

Understanding negative eWOM generated by Millennials on SNS: an imperative for retailers and e-retailers

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Abstract :

The use of negative electronic word of mouth (eWOM) on social networking sites has been known to have an impact on a brand's image. Retailers must pay attention to what consumers say on social networking sites about both their brand and the products they sell to protect their brand equity by shielding themselves from the diffusion of negative information. Millennials are particularly active and inclined to share eWOM. A qualitative research has been conducted to understand why millennials share negative information on social networking sites (SNS) and how this kind of information impacts both their online and offline behavior.

Le bouche à oreille électronique sur les réseaux sociaux a un effet considérable sur l'image de marque. Les distributeurs doivent être attentifs aux commentaires négatifs postés par les consommateurs car ils doivent se protéger de la diffusion d'informations négatives à la fois de leur propre marque ainsi que de celle des produits qu'ils vendent. Les millennials sont actifs et enclin à partager le bouche à oreille électronique. Une recherche qualitative a été réalisée pour comprendre pourquoi les millennials partagent des informations négatives sur les sites de réseaux sociaux et comment ce type d'information influence leurs comportements en ligne et hors ligne.

Key-words: Electronic word of mouth, omnichannel, social networking sites, boycott, millennials

Managerial Implications

As store brands, it is clear that retailers must pay attention to what consumers say on social networking sites about their own brand to protect their brand equity by shielding themselves from the diffusion of negative information. However, retailers must also consider the brands they sell under their name and must understand how negative information about these products can spread on SNS.

The objective is to be able to react efficiently in case of the presence of negative information on store brand or the product that they sell under their name.

This research aims at understanding the reasons why people share negative information on their social network and analyzing the impact of their behavior both on and offline.

The findings of our study have significant implications for retailers. This research provides an original highlight on the consequences of receiving negative information on SNS. Understanding the process a receiver undergoes before sharing negative information and the impact of this negative information (that he decides or not to share) on his own behavior is essential to identify how, on whom and when to act in order to reduce the consequences of this eWOM. Consequently, retailers can implement efficient strategies to limit the spread of negative eWOM on SNS and ultimately minimize boycott risks.

Our study found that millennials engage in eWOM driven by both personal incentives and social incentives. Personal incentives include: seeking comfort, seeking damage repair, seeking revenge and expressing adherence to a cause. Social incentives include: informing, warning and entertain their peers. If companies take the appropriate measure to reduce the situations that entice these motivations, eWOM can be avoided or limited. It is important for retailers to listen to consumers online (as they can react to the products sold under their brand) and to react properly and most importantly at the right time.

Our research has identified how retailers can counter negative information circulating on social networks. Our research has found that if a brand presents the proper remedy to the exposed consumer at the right time of the consumer journey, they would considerably limit the degradation of the attitude towards the brand.

INTRODUCTION

In recent years, consumers are making a new use of social networking sites (SNS) that goes beyond socializing which is to exchange information about goods and services. Consumers prefer getting product related information from other consumers rather than a marketing source. In fact, 82% of French people check online reviews before making a purchase (GMI Research, 2012). This “Electronic Word Of Mouth” (eWOM) has peaked the interest of marketers and researchers. However most research that tackled the influence of eWOM on consumer behavior focused on review and travel sites. Few studies analyzed the impact of social networking sites (whose particularity is to interact with close peers —as opposed to unknown people) on consumer behavior. It is all the more striking since these sites not only provide a popular space of discussion among close peers but also provide a more influential WOM since a study demonstrated three decades earlier that when generated by a family member or a friend WOM is more influential than when generated by others (Brown and Reigner, 1987). Concerning negative WOM, little research has explored the motivations of millennials to share a negative information on SNS and their impacts on both online and offline behaviors. Millennials or digital natives have been active on the online sphere for at least the past 5 years and are practically addicted to the internet (Stenger, 2015). Such an issue is critical for retailers and e-retailers, because this negative information may affect their own brand and/or the products they sell under their brand name. That can naturally reduce the customer’ willingness to visit their website or going to their store.

Then the aim of this paper is to understand how negative information on SNS may impact the behavior of the receiver. Through an in depth qualitative study we seek to find out whether or not the receiver will share this negative information with his network and what are his motivations for sharing or not to sharing it. Beyond sharing this information, we also seek to determine if this negative information affects their own behavior both online and offline.

1. LITERATURE REVIEW

1.1 Electronic word of mouth, restoring consumer power

The power of traditional marketing is declining as consumers are becoming more reliant on information that is generated through word of mouth by a source they trust (Sweeney et al. 2008). In the past, when consumers needed information, they turned

to marketers, friends and/or conversations in public places (e.g., park, gym, etc.). Today, eWOM is being used as a legitimate source for information (Alhidari et al., 2015). Moreover, the Internet has enabled consumers to connect and share opinions and ideas with likeminded people even over the borders. The connection has made it possible to interact with other users around the globe at a simple click of a button. Social networking sites such as Facebook have created alternate worlds where users can represent themselves and share information about different products with their peers thus making it easier for word of mouth to reach a larger number of people. Consumers are more and more aware of their ability to collectively *exert power* online. Indeed, online platforms provide the ideal place to influence a company's image and the way it is perceived due to the large number of consumers that can be reached and the easy accessibility to these comments long after they've been posted. This phenomenon has created a shift of power from the companies' hands to that of the consumers. Many research have shed light on the impact of these sites on consumer behavior but less research has tackled that of social networking sites on the latter.

