniak 2001). While many guests (40%) were very satisfied with their resort experience the majority of guests were less than very satisfied. On average, 60% of guests that were less than very satisfied spoke to significantly fewer people about their trip than did the most satisfied customers. In addition, negative WOM was only spread when positive comments were also made. These findings, from a context with predominantly satisfied consumers, expose a situation in which the thinking on negative WOM can be challenged.

The Likelihood of Negative WOM

The results of the logit analysis revealed that engaging in negative WOM was neither a function of the amount of WOM activity nor how well complaints were handled by the resort, as prior research has suggested (e.g., Hanna and Wozniak 2001; Silverman 1997). These results further question the WOM reasoning. Assuming a relationship between negative WOM and amount of WOM is too simplistic. Obviously other factors can come into play that will impact when negative WOM is spread and to how many people WOM is conveyed. Several factors might contribute to this result. First, the high status of our context might lend itself to more positive WOM. Also, the number of repeat (loyal) customers is going to lessen the likelihood of negative WOM.

Predictors of the Amount of WOM

The examination of the predictors of the amount of WOM produced interesting results. We would expect to find that individuals who engaged in strongly negative WOM would talk to more individuals. Interestingly, as the WOM gets relatively more negative the number of people talked to goes down. It would be interesting to see if these results hold in a context in which there are more novice consumers, more dissatisfied customers or less status associated with the consumption.

The results of the personal characteristics are also intriguing. Among the six independent measures we tested, they are the most significant in predicting the amount of WOM. When examined with types of WOM (POS and NEG) and prior experience, personal characteristics are the best predictors of how many people a person talks to about their consumption experience. Individuals who are more concerned with prestige and social approval engaged in more WOM than those who are not as concerned with these social factors. The effect for DOUBT was not as we anticipated. The WOM literature suggests that individuals with doubts engage in more WOM to cancel their doubts. We find an opposite effect. Individuals who reported concern over the cost engaged in significantly lower amounts of WOM. Our results could be a reflection of our measure not fully capturing doubt.

Overall, our results suggest that caution must be taken in assuming that negative WOM will be spread more than positive WOM. Specifically, we studied a context in which 40% of the consumers were very satisfied and their comments to others were predominantly positive. There are many competing factors that likely influenced both the engaging in negative WOM and the amount of WOM individuals spread. Our research suggests that personal characteristics of the communicator and situational factors must be considered when examining WOM. As a result managers should take advantage of the positive WOM in a context of highly satisfied consumers and use these positive comments as a promotional source for their products or services.

In conclusion, more research should be conducted to establish guidelines about when negative versus positive WOM is likely to rule.

Within our context the positively linear relationship between satisfaction and WOM activity appears to hold. This is contrary to the negatively linear relationship expected with conventional wisdom. Perhaps the desire for conspicuous consumption dominates the evaluation of the consumption experience when predicting WOM. Future research should examine all the factors that lead to this effect, including high price, high prestige or high involvement with the product or service.

The important implication for managers is that they need to learn, within their context, when negative or positive WOM will dominate and what factors – both personal and situational -- contribute to the amount of WOM that is spread. Relying on the conventional wisdom might overstate potential damage by negative WOM, while preventing the opportunity to optimize positive WOM. WOM is a powerful consumer instrument that managers can not afford to downplay or ignore, for it may serve to their competitive advantage.

REFERENCES

Anderson, Eugene W. (1998), "Word-of-Mouth as a Consequence of Customer Satisfaction," *Journal of Services Research*, 1, (1), 5-17.

Bone, Paula Fitzgerald (1992), "Determinants of Word-of-Mouth Communication During Product Consumption," in John F. Sherry and Brian Sternthal (eds.), *Advances in Consumer Research*, 19, Provo, UT: Association for Consumer Research, 579-83.

Brown, Jacqueline Johnson and Peter H. Reingen (1987), "Social Ties and Word-of-Mouth Referral Behavior," *Journal of Consumer Research*, 14 (December), 350-262.

Dichter, Ernest (1966) "How Word-of Mouth Advertising Works," *Harvard Business Review*, 44 (November-December), 147-66.

Feick, Lawrence F. and Linda L. Price (1987), "The Market Maven: A Diffuser of Marketplace Information," *Journal of Marketing*, 51 (January), 83-97.

Hanna, Nessim and Richard Wozniak (2001), *Consumer Behavior: An Applied Approach*. Upper Saddle River, NJ: Prentice-Hall, Inc.

Herr, Paul M, Frank R Kardes and John Kim (1991), "Effects of Word-of-Mouth and Product Attribute Information on Persuasion: An Accessibility-Diagnositicity Perspective," *Journal of Consumer Research*, 17 (March) 454 - 462.

Holmes, John D. and John D. and Lett (1977), "Product Sampling and Word of Mouth," *Journal of Advertising Research*, 17 (October), 35 -39.

Hunt, H. Keith, H. David Hunt and Tacy C. Hunt (1988), "Consumer Grudge Holding," *Journal of Consumer Satisfaction, Dissatisfaction, and Complaining Behavior*, 1, 116-18.

Mowen, John C. (1995), *Consumer Behavior*, 4th Edition. Englewood Cliffs New Jersey, Prentice-Hall Inc.

Peterson, Robert A. and William R. Wilson (1992), "Measuring Customer Satisfaction: Fact and Artifact," *Journal of the Academy of Marketing Science*, 20 (1), 61-71.

Reichheld, Frederick F. and W. Earl Sasser (1990), "Zero Defections: Quality Comes to Services," *Harvard Business Review*, 68 (Sept.-Oct.), 105-111.

Richins, Marsha L. (1983), "Negative Word-of-Mouth by Dissatisfied Customers: A Pilot Study," *Journal of Marketing*, 47 (Winter), 68-78.

Richins, Marsha L. and P. H. Bloch (1986), "After the New Wears Off," *Journal of Consumer Research*, 13 (September), 280-85.

Richins, Marsha L. (1984), "Word-of-Mouth Communications as Negative Information," *Advances in Consumer Research*, T. Kinnear ed., Provo, Utah: Association for Consumer Research, 697 - 702.

Schlossberg, Howard (1991), "Customer Satisfaction: Not a Fad, But a Way of Life," *Marketing News*, 25:20 (June 10).

Silverman, George (1997), "How to Harness the Awesome Power of Word-of-Mouth," *Direct Marketing*, 60 (November), 32-37.

Sokolosky, Valarie (2000), *Southwest Airlines Magazine*. July.

Swan, John E. and Richard L. Oliver (1989), "Postpurchase Communications By Consumers," *Journal of Retailing*, 65 (Winter), 93-107.

Venkatraman, Meera P. (1990), "Opinion Leadership, Enduring involvement and Characteristics of Opinion Leaders: A Moderating or Mediating Relationship?" in Marvin E. Goldberg, Gerald Gorn and Richard W. Pollay (eds.), *Advances in Consumer Research*, 17 (Provo, UT: Association for Consumer Research), 60-67.

Westbrook, Robert A. (1987), "Product/Consumption-Based Affective Responses and Post-purchase Processes," *Journal of Marketing Research*, 24, (August), 258-270.

Send correspondence regarding this article to:
Gillian Naylor
422 Beam Hall
College of Business and Economics
University of Nevada Las Vegas
Las Vegas, NV 89154-6010 USA