Electronic Word of Mouth:
What Do We Know About This
Powerful Marketing Tool?

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Editor: Larisa Tatge

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Contents

Introduction

Word of mouth (WOM) is one of the most ancient and effective communication tools in the history of humankind, and its importance as a marketing tool has been growing during recent years.

WOM has gained influence for the following reasons:

• Information technology enables remote communications. This expansion in communication channels means that people can send and receive much more information than before. Hence, WOM is more likely to happen in this context, because when an individual wants to make a recommendation, he/she can do it orally or use information technologies such as e-mail, SMS or cell phones.

• There is less interest among consumers in advertising and traditional media because of several interrelated factors (see Figure 1):

  a) Growing criticism of the advertising industry in general. Devices such as TIVO have weakened the effectiveness of advertising, allowing people to skip commercials altogether.
  b) Audiences are more fragmented, making it difficult to reach as many people as companies used to reach some years ago.
  c) Media planning companies are starting to rely on non-traditional media like webpages, blogs, search engines and Internet communities.
  d) Return on investment (ROI) in traditional advertising campaigns has been questioned by some scholars and industry experts (Loddish et al. 1995, Shore et al. 2004).

• Since products are becoming more complex, people are looking for reliable and objective sources of information before making a purchasing decision.

In addition, communication strategies based on WOM have high reach, are generally cheaper than traditional advertising and are more trustworthy. However, companies have less control over WOM strategies, since the way in which communication spreads among consumers is more random than in advertising (see Figure 2).

In this work, we analyze what we consider to be the key issues in implementing a marketing strategy that incorporates WOM. In doing so, we split the analysis into six sections. We begin by stressing the difference between traditional and electronic WOM. Then we focus on how the WOM process takes place among individuals. The third part highlights some characteristics of a WOM campaign. Next, we suggest some possible strategies that might be chosen by a marketing manager and consider the right platform for implementing them. In section five, we suggest some control mechanisms to check the effectiveness of an e-WOM campaign. Finally, we touch on two crucial issues that should also be considered: the relationship between WOM and advertising, and the ethics of WOM.

Figure 1. What's wrong with this picture?
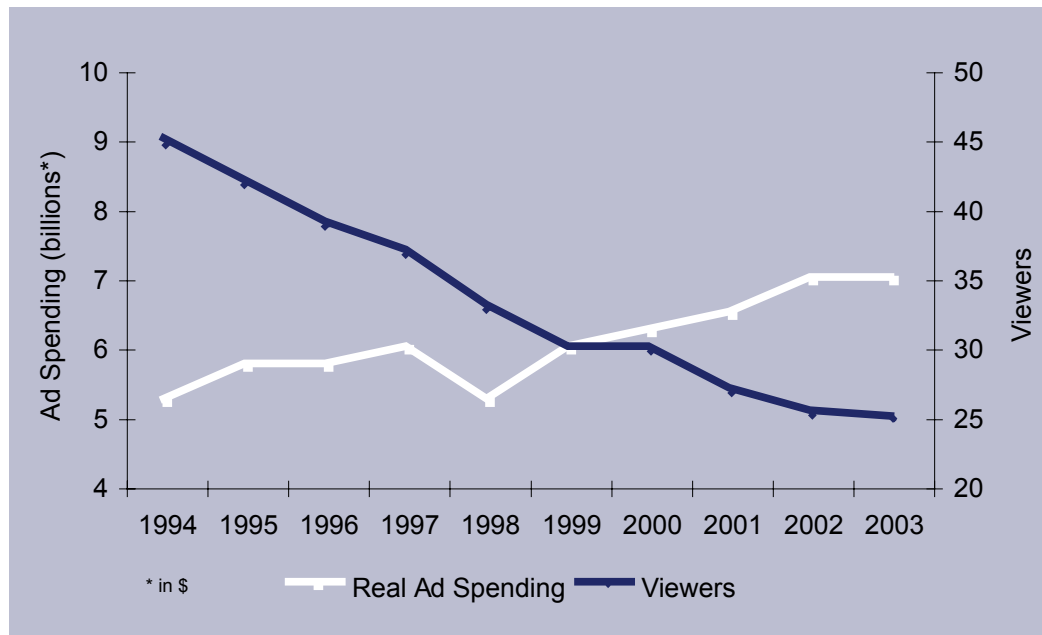
Source: McKinsey Quarterly (2005).

Figure 2: Traditional vs Consumer Generated Media

	Traditional Media (CPM Model)			Consumer Generated Media (CGM)		
Variable	TV	PRINT	DTC	Ratings	Posts & Reviews	C2C E-mail
Reach	High	High	High	Med	High	High
Trust	Med	High	Med	High	High	High
Cost	High	High	High	Low	Low	Med
Control	High	High	High	Low	Med	Low

Source: Inteliseek, (2004).

1. Traditional and Electronic WOM

1.1. What is WOM?

WOM is defined as oral, person-to-person communication regarding a brand, product or service, between a receiver and a communicator, whom the receiver perceives as non-commercial (Arndt 1967). Under this definition, the process requires physical interaction between two (or more) people: the sender of the message and the receiver. This definition also points out that the sender should be perceived as non-commercial – in other words, his/her suggestion, to be credible, takes place in a natural dialogue between both individuals, in which the recommendation comes from matching the sender's knowledge with the receiver's need.

To be effective, WOM should follow three principles (Gladwell 2001):

• Stickiness of the message: There are specific ways of making a contagious message memorable.
• The law of the few: There are few people – the "right" ones who are well-connected and influential in shaping others' opinions, through which the message should flow.
• The power of context: People are more sensitive to the environment in which they are embedded than they appear to be.

WOM has been shown to influence a variety of conditions: awareness, expectations, perceptions, attitudes and behavior. For companies, however, WOM is a double-edged sword: On the one hand, WOM has been shown to be a powerful marketing tool that might increase profitability; on the other hand, when the message is negative, it may cause even worse damage to the company.

1.2. What is e-WOM?

With the growth of the World Wide Web, people have started using Internet-related technologies to communicate with each other. Among the different applications available for Internet users, online forums, online reviews, feedback mechanisms and e-mail create a new way of informal conversation that Nicholas Negroponte termed "electronic word of mouth" (e-WOM). This can be defined as any positive or negative statement made by individuals about a product or company, which might be available to a multitude of people and institutions via the Internet. Put simply, e-WOM is word of mouth through the Internet.

Wang et al. (2005) differentiate between two types of e-WOM communication: repository and dynamic systems. The former allows consumers to upload their reviews, comments and ratings of products and services, exchange partners to their database systems and present the information in an organized way on the Web.

This is the case of movie ratings (imdb.com, Internet Movie Data Base) and consumer opinions about products (ciao.com). In dynamic systems, such as online forums, consumers interrelate in real time with an interactive communication structure without using a specific rating system to assess the value of a certain product or service. The interaction among people through e-mail is included in dynamic systems.

Electronic WOM follows most of the principles of traditional WOM: the content of the message is critical, the law of the few remains (not regarding people, but specific websites and technologies) and, of course, the context is also important. There are positive and negative messages as well, and the interaction is among people who do not pursue any commercial interest in the recommendation.