1.2 Millenials and Social Networking Sites

According to Facebook statistics, 30 billion pieces of content are shared each month (Facebook statistics, 2011). Facebook is particularly interesting in the field of word of mouth since the main activity conducted on this platform has shifted from looking at other people's profiles to socializing and getting information (Wise, 2010; Svensson, 2011).

Some studies have focused on ewom among millenials; also known as generation Y or the digital natives¹. According to a study conducted by Kantar (2015), they spend 2 hours per day on their mobile which is equivalent to one day per week. The main activity they realize on their mobiles is browsing social media (68%). One of the main reasons why research has focused on millenials is because of their high purchasing power. Millenials are constantly connected; they are tech savvy and rely on social networks and online review sites as sources of information to help with their purchase decisions, which makes them an interesting choice for our research.

¹ They are the first generation to grow up with the internet and are born after 1980. They're 1.8 billion worldwide, more than 75 million in the US and 16 million in France (INSEE). They represent about a quarter of the French population and a third of the working class today, they are expected to reach half of the working class by 2020.

1.3 Negative eWOM

Literature has showed that negative word of mouth is more influential than positive word of mouth and is transmitted to more people as it gains more attention (Lau & Ng, 2001). Furthermore, the impact negative word of mouth has on companies is considerable. A negative eWOM posted by one consumer can reach thousands of potential consumers at a simple click of a button. Research has shown that a consumer's willingness to engage in negative eWOM can have an impact on a firm's reputation (Holloway & Beatty, 2003). In fact, when a potential consumer views the negative feedback, he might get distrust and a negative attitude towards the brand (Wang, 2010).

According to literature, the reasons why consumers engage in negative eWOM are numerous. They include anxiety reduction, revenge and advice seeking (Amblee & Bui, 2008). Negative eWOM entices a vengeful behavior from consumers. Previous research has shown that dissatisfaction can result in consumer holding a grudge against the company which in turn can result in seeking revenge to avoiding all interactions with the firm or the purchase of competitor's product (McCullough et al., 2001).

1.4 Conceptual framework

The elaboration likelihood model seems to be a relevant model to understand the reaction of the consumer when receiving negative information. This model is a framework that helps understand the process of persuasive communication that leads to an attitudinal change (Petty & Cacioppo, 1986)². Concerning negative eWOM, if the recipient deems the message relevant, he will adopt the central route and would focus on distinctive cues and make a cognitive effort when judging the persuasiveness of the message such as the quality of the arguments presented and the relevance of the message. Otherwise, he would take the other route to persuasion, the peripheral route where he would rely on other factors such as the sender's attractiveness.

The SOR (stimulus-organism-response) model is suitable to our study. The model stipulates that the environment is a stimulus that contains signals that can have an impact on a person's internal evaluations which in turn create responses (Arora, 1982;

² There are two routes of persuasion: the central route and the peripheral route. People process information through the central route when they have enough motivation and ability to do so, their implication is high.

Houston & Rotschild, 1977). In our study, the consumer receives a stimulus in a virtual environment (a negative eWOM), which causes him to process this information internally which in turns leads to a response (online and offline).

2. METHODOLOGY

A qualitative in depth interview methodology was chosen for this study. The interviews lasted approximately 40 minutes and were audio-recorded. Participants were recruited via Facebook. They were chosen using a snowball recruitment technique. The focus of the study was on millenials, the participants chosen were therefore aged between 15 and 35 years old.

Data was extracted through content analysis. NVIVO was used to organize and code the data following a categorization approach.

3. FINDINGS : Understanding Motivations to sharing negative Information and its Impact on Customers' Behavior both on offline.

Two broad themes were drawn from the data and presented below to illustrate how web users respond to negative eWOM generated on Facebook.

3.1 – Motivations to engage in eWOM on SNS

In terms of motivations, two dimensions to sharing negative information emerge: (A) a **social reason** and (B) a **proself reason**. In the first dimension the act is focused on others, while in the second, the act is focused on one's self.

3.1.1 To share negative information for prosocial reasons

Consumers would engage in sharing negative messages to inform, warn or respond to the interest of other members of the SNS.

