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Dissatisfied Consumers Turn Tables on Companies in Cyberspace

The power of the negative outweighs the power of the positive -- at least when it comes to influencing customer decisions. Word of mouth has long been known to play a powerful marketing function, but the leap in Internet ease-of-use and access to sophisticated Web design and content tools has created a new way for consumers to spread stories about their experiences with products and services.

Often these consumers are motivated by anger and frustration over what they believe to be poor resolution of a problem -- in other words, a failure in customer service. A small portion of these consumers take to the Internet to create negative "Word of Web" (WOW) through a site detailing their experience.

The public, widespread nature of the Internet leaves enterprises open to worldwide exposure generated by sources other than their own advertising and marketing efforts. W. P. Carey School of Business marketing professors [James C. Ward](#) and [Amy L. Ostrom](#) conducted an analysis to determine the extent and nature of "unofficial" information on the Web about 32 popular brand names.

In "The Internet as Information Minefield: An Analysis of the Course and Content of Brand Information Yielded by Net Searches" published in *The Journal of Business Research*, the researchers found that the majority of hits for the 32 brand-name searches through a search service -- which aggregates the results of many search engines -- were from unofficial sources. Of 1,141 hits, 703 (65 percent) were out of the purview of the corporation or its channel partners; Ward and Ostrom classified 419, or 24 percent, of those as negative. For example, in a search for information about Wal-Mart, a number of the sites returned included negative opinions and complaints about Wal-Mart. As another example, a search for the Kellogg's product Pop-Tarts included 12 musical bands with Pop-Tarts in their name and a site containing information about how to set a toaster on fire by overheating strawberry Pop-Tarts.

"The Internet is a historically disruptive phenomenon," Ward said of the results. "It's the first mass media available to the common person and people are beginning to discover the power of that -- and the power of expressing their opinion."

While consumers have always had the ability to spread their experiences through word of mouth, the scope and impact was minimal.

"A brand is the primary concept that a consumer has about a company/product. The source of that concept has traditionally been communication directly from the company, with a tiny bit of input from some friends who may have also tried the product. That balance of messaging is rapidly changing, now that most everyone is online," said Gary Stein, senior analyst for online advertising and marketing for Jupiter Research.

An unhappy customer will typically share his experience with approximately seven other people within their sphere of influence before they lose steam, Ward said. One key difference between this and WOW is that the listener may or may not be in the market for products the complainer is discussing. Those who come across negative WOW are much more likely to have been searching for information on that very product or company. That means a negative Web site is much more able to reach not just more people, but also its target audience. And that target audience is likely to believe what it reads.

"Consumers tend to trust opinions that are perceived as being independent. Companies need to have a solid sense of what is being said about them," Stein said.

Ward and Ostrom note in their paper that before the Internet, consumers sought out information through channels that could be controlled to some degree by the company -- stores, salespeople or service providers, advertising, or consumer magazines -- where companies could be assured the facts were correct and the judgments unbiased. On the Web, searches turn up company-sanctioned information, but also sources that Ward and Ostrom characterize as "angry consumers, disgruntled employees, public interest groups, unauthorized product modifiers, competitors, product enthusiasts clubs, independent consumer guides, news stories, government reports, and many others."

How, then, can a company wrest back control of its brand name and image?

The researchers listed four methods. They can try to influence the search results; encourage consumers to go directly to their official site; attract consumers to friendly sites by creating a host of content-rich options; and work to improve customer satisfaction, employee loyalty and corporate responsibility.

"The research points out the importance of good customer service," Ostrom said, since many of the negative sites were created by dissatisfied customers. Customer-facing, front-line employees must have adequate training, and procedures must be established to allow customer feedback to move up through the ranks so that those with the power to make decisions are aware of what customers think.

A company's ability to perform service recovery quickly and well can make all the difference.

"Not doing it well hurts the relationship and leads some people to take their case to the Web. Once the sites get up, recovery gets a little more tricky," Ostrom said. "Often people are relatively upset at this point."

And the potential damage can go well beyond the simple loss of a customer.

"When you consider the time and resources devoted to brand equity, the investment in customer service is ever more justified," Ward said.

An honest attempt to apologize or rectify problem may convince the angry consumer to take down the site, Ostrom said, however, the wrong response can add fuel to the fire. "At times, the legal department replies first and those letters often become part of the site," Ostrom said.

Another downside to the legal approach is its success rate. Often, fair-use doctrines allow consumers to use logos and other company-identifying information to express their opinions, making it tough to force a Web site down, Ward added.

Instead of going on the attack, firms can take a proactive stance by monitoring what is said about them on the Internet. This can be accomplished through one of the services (such as www.bloglines.com mentioned by Stein) that checks blogs, discussion groups, news articles and other Web content for the keywords a firm has set up and notifies the firm almost immediately when the keywords come up.

"Create an account that performs ongoing searches for your company's name, brand names, your CEO's name, your competitors and anything else that you'd like to know about," Stein suggested. "Then, spend some time listening and understanding the nature of the discussions being held. It may be that the discussions are great. But if there's a problem, consider carefully how to react. The thing is, companies can not control discussions. No one can. But they can understand the conversations and participate when appropriate."

While the precise effect of negative WOW has not been studied, Ward and Ostrom wrote that the need to find out is clear:

"When consumers are choosing between several highly competitive alternatives, essentially matched on many positive product or service attributes, even the suspicion of a negative attribute may influence choice. Thus, there is a strong conceptual underpinning supporting the importance of understanding the informational hazards presented by Internet searches and the potential ways in which marketers may mitigate these hazards for their firms."

Some large companies already do some of this, Ward said, but some small and mid-size businesses may still be lagging in this important information-gathering process. Although the Internet is more than a decade old, there is much research yet to be done. Ward and Ostrom are taking another step. Their latest work examines how consumers are structuring their negative WOW sites to persuade others of seriousness of their issue with the company.

"What we're seeing is that the character of word-of-mouth is changing. On the Web, you can tell a story at length, add drama, pictures, add communication from the company that you regard as insufficient -- including recorded phone messages," Ward said.

They also recommend studying how consumers search for information on the Internet and how they evaluate both the information and its sources.

It's clear that online commerce has changed both mass marketing and consumer behavior. Ward and Ostrom are working to quantify those changes and chart a course for future marketing efforts.

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