However, there are some differences between electronic and traditional WOM that are worth noting. According to Dellarocas et al. (2004), Internet-based technology has added two new important dimensions to the traditional WOM concept:

• unprecedented scalability and speed of diffusion
• persistence and measurability

In the first case, it is clear that e-WOM is not about interaction between two persons, but rather among a community of individuals who share the same interest. Since the Internet is online and ubiquitous, what an Internet user posts online is available instantaneously for the entire community.

Persistence and measurability are two important features of e-WOM for both individuals and firms. For individuals, the fact that their colleagues' opinions are stored in digital devices allows them to search and find the answer whenever they need it. For example, it is typical among software programmers to search in online forums for questions and answers that other colleagues have made previously. The same thing happens among people interested in knowing the opinions of others who have watched the same movie as they have. For companies, persistency of the message allows them to measure WOM. Given that most of the information posted on the Internet is stored, firms might glean useful insights from it. For example, when consumers are dissatisfied and express themselves through online forums, firms might be interested in knowing the causes of their irritation and why they complain.

The other important difference between traditional and electronic WOM is about the trustworthiness of the source of the recommendation. In traditional WOM, the receiver of the message knows perfectly well who is giving him/her the suggestion, so at most his/her problem might lie in knowing whether the sender is the right person to ask for advice. In e-WOM, however, sender and receiver usually do not know each other, so the question is how the receiver might discern whether a message that he/she is actually reading has been posted honestly. This is a very important issue because firms or individuals might manipulate web-based online forums by posting positive feedback to their products, under the assumption that consumers are more likely to buy when the product has a positive recommendation. For example, *The New York Times* (February 14, 2004) reported how the website of Amazon in Canada accidentally revealed the true identities of some of its book reviewers: a high proportion of them were authors and publishers of their own books. Similar situations have occurred with movies and music. Since there is no way to know whether a message has been placed honestly or not, people should be cautious about what they actually read in consumer forums.

2. Consumer Behavior

Electronic WOM is about interactions among people. Hence, how people behave, why they look for information on the Internet, what topics they usually discuss, etc., are interesting questions to be considered before developing an e-WOM strategy. In this section, we analyze how people behave in a WOM process and what might be the specific impact of WOM through the Internet on their behavior.

According to a recent study by Forrester Technographics, WOM-driven consumers represent 8 percent of the online consumer population. They are characterized by being technology lovers and heavy Internet users, and they make most of their purchases through the Internet. They have been identified as brand loyal, and they enjoy watching videos and downloading music.

Electronic WOM has taken place among different kinds of Internet-technologies and diverse types of products. However, entertainment goods such as movies, books and DVDs are the favorites to be discussed and rated online. In business-related electronic forums, researchers report that there are four general topics that people enjoy discussing: business practice issues, usage experience issues, information requests and product launches/development.
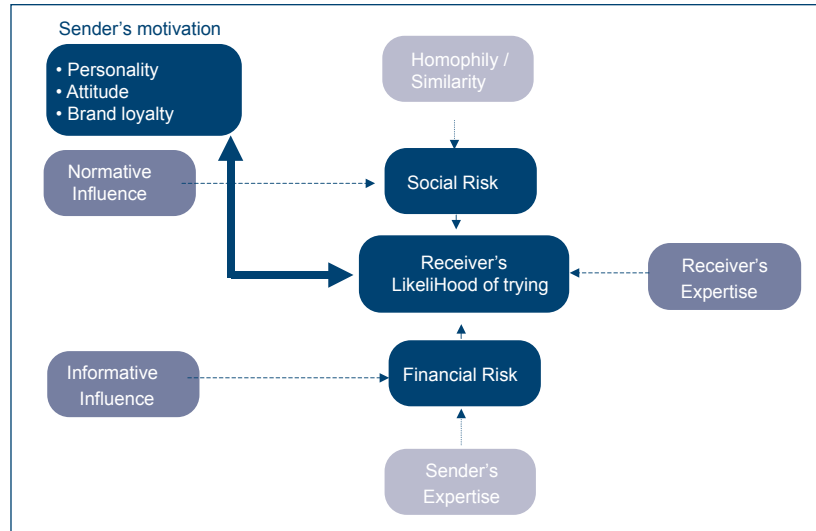
2.1. Process

WOM is a joint process, meaning that it will occur if the communicator is motivated to speak and the receiver is motivated to listen. Figure 3 shows how traditional WOM works from both the communicator's and the receiver's point of view.

Figure 3. Traditional WOM – Influence Process

Source: The authors

The process can be initiated by either the sender or the receiver. In the first case, research shows that WOM senders are motivated to make recommendations by their personality traits, their attitude to communicate, their involvement with the company or product that they want to foster, and by situational factors (i.e., the release of a new book or technology (Murray,1991; Richins, 1998)).

Once the conversation has been established, the receiver – whether the sender initiated the process or the receiver solicited advice – decides according to: the homophily[*] or similarity between the sender and receiver, the sender's expertise, and the type of risk that he/she perceives. As we will see in the next paragraph, similarity and the sender's expertise work as a reliever of the receiver's risk perception.

When people face a risky situation, they tend to ask for advice. Wanghenheim and Bayón (2004) characterized risk perception in terms of two categories: social risk refers to the negative consequences potentially arising from the social environment of the consumer; and financial risk refers to the financial loss in case of a bad purchase. Both social and financial risk perception are the consequence of two kinds of interpersonal influence: normative and informational influence. The former arises when an individual attempts to conform to the expectations of others, while the latter operates when individuals accept information as a tool to enhance their knowledge of a certain product or service. Consequently, depending on the kind of interpersonal influence,

[*] Homophily is the tendency of individuals to associate and bond whith similar others. (Source: Wikipedia).

social or financial risk perception will arise, which in turn will condition whom an individual will ask for advice.

When the receiver perceives social risk, he/she will more likely ask friends and relatives for advice, because people need recommendations about how to behave under the circumstances of a certain environment that shares the cultural and demographic characteristics of their colleagues, friends or relatives. On the other hand, if the risk perception comes from an informational influence, the receiver will probably ask an opinion leader or market maven. In this case, the reliever of risk perception is the expertise of the sender (see Figure 4).

The last factor that might influence the receiver's likelihood of asking for advice is his/her expertise (Bansal and Boyer, 2000). When the receiver is either "ignorant" or an "expert" in the use of a certain product, he/she is more unlikely to actively seek a recommendation. The intuition behind this finding is that when someone is an expert, he/she decides by him/herself, because he/she has enough knowledge to overcome the risk of the purchasing decision. At the other extreme, someone who is completely ignorant does not care about a recommendation, because he/she does not have any benchmark of comparison, and consequently buys the first thing that he/she has the opportunity to buy. Therefore, individuals with moderate knowledge are the ones who are most likely to ask for or seek advice. (Wanghentlein and Bayon, 2004)

Figure 4. e-WOM – Influence Process
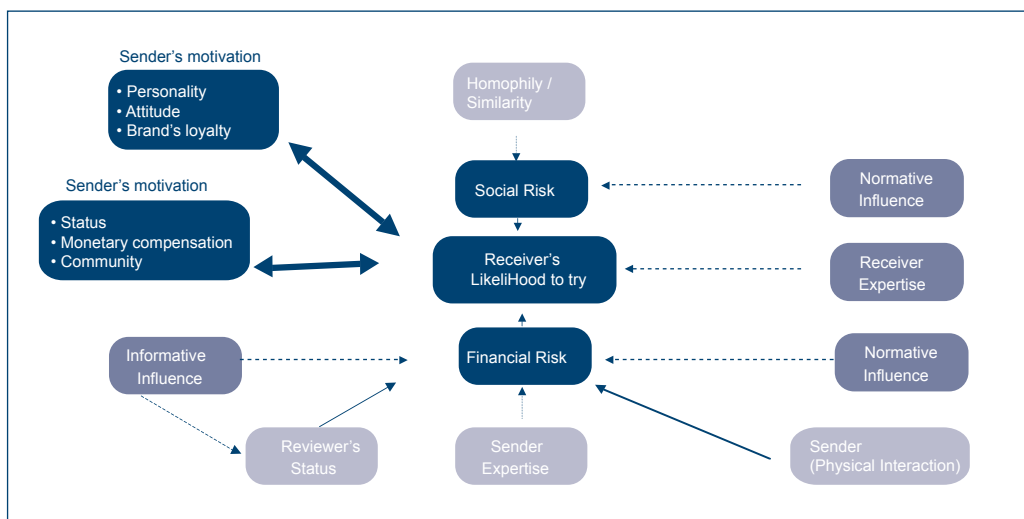
Source: The authors

How does this general framework fit with e-WOM?

To address this question, it is important to differentiate between dynamic and repository types of interaction. In dynamic systems, e-WOM is explained by the same factors that work in traditional WOM; whereas in repository systems, websites have developed new incentives to get people participating in the e-WOM process. In repository systems, there are three additional motives for which senders might engage in WOM: status, monetary compensation and community network (Wang et al. (2005)).

Status: Some companies display status tags next to the reviewer's name, based on the quantity and quality of their contributions. More recently, movie websites and Amazon, among others, define the status of the reviewer according to the votes they receive from their colleagues, so the status process is much more democratic.

Monetary compensation: Although not a general practice, some product-review websites allow individuals to accumulate points through their comments, and the e-WOM systems convert the points into monetary compensation for contributors.

Community network: Some firms allow individuals to indicate which contributor they trust; consequently, a network of reviewers can be formed. Members with close ties read and comment on each other's product reviews. People might be willing to participate in a small community in which they can share their opinions with other colleagues who have the same interests.

Receivers, as with traditional WOM, would be influenced by their risk perception, similarity with the sender and the sender's expertise. However, in this case, both similarity and expertise of the sender do not have the same meaning. As we will see, the influence of technology changes the significance of similarity and expands on the concept of "expert."

Similarity: In e-WOM, the process of social interaction does not necessarily require that people know each other beforehand or that they have any physical interaction. Social contagion in e-WOM is made through individuals who are structurally equivalent, that is to say, people who share the same social status, interests, hobbies or profession. For example, in book reviews, e-WOM works through the social interaction among people whose hobby is to post comments about books. They do not know each other, but they are structurally equivalent

to the extent that they share the same interest. Internet-based technologies foster e-WOM because they enable the interaction of people who are structurally equivalent.

However, when the decision implies purchasing a product, people tend to ask friends, acquaintances or relatives before making the decision. Bell and Song (2004) studied a large Internet retailer, Netgrocer.com, and found that the "neighborhood effect" – the influence of friends and relatives on the decision – is economically meaningful because it explains more than 50 percent of the likelihood of trial. The probability that a consumer would try or buy in the Internet store increased due to the recommendations of colleagues, acquaintances or friends who lived in the same neighborhood. Hence, although the concept of similarity has been extended in scope by the use of technology (because people no longer need to know each other beforehand in order to influence each other), it is also true that physical interaction of trying or buying friends' recommendations still have a strong influence on people's likelihood of trying or buying a product on line.

Expertise of the sender: The expertise of the sender is related to the platform/ technology of e-WOM. In the blogsphere, Enrique Dans and Martin Varsavsky are opinion leaders in the sense that their blogs are read by many people and their comments are also posted and resent to other blogs. They are influencers in their respective topics to the extent that people follow what they do and say through their blogs. People know and recognize them as experts in their specialties. Another category of experts is the reviewers with higher status in repository WOM systems. Since most websites classify individual reviews according to their level of usefulness for other people, and taking into account that comments appearing on those websites are sorted by their level of usefulness, it is highly probable that the best reviews in terms of usefulness for other people might influence consumer behavior. These "experts" are not as well known as the previous examples, but they could still influence consumer behavior.

The dynamic of risk, the relievers of such situations in e-WOM work in a similar way as in traditional WOM. When people face normative influence, they try to reduce their anxiety by interacting with those with whom they share something in common. In an e-WOM context, technology enables the social interaction process, allowing individuals to post messages on line, e-mail others or rank a product. The fact that technology facilitates the process is the main cause of the fast and large diffusion of social interaction. In this case, technology not only enables WOM but also allows it to spread faster and with a larger scope.

However, when the receiver faces a financial risk, and therefore needs advice before making a purchasing decision, several factors might influence his/her decision. Depending on the situation, the expertise of the sender, the level of trust that he/she has regarding the status of a reviewer, and the advice of someone with whom he/she has physical interaction might reduce his/her level of uncertainty and therefore influence the receiver's final decision to try.

In summary, the main difference between traditional WOM and e-WOM, in terms of the likelihood of the receiver to try, is that in the latter, technology allows people to interact without previous physical interaction. This accelerates the social contagion process when the perceived risk comes from normative influence. However, when people face financial risk, they are more reluctant to make decisions based on online advice, which is why they use more sources of relievers before taking the final decision. This might explain why the number of people who buy online through the recommendation of a colleague is still low (8 percent, according to Forrester Research).

3. Characteristics of the Content

Electronic WOM, as with any other communication tool used in marketing, should persuade customers or prospects with the message embedded in the copy or in the application. Since there are many different ways to design a strategy based on e-WOM (see section 4), and given that consistency between e-WOM strategy and the characteristics of the content is needed, it is almost impossible to suggest a general recipe about how to design the best e-WOM content. Having said that, there are some factors that make a message more likely to be read, forwarded or even requested by consumers. In this section, we list a set of factors that we think might make content more likely to fit with an e-WOM strategy.

Interactivity: It is one of the most important features in social contagion. The content should not only allow but also foster interaction between individuals and the firm, and most importantly, between individuals themselves. In blogs, for example, it is key to let people post their opinions. When the e-WOM tool is an e-mail, people appreciate a "send to your friend" button if they want to share such content with somebody else. WOM is about people; companies only benefit when buzz is generated, so interactivity or social interaction is a key condition.

Personalization: The content of the copy or the application should be as customized as possible. People are exposed to a huge amount of information every day, and they usually hate to read useless e-mails, newsletters and other kinds of electronic messages. By personalizing the content, firms might help individuals when they are looking for information, thus enabling the search experience. Amazon is an example of a good combination between personalization and WOM. In Amazon, when an individual becomes a customer, whenever he/she goes to the company website, he/she directly assesses a tailor-designed web page in which the he/she receives suggestions related only to his/her pattern of purchasing. What's more, since the online library allows people to review books on line, the consumer has a complete picture of not only what is actually available concerning his/her interests, but also about what his/her colleagues think about these products. For this reason, the experience of most customers at Amazon is great.

The Right tools: In order to be both interactive and funny, most companies select videos and games as the tools to initiate an e-WOM marketing campaign. With video games, for example, one of the advantages is that they allow corporate sponsors to connect with young consumers' lifestyles. Research has shown that the effect of brands placed in video games is much more intense, because the user becomes part of the entertainment while interacting with the game.

Videos are one of the most suitable tools to guarantee entertainment – the interaction between images and sound gives publicists more resources to exploit their creativity. These tools used to have an important shortcoming regarding an e-WOM strategy: the large file sizes, in terms of megabytes, usually impeded them from being easily shared with other individuals. It has to be said that although new technologies allow file sizes to be compressed, and broadband access has become more popular, videos did not really take off across the Internet until Google Video and YouTube came onto scene. These websites allow people to blog, share, upload and resend videos. While the quality is not extremely good, it is nonetheless good enough to get people to have fun (see Exhibit 1).

Exhibit 1: YouTube: Sharing Videos on the Internet

Founded in February 2005, YouTube is a company for people to watch and share original videos worldwide through a web experience. YouTube originally started as a personal video-sharing service, and has grown into an entertainment destination, with people watching more than 50 million videos on the site daily. One of the main features of YouTube is that it was the pioneer in allowing individuals to share videos. It has developed a large, active community of users who comment on videos, rate videos, become friends, create favorites and playlists, and so on. Another important feature of this company is that the way in which a user can embed videos into his/her blog or website is very well done. Finally, and because of its pioneering advantage, YouTube has enough critical mass to remain the leading company in sharing videos.

Source: Authors

YouTube.com users in the USA (thousands)
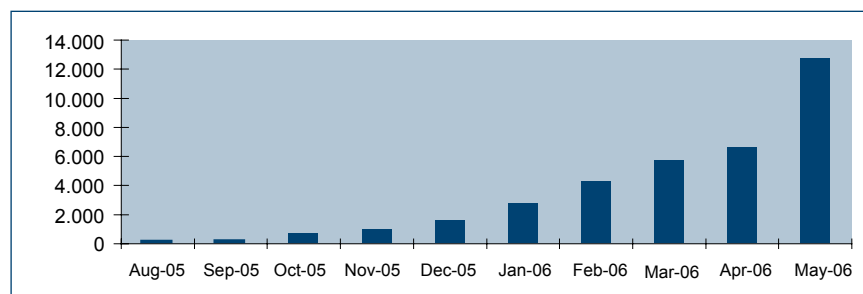
Source: eMarketer (2006).

Integrity of the message: One shortcoming in an e-WOM strategy is that a company cannot control the entire communications process. Once it initiates the buzz, consumers get the word out through different mechanisms. For that reason, it is important to ensure that the message stays intact through subsequent communications. In the case of videos and games, it is easy to control, because the content cannot be modified by consumers. However, newsletters and promotional e-mails might be more problematic. For example, when firms decide to send online discount coupons to their customers with a "send to your friend" link, they should design the e-mail in such a way that both the recommendation and the possible purchasing decision have to be made under absolute control of the firm. In other words, if customers can separate the discount coupon from the e-mail and send it to their friend, the focus will not remain anymore on the brand or product, but on the discount.

Other recommendations

Beta versions: A beta version or beta release usually represents the first version of a computer program that implements all required features, although additional features may be added later. Though likely to be unstable, it is useful for internal demonstrations and previews to selected customers, but not yet ready for public release[1] .

Developers release beta versions to a group of beta testers (sometimes the general public) for a user test. The testers report any problems that they found and sometimes make suggestions for the final version. Some firms, such as Google, FONO, etc., have used the idea of beta as a marketing tool. The thinking behind this is that while in beta, people participate, interact and suggest more things than when the software is already done. Most of the applications that are working in beta are not available directly to the general public, although most of them are, in fact, "final versions." For example, Google has Scholar, Gmail, Video and other services running in beta. This fact generates gossip among the community, because people like to know and try new services. Since their availability is not straightforward, people engage in WOM in order to find out where they can locate such applications.

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1   Source: Wikipedia

Control mechanisms: Firms should implement mechanisms to track how the message spreads among people. One way to do this is by introducing cookies or links that enable companies to follow the message every time the sender forwards it to somebody else. When the tool is not a message but rather an interactive application, like videos or games, the task of following the "footprint" of the content is more difficult. Companies usually hire the services of "consumer -generated media assessors," whose mission is to track how many times a brand or specific content has been discussed during a specific period of time.

4. Marketing Strategies Using e-WOM

WOM is an external variable that marketing managers are learning to frame, amplify and improve. Consequently, a marketing strategy based on e-WOM does not mean "create WOM," but rather, it is about learning how to make it work within a marketing objective. It is about developing ways to make actual customers and prospects happier, to listen to them and to empower them to share their experiences. The main characteristics of a marketing strategy using e-WOM are:

Non-intrusive: Unlike traditional advertising, the marketing strategy using e-WOM is based on the free flow of information among individuals who are the referrals of the firm's brand or product.

Bottom-up process: Companies enhance their brand's strength because people talk freely about this brand, causing more people to become aware of its existence. There is not a stimulus-response strategy, as in advertising, but rather a learning process led by individuals.

Less controllable: Sometimes the impact of an e-WOM marketing campaign is difficult to assess. Since companies might only frame or amplify WOM, it is almost impossible for them to know who will receive the messages and what the content will be.

Electronic WOM marketing is particularly important for Internet companies because this strategy has been followed by almost all the most well-known online brands: eBay, Amazon, Google and Yahoo! are among the most important. For example, eBay became popular due to the good experience that people had selling and buying products through this website. They got the word out, initiating a contagion process.

In the case of Amazon, WOM is at the top of its marketing strategy. Jeff Bezos, Amazon's CEO, said in 2004: "We don't do any television advertising, and we take all of the money that we would put into television advertising, and instead put it into things like free Supersaver shipping …That's the philosophy we've taken from the beginning. If you do build a great experience, customers tell each other about that. Word of mouth is very powerful."[2]

In this section, we discuss three important issues regarding the implementation of a strategy based on e-WOM. We start by analyzing its purpose, then we focus on the types of e-WOM strategies that foster sales, and finally we examine the most suitable platform to implement each strategy.

4.1 Purpose of an e-WOM Strategy

What do marketing managers want an e-WOM strategy for? There are at least three reasons why an executive might decide to implement an e-WOM strategy.

Increase sales: As with any other variable of marketing, managers expect that by launching an e-WOM campaign, the main effect will be an increase in sales. Positive WOM has been shown to be one of the most effective and efficient mechanisms to fulfill this objective. It is effective because, as a matter of fact, recommendation is a crucial step in a purchasing decision. It is efficient because it enables companies to obtain the same level of turnover with a lesser allocation of resources. Although companies cannot control WOM, neither in the traditional way nor in the electronic one, they might, however, control the environment or manage the mechanism, to foster social interaction among people.

Customer satisfaction: e-WOM communication allows managers to understand customer needs better. This characteristic is almost specific to e-WOM because, in this setting, people express themselves in a natural way, and the messages they post or the e-mails they send are stored in digital devices. The availability of such information allows managers to analyze what people say, why they complain, and what they suggest to improve service. Allowing people to express themselves is one of the most efficient mechanisms to reduce the probability that they engage in negative WOM.

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2   *BusinessWeek* (August 2, 2004)

Product development: Firms, especially consumer-product companies, usually spend a huge amount of money on product testing. Although e-WOM will not replace methodologies such as blind tests or focus groups, it might be helpful as a tool of market research. In product review websites, such as epinion.com, ciao.com and doyoo.com, people usually make interesting contributions for improving a firm's products. In market research, dynamic e-WOM systems are even more interesting, because in these environments, people not only make suggestions but also interact with each other, offering reasons and consequently revealing their true feelings and needs regarding a certain product.

4.2 Strategies to Increase Sales

Firms design and implement e-WOM strategies to sell more. Although there are other purposes, such as those pointed out previously, the main objective is to get more customers and increase revenues. It is important to stress that WOM has an indirect effect on sales. Positive WOM increases the level of awareness among both customers and prospects.

The more people are aware of the existence of a brand/product, the higher the probability that they will try the product. So the main function of e-WOM is to increase people's knowledge about a brand, because awareness is a necessary condition to try.

There are many ways to design and carry out a marketing strategy based on e-WOM when the main purpose is to increase revenue. In order to understand the different approaches, we follow the classification suggested by the World-of-Mouth Marketing Association (WOMMA). According to WOMMA, word of mouth can be organic or amplified by companies.

- **Organic WOM:** "occurs naturally when people become advocates because they are happy with a product and have a natural desire to share their support and enthusiasm."

- **Amplified WOM**: "occurs when marketers launch campaigns designed to encourage or accelerate WOM in existing or new communities."

Table 1: Word-of-Mouth Strategies

Organic WOM	Amplified WOM
Buzz/Viral Marketing	Community Marketing Influencer Marketing Cause Marketing Brand Blogging E-mail Marketing Mobile Marketing

Source: The authors

In Table 1, we classify e-WOM strategies for fostering sales in two categories. Since there have been different labels for the same type of strategy, we will try to put them in some order, define each of them and give some examples of their applications.

4.2.1 Organic WOM

Although it's hard to believe that people might become advocates of a certain brand without some hepl from the company, we include buzz/viral marketing in this category, because we believe that the marketing effort in this case is minimal.

4.2.1.1 Buzz/viral marketing: While some people treat buzz and viral as two completely different concepts, we think that the effect of both is the same. Buzz means "a low murmur of conversation made by a group of people, especially when they are excited or interested in something."[3] The term viral marketing was coined by Steve Jurvetson, the managing director of venture capitalists Draper Fisher, in 1997 and its original inspiration came from the pattern of adoption of Hotmail. By including a link in every message sent by a Hotmail user, every customer becomes an involuntary salesperson simply by using the product, and Hotmail's marketing strategy piggybacks on the message. Viral or buzz marketing is a strategy based on entertainment and information messages that are designed to be passed along by consumers, often by e-mail.

Internet companies that use buzz/viral marketing successfully have a common feature: all of them have been pioneers in introducing an innovation. Hotmail did it with free e-mail at a time when everybody had to pay for this service. ICQ was the first widely spread Internet relay chat, and Skype took advantage of its technology (voice over IP) to launch one of the most reliable free services that allows users to talk through the Internet (see Exhibit 2).

3   Source: Encarta Encyclopedia

Exhibit 2: Hotmail, ICQ and Skype: The Success of Viral Marketing

Hotmail grew its subscriber base from zero to 12 million users in 18 months, more rapidly than any company in any media in the history of the world. It did so with an advertising budget of $50,000. Other competitors such as Juno spent $20 million on traditional marketing in the same time period with less effect. What's more, Hotmail became the largest e-mail provider in several countries where it had done no marketing.

Mirabilis Ltd., an Internet startup located in Tel Aviv, Israel, launched a new service in 1996 to bring computer users together called ICQ, or I Seek You. ICQ revolutionized the way people converse on line by releasing the first friendly Internet chat tool. ICQ was spread by word of mouth, and the service reached 10 million users by the middle of 1998, when it was acquired by AOL in a $287 million cash deal.

Skype, the software that allows people to talk freely using voice over IP technology, is another example of viral marketing on the Internet. The secret in this case was the ability of Skype's managers to build not just a customer base but a connected community. Skype has followed the classic model of the instant messaging phenomenon: great usability for individuals, easy-to-use software, and it enables users to join Skype's user network. Once the company achieved critical mass, it released subscription-pay services that have also been successful: more than 1.2 million people have now paid to use the SkypeOut service.

Source: The authors

Consequently, there is a necessary condition to use a *buzz/viral marketing* strategy: a firm should introduce an innovation, otherwise it is difficult to produce the buzz. For example, after Hotmail's successful release, many other firms tried to do the same, using identical viral elements ("send/invite a friend" button), but by this time the strategy did not work.

If firms do not have a pioneering advantage in the release of a certain product, they should try other approaches based on the use of creativity. For instance, when Google launched Gmail, in addition to releasing a good product (it was the first provider to offer two gigabytes for storing e-mails), it created demand through scarcity by giving out Gmail accounts only to a handful of users. Individuals who aspired to be like these power users asked for a Gmail account. So, demand was created by limited supply; having a Gmail account caused the WOM, rather than any marketing activities by Google.

4.2.2 Amplified WOM

Most company strategies using e-WOM fall into this category. Based on WOMMA's word-of-mouth strategy, we have selected the following approaches that companies might use to foster WOM among consumers.

4.2.2.1 Community Marketing

This involves forming or supporting niche communities that are likely to share interests about a brand (such as user groups, fan clubs and discussion forums), and providing tools, content and information to support these communities.

Procter & Gamble is one of the most successful cases in the use of communities to promote its products. The consumer-product giant has developed a WOM strategy using communities of consumers through a combination of both types of WOM, electronic and traditional.

Vocalpoint, for example, is a WOM marketing program that enrolls moms to talk about P&G products. The company selects the right endorsers that are women who have large social networks through the Internet. P&G has found many of these connectors on the Internet through online advertisements (i.e., banners). By the end of May 2006, the program had "recruited" 600,000 moms. Moms usually receive a steady stream of product samples, and the company allows them to participate in product design through focus groups and surveys. Another example is the Tide Cold Water Challenge. Tide is a very well-known P&G detergent brand. People who subscribed to the challenge e-mailed their friends an offer for a free sample of the product, and those who sent the e-mail could view the progress of the campaign on a specific website to see how others were connected around the country. More than a million consumers participated in the challenge.

A community-based strategy should follow three main guidelines:
- First, the purpose of the community should be clearly defined.
- Second, the promoter of the community should establish the conditions of belonging.
- Finally, this group of people should have rules in terms of behavior, conditions of access, etc., among its members.

Business schools are good examples of organizations that are able to build and manage strong communities. By setting a clear objective and restricting access to alumni, business schools create an environment that benefits both the students and the organization. Business schools typically organize special events and continuous education programs to strengthen the links among alumni. In doing so, they offer them more learning experiences. Graduates take advantage of these programs because they update their managerial knowledge and keep in contact with a selected audience.

More recently companies have tried to introduce social networking that allows users to keep in touch with others through a software platform. According to our understanding, these are not doing as good a job at growing through a community-based strategy. Most of the problems with these attempts lie in the fact that the purpose, limits and reasons for which a member should belong to the community are not clear. As they have been conceived, these communities see exponential growth, but once they reach a certain point, members start having too huge a list of contacts, most of whom they do not know; what's worse is that they cannot even recognize where these people come from. Consequently, although the growth rate by social contagion may be amazing, in the end, the usefulness of the application is not clear.