- **To inform** – the journalists

The journalists have a high faceconcern and pride themselves in being the first to access an information thus, they are eager to share it with their peers to let them know they have made a new discovery (for positive eWOM) or that they had a bad experience (for negative eWOM). *“When it’s something new, and I believe people should know it.”* Millenials believe this information can be helpful to others as they progress in their consumer journey. *“It can always be helpful to others.”*

- **To warn** – the ombudsmen

The ombudsmen believe they have a responsibility to warn others about the negative effects of a product or service. *“Its to tell people to beware.”* They have had a negative experience and they decide to share it to avoid other people having the same experience: *“to warn others so they won’t be caught in the same trap.”*

- **To entertain** – the bloggers

The bloggers are always on the lookout for new information that would entertain their peers. Many have noted that as they post information about a product or a service, the first thing they about is their target. Once they deem that the information would be perceived as interesting by their network, they would share it. *“I know it would interest people in my network.”*

3.1.2 To share negative information for Pro-self reasons

Millenials may be motivated to share negative information on social network. The act is focused on one’s self. They share negative information to fulfill individual benefit from the social network or from the company. Sharing negative information is also a way to express themselves.

- **An action oriented towards others : Seeking comfort through the need of a social interaction**

One of the many reason people would turn to social media to post negative information is to seek comfort. Posting a negative feedback after a service or a product failure on social networking site is generally linked to the need of a social interaction. Such a behavior is rooted in an extrovert personality. *“I was shocked, I wanted to be comforted.”* “To be comforted” expresses a willing to seek comfort amongst their peers through social interaction.

- **A company-oriented action: Seeking damage repair or vengeance and seeking to hurt the brand**

Sharing information is a way to get companies to respond to their demands or even to hurt the company by a malicious intent. Many consumers resort to SNS to express their disappointment with the brand in hopes of getting a remedy or seeking damage repair. *“I shared it to get reimbursed.”* Many respondents have cited they seek an intentional harm to the company, which is why they’d resort to sharing negative eWOM. *“I wanted them to rot.”* Most respondents have pointed out that they wish to incite a wave of non purchase or boycott by their peers. *“When I share a negative information, it means I’m really pissed I want people to stop buying this brand.”*

- **An action oriented towards themselves: Expressing adherence to a cause**

In accordance with the previous motivation, at times consumers wish to show their peers their support to causes that matter to them. Thus they share information hoping to get their friends on board. *“I signed the petition and I shared it with my friends so they would sign it too.”*

3.3- How Negative eWOM may impact online and offline behavior

A) How Negative eWOM modifies behavior on-line : from a need to verify the information to an invitation to sharing it

Respondents will check the information before they process it any further. As skepticism is growing stronger in the age of overflowing information, information credibility has become an important aspect to secure. Sharing negative eWOM seems to be more involving than positive eWOM. They will check on the web and on the company's website.

- **Searching for more information on-line**

Different respondents indicate that they search for more information about the message received on their social network, before sharing it. *“Personally, I try to check the information on my own to know if it's true or not.”*

- **Visiting company website to analyze the company's position to the problem**

When faced with negative information about a brand they would visit the brand's webpage, in other words they would go back to the source as a mean of checking the information. Also, if the information contains unethical company practices or a corporate mistake, millennials would visit the site of the brand to see how the company is remedying the situation. In some cases, a positive reaction to a negative situation can lead to gain back the trust of the consumers. *“I know that in times of crises, I'm interested to check the company website to see how the brand is handling it.”* Retailers might benefit from interfering with millennials at this moment to remedy their image by communicating with them.

- **Beyond sharing e-wom : an invitation to share**

One of the obvious reactions consumers might have in response to negative information about a product is to share it.

B) How Negative eWOM modifies behavior offline : from a degradation of the brand attitude to WOM

Negative information may degrade the attitude towards the brand that can lead to a deletion of the retailer from his consideration set. Millennials may not purchase the

brand or stop buying the brand: brand boycott. Finally, there is a contamination between the digital and the physical world, an eWOM can become a traditional WOM. The objective of retailers should be to react before millennials reach this stage.

- **A degradation of the attitude towards the brand**

As predicted and in accordance with the theory of planned behavior, upon receiving negative information about a brand, can generate a negative attitude towards the brand. *“The information I receive on Facebook can change my attitude towards a brand.”*

- **A suppression of the brand from the consideration set**

Millennials have stated that upon receiving negative information from their peers and after having checked it, they are likely to refrain from buying the product. In fact, should they be faced with a purchase decision regarding the product, they would consider another brand, hence deleting it from their consideration set. *“I will not buy an Hermes bag or accessory.”*

- **The boycott of the brand**

On the other hand, if the web users are already consumers of the brand, they would stop buying the brand which is also boycotting the brand. *“I stopped buying the product and I shared it so that my friends would stop too.”*

- **Sharing negative eWOM offline : when eWOM incites “traditionnel” WOM**

Some millennials won't just stop buying the brand. In an attempt to actually harm the brand, they would share negative information to influence their peers in following their actions: *“I shared it offline.”*

Conclusion

In conclusion, our study shows that negative eWOM can have considerable effects on brand attitude, which is why retailers and e-retailers must monitor eWOM on SNS in order to identify the proper moments to interfere. Retailers' response can positively affect brand attitude following negative information on the brand.

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