4.2.2.2 Influencer Marketing

Research and the popular press have widely acknowledged the fact that there are some people who exert a disproportionate amount of influence on the behavior of others on a given topic. These individuals have been called opinion leaders, connectors and information brokers, depending on the specific field of knowledge that we are dealing with.

We can distinguish between emotional and rational influencers.

- **Emotional influencers** are consumers who voluntarily convert others to a brand or product. They advocate a certain product because they feel an intrinsic motivation to do so. In other words, they are fans of the usability, culture or another feature that the product or service gives them.
- **Rational influencers**, on the other hand, are individuals who are willing to recommend a certain product, and they do have influence on other consumers, but this time they need reasons or rational arguments in order to initiate the buzz.

Based on these two types of influencers, WOMMA characterized strategies known as evangelist and referral.

- **Evangelist marketing:** cultivating evangelists, advocates and volunteers who are encouraged to take a leadership role in actively spreading the word on your behalf.
- **Referral programs:** creating tools that enable satisfied customers to refer their friends.

Figure 5. Rational and Emotional Influencers
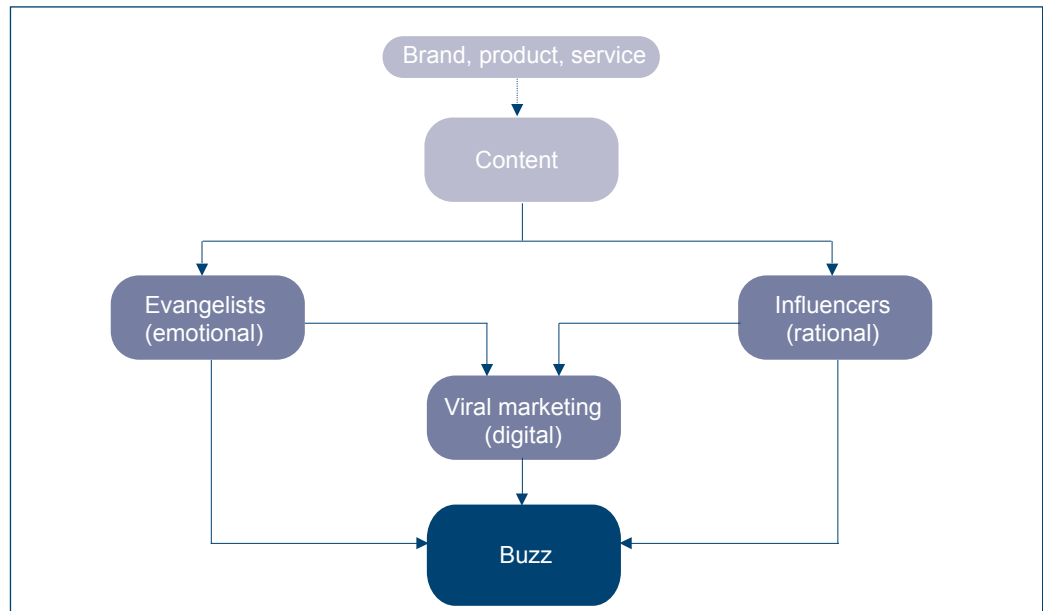
Source: Forrester Research, Inc. (2005)

Assuming that a firm decides to develop its e-WOM marketing strategy based on influencers, the question is how managers know who the right influencers are and which is the right strategy to take. As can be seen in Figure 5, there is a simple straightforward process that companies can follow in order to figure out the right strategy.

The first step is knowing the kind of customer or prospect that the firm actually has. This means uncovering the motives for which consumers buy a certain product to know the influence of the brand on consumer behavior and to identify why they would recommend the product.

Once the firm understands the profile of the influencer, the second step is to develop either emotional or more rational content to target them. Videos and online games are among the most efficient tools to initiate a viral campaign through evangelists. Both are funny, emotional and produce strong brand recalls. Research has shown that players of racing video games recalled 25-30 percent of brands directly after game-play and about 10-15 percent five months later.

These same tools might also be useful to reach rational influencers when firms compete in the entertainment industry, for example. However, in most industries,

online forums, technical newsletters and other more common web-based tools are the right tools through which firms can enroll rational influencers to diffuse innovations or product improvements across the Internet.

Apple targets most of its customers with emotional messages about the experience of trying a Macintosh in comparison with a Windows-based PC. The strategy is based on giving customers a sense of belonging, to encourage Apple advocates to keep trying to convert Windows users to their niche.

Firms that have fewer evangelists, or sell complex or less differentiated products, should identify customers who are opinion leaders, or individuals who are heavy users of the service and are therefore experts in the use of the product. Virgin Mobile follows this strategy. The mobile phone firm created a team of 300 customers to foster its product through WOM around its brand, new products and technical characteristics.

4.2.2.3 Cause Marketing

A marketing strategy linking product purchases with fundraising for a worthwhile charity, project or cause creates a mutually profitable outcome for the business and charity. Cause marketing can be a highly effective method that contributes to building a positive image for the business while helping a charity gain much needed visibility.

An excellent example of cause-related marketing took place in the 1980s project to restore the Statue of Liberty. American Express pledged to donate one cent toward the restoration project for each use of its card. This cause marketing effort resulted in a donation by American Express of $1.7 million to the restoration project and a 28 percent increase in card usage by American Express cardholders, thus creating a win-win situation.

Cause marketing is one of the most suitable strategies to develop using e-WOM, because people tend to perceive the social value and company's concern about charity, poverty or other social cause. For example, Dr. Pepper launched a cause-marketing campaign using a web page with some features of viral marketing such as "telling a friend." The idea is to recognize the effort of Americans who are doing great things to improve their communities and the

lives of the people in them. They invite participants to send in their contributions and help Dr. Pepper select the best ones. Two grand prize winners will receive $23,000 to be awarded to the charities of their choice. The remaining 21 finalists will receive $2,300 to be awarded to the charities of their choice. The investment is very low and the results might be great, especially for the brand's strength.

However, since social marketing has grown exponentially during recent years, people are not as concerned about such social causes as they used to be. So in order to be successful using this strategy, companies must be creative and precise in selecting the right cause before launching any campaign. In this case, forming a partnership with a non-governmental organization (NGO) can be helpful, because an NGO can help to legitimize the firm's action.

4.2.2.4 Brand Blogging

Blogs are personal diaries that work as a web page. They are typically filled with brief entries that are updated regularly. Essentially, blogs empower individuals to share commentaries with people interested in the same topic, thus establishing interactive dialogues. They usually include links to other websites or to other blogs, and they cover a variety of topics.

Blogs have had outstanding growth over the past three years (see Figure 6), due to the following reasons:

- Blogs are easier to design and update. Most blogging services and software such as Blogger and Movable Type employ easy-to-use web-based forms. In addition, bloggers (those who create weblogs) can also submit posts via e-mail and can even place photos, videos and songs within them.

- Since blogs often contain links to other websites and weblogs, they can be found more easily and can be ranked more highly by search engines such as Google. Given that most people use Google or other such search engines to look for information on the Internet, if a firm wants to get indexed by search engines, blogs are certainly a great option. For this reason, people prefer blogs over personal web pages.

Figure 6. Evolution of the Number of Blogs

Weblogs cumulative - March 2003 / January 2006
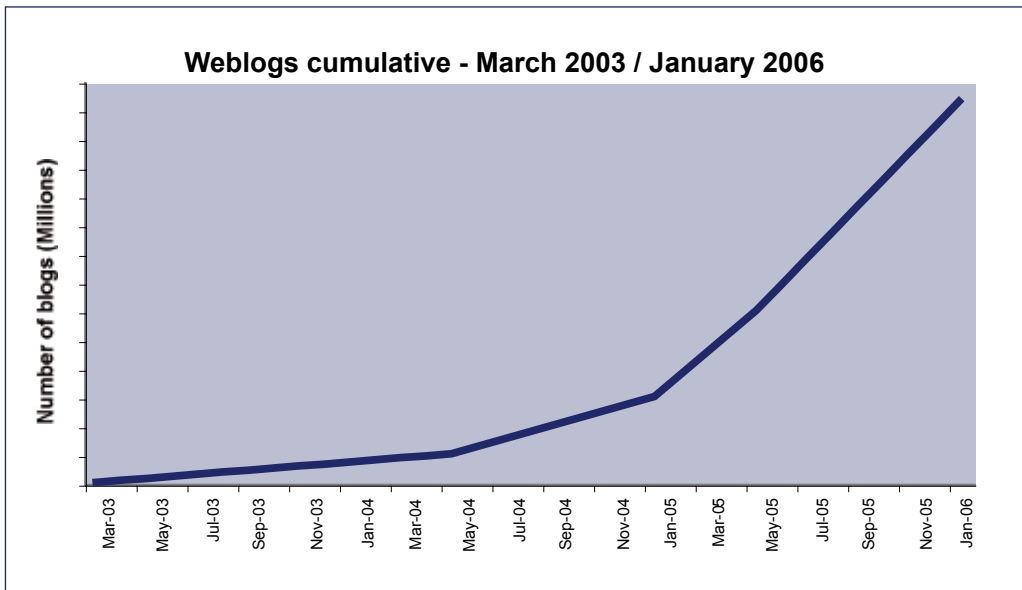
Source: Technorati (February 2006).

Firms have begun to incorporate blogs into their communication strategies. Most of them use blogs for internal communications with employees and to deliver product support information to customers. In this context, the question is how firms can use the infrastructure around blogs to design and carry out marketing campaigns. The answer is not straightforward. On the one hand, blogs are spreading fast around the world, but the philosophy of the interaction among them is based on the fact that bloggers are not pursuing commercial objectives; thus, when there is an attempt to directly promote a brand through blogs, the blogosphere (blog community) becomes aware of that and tends to avoid or penalize these particular blogs. On the other hand, it's also true that bloggers love to discuss controversial, cool and innovative issues. Hence, in this case, companies should be creative enough to look for ways of "making noise" in the blogosphere. The point is not to promote directly, but rather to generate buzz through the content of the message, the originality of the application or by allowing people to have fun with the idea.

According to the Word-of-Mouth Marketing Association, brand blogging is "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." Since this definition is quite general, we think that companies have three possibilities to use blogs in an e-WOM strategy to promote their brands.

- Manage company's own blog
- Market through bloggers
- Advertise on blogs

Manage company's own blog

The first option consists of selecting an audience and targeting it with a blog. Of course this means developing and updating the blog periodically and answering customer inquiries. Sometimes, the problem is that most companies do not have enough time to do it. Since there are millions of blogs around the world, some managers consider that updating the company's own blog is a waste of time, because consumers do not rely on that. In addition, since blogs were born under the philosophy of non-intrusive communication – in other words, for discussing topics without following a commercial interest – if readers think a weblog has commercial implications, they can get upset and generate negative WOM, which in turn damages the firm's reputation.

Nevertheless, there are situations in which a corporate blog can work. One of them is like a tool of customer service. Research has shown that consumers are more likely to initiate a WOM process when they are dissatisfied or they feel that companies have cheated them (Bofing, 1989), and that advertising is not the best answer when there's a wave of negative rumors around a company brand. Rather, most empirical work has demonstrated that firms should allow upset customers to complain, to express themselves, because it is through these mechanisms that they feel companies will compensate them.

With corporate blogs, firms might enable customers to find the latest news about their product and provide them with mechanisms to complain whenever they feel that firms have not fulfilled their part of the contract. This is a very important marketing tool for companies, because it enables them to know the main reasons why people are dissatisfied. It is also useful for customers, because they have an "official" way of expressing themselves.

Other indirect ways to promote company products are through the firm's manager and employee blogs. Sometimes firms make contact with their customers through unconventional ways, such as an informal conversation between a key employee and a group of customers interested in a specific technical problem. For example, FYI Blog is about GM news and opinions, and it is managed by GM employees. The advice here is to establish boundaries about the topics to be discussed, because this strategy could be a double-edged sword if there is no control over what people can discuss in the blog.

Market through bloggers

Marketing through bloggers is about presenting stories or ideas that blog-writers might be interested in writing about. An advantage of marketing through bloggers is their continuing and independent interest in a topic. The key is to create the right story or to present original content in order to get bloggers' attention, and hence, to motivate them to write about your product or event. It is worth noting that since bloggers do not like to stick to one specific brand or corporation, companies should try to develop storylines in which the brand name is only touched on slightly.

Advertise on blogs

There is little risk in advertising in a blog from a cost point-of-view, because blogs are relatively inexpensive. They have the lowest overhead of any medium. On the other hand, from a reputation point of view, they might be expensive. It would be embarrassing for an advertisement to run on a site that attacks the company that is actually paying for the privilege. Still, it is also true that a bloggers are not likely to bite a hand that feeds them.

Firms such as Yahoo! and Google are in head-to-head competition to achieve critical mass in what they call "blog ad networks," communication systems that work in a similar fashion as mass media. A firm can place an advertisement through one of these networks and it will appear on blogs that are connected to that network. Although the idea is in the early stages, it would seem to be a good approach to enable companies to reach blog readers across the Internet.

4.2.2.5 E-mail Marketing

E-mail is a very powerful marketing tool. According to Forrester Research, e-mail marketing will remain high on the agenda of most marketing managers, both in Europe and the United States, for the next five years. Forrester estimates that by 2010, investment in e-mail marketing will be twice that of 2005.

E-mail offers many advantages for marketers. It is the most widely used Internet technology, allowing managers to target specific promotions, content and any kind of message according to the firm's own consumer demographics. In other words, it is a communication tool in which managers have a high level of control.

Besides, since most people have an e-mail account, it is likely that when someone receives an e-mail that might interest others, he/she will forward it to the right people. This is the viral effect of e-mail, and for that reason, we have included it in the list of possible strategies.

However, e-mail marketing can become intrusive: badly targeted, irrelevant business e-mails irk customers, don't generate sales or satisfaction, and can change customers' perception of a once-trusted brand.

Consequently, a marketing campaign based on e-mail should follow most of the rules of direct marketing campaigns:
- Companies should have a list of e-mail accounts of both customers and prospects.
- It is important to segment the database according to behavioral, attitudinal and demographic criteria.
- The message should be creative enough to capture the receiver's attention, but at the same time, and even more importantly, it should not bother the receiver with useless information. For this reason, it is advisable to run a pilot study before launching the e-mail marketing campaign, targeting a sample of existing customers whose behavioral paterns are already known to the firm.

Two elements are important in the e-mail's content:
- **Design:** not only how the html file looks, but also the layout of information. The e-mail should lead the receiver to engage with the offer, so creativity is a very important issue, and the e-mail copy and creative design should reflect and leverage the personality of the firm or brand. Another important aspect is the hyperlink: it is recommendable to put text, image and navigation links throughout the e-mail, so a customer cannot go anywhere without clicking over a link.

- **Personalization:** studies have shown that the more individualized an e-mail is, the higher the response rates. True personalization means delivering e-mails that are tailored to the specific profile and preferences of each recipient. The types of personalization may vary in approach based on whether the firm is sending a newsletter, announcement or e-commerce.

Finally, managers should set the right metrics to assess the effectiveness of the e-mail marketing campaign.

A successful example of e-mail marketing is "Technology at Work," a newsletter of Hewlett-Packard (HP) that has 5 million subscribers across the United States. and Europe who receive one of 54 different versions of the newsletter once a month.

The project began in 2001 when the company realized that customers repeatedly returned to HP's website for product support. HP founded its e-mail program with two primary purposes:

- To capture customer information.
- To facilitate additional sales from existing customers by engaging them with HP after their initial purchase. This required segmenting the customer database into IT professionals and business users, and to uncover, through qualitative methods, what e-mail content, format and writing style they would value.

What are the results of the program? HP managers argue that e-mailing product updates helps HP avoid inbound service calls. They also use website and e-mail response data to track direct-through-e-mail sales, and surveys and call center data to track support-cost-avoidance and e-mail-influenced sales. They estimate that "Technology at Work" influences over $100 million in revenue and preempts millions of dollars in inbound customer service calls. HP sees an average conversion rate of 25-30 percent, with the best campaigns realizing an 85 percent conversion rate.

4.2.2.6 Mobile Marketing

Mobile phones have become the most popular and ubiquitous tools in the telecommunication industry. According to the GSM Association, users send more than 10 billion SMS messages each month. This makes SMS the most popular mobile data application. Because of cell-phone penetration, firms started to launch marketing campaign through SMS. The problem, however, is that the information should be relevant to receivers. Otherwise they view wireless ads sent to their mobile device as intrusive and unwelcome, thus damaging brand reputation. Unlike advertising, positive WOM through mobile

phones allows companies to increase brand awareness among their customers and future prospects. In this particular case, marketers not only have access to a huge amount of userss but can also they can personalize the messages, because cell phones are usually used by only one person. So, the question is how to initiate a contagion process using this platform. The answer seems to be recruits the firm's product among a group of influencers and let the product difuse itself among them.

This is what Procter & Gamble are actually promoting through "Tremor," a word-of-mouth marketing program that recruits teens to pitch products from Procter & Gamble and other companies to their friends. In this setting, one of the most useful devices to spread the word out is the cell phone and SMS technology. However, given that people are more willing to tell friends and colleagues bad experiences than good ones, SMS can also damage the product's reputation. This was the case in the film *Gigli*, in which people started sending SMS to other colleagues telling them that the movie was bad. As a result, the performance of this film at the box office was very poor.

4.3 Selection of the Right Platform

Assuming that a firm decides to launch a marketing campaign based on e-WOM, the question is what platform and technology are the most suitable to do so. We suggest that the selection of the platform depends on four interrelated factors.

- **Purpose of the marketing campaign:** as we have seen previously, there are three possible purposes of a marketing campaign using e-WOM: to increase sales, customer satisfaction and product development.

- **Level of control that a firm wishes to have on the result and externalities of the campaign:** this refers to the probability that the original message that the company would like to foster remains the same after the campaign.

- **The firm's popularity on the Internet:** this can be assessed through different methodologies; one of them is the amount of traffic to its

website. The more traffic a firm receives, the more useful it is for a firm to deploy e-WOM strategies.

- **The reach that the firm would like to achieve with the campaign:** some companies wish to reach a wide audience, whereas other firms prefer to target specific niches.

There are different possible combinations a firm might choose according to these four criteria. Our approach consists of using existing technologies as the starting point and suggesting the most suitable strategies to develop using each of these platforms. (For a summary, see Table 2.)

E-mail: E-mail is the most widely accepted Internet technology in the world and it could be an interesting tool to foster WOM because e-mail's conversational nature makes it a perfect medium to engage customers in peer-to-peer exchanges. As discussed above (see "e-mail marketing"), marketing managers have been using this tool extensively to get more customers, provide solutions and inform the firm's existing customers.

Since e-mail enables one-to-one marketing – in other words, it allows contacting the prospect (future customer) directly – the main advantage of this technology is its capacity to get new customers. Companies also use it for product development, by sending online surveys by e-mail, and storing the results on the corporate web page for future analysis.

An e-mail marketing campaign can be developed either within or outside the firm's boundaries. Both approaches have pros and cons. By doing it internally, firms might save money and can see firsthand how their customers react. Even more importantly, they do not need to entrust their customer information to a third party. However, an outside e-mail service provider is in a position to offer an already proven technology, including a contact list and ready-made tools to check the campaign's performance. Generally speaking, it is advisable to outsource the e-mail campaign when the firm doesn't have a big contact list (mostly small and medium-sized firms), when the firm is a beginner in e-mail marketing and when the campaign does not need to address industry-specific issues.

Table 2: Classification of e-WOM platforms

Technology	Purpose of Strategy	Control	Reach	Level of Intrusiveness	In-house/ Outsource
E-mail	**To increase Sales** Product Development Customer Satisfaction	High	High	High	Both
Feedback Mechanism/ Product review	**Product Development** Customer Satisfaction Increase Sales	Low	Low	Low	Outsource
Online Forum	**Product Development** Customer Satisfaction Increase Sales	Low	Low	Low	Both
Podcast	**Increase Sales**	Medium	Medium	Low	In-house
Blogs	**Customer Satisfaction** Product Development Increase Sales	High/ Medium	High/ Medium	Low	In-house

Source: The authors
Note: Although e-mail is a powerful tool in terms of flexibility, personalization and reach, it is also true that it is the most intrusive technology for implementing an e-WOM strategy.

Feedback Mechanism/Product Review: Mechanisms that ask individuals about their opinions regarding certain goods are among the most successful ways to promote e-WOM. This type of e-WOM is what Xang et al. (2005) called repository systems. A repository system has three important advantages over dynamic systems. First, it allow users greater ease of access to stored information. Second, WOM communication tends to have a longer life in these systems. Finally, repository systems can be integrated with customer services and e-commerce platforms.

Repository systems have been successfully used by firms such as Amazon, eBay, Yahoo! and IMDB (Internet Movie Data Base). However, the main reason of these companies have used the technology is to improve their customer experience.

Exhibit 3: epinions.com

Epinions.com was founded in 1999 by three high-level veterans from Yahoo!, Netscape and Excite@Home. The main purpose of this firm is to help people make informed buying decisions through a consumer-review platform on the website, unbiased advice, in-depth product evaluations and personalized recommendations. The founders have been able to create a giant community with thousands of adept reviewers and millions of visitors. Furthermore, it uses clever technologies to maintain its appealing site and to generate several revenue streams, including one for reviewers.

The review system works like this: A member first submits a product review. The reviewer receives a few cents each time the evaluation is read, so epinion offers a financial incentive to post reviews. However, according to epinion founders, the real incentive to write reviews is the fact that people enjoy being considered an expert in the use of certain products or services. All submissions are signed, and regular reviewers have a page with their profile and collected contributions. Readers can rate the reviews. This engages them in the process and serves as a form of quality control. Readers' ratings are posted with the review, and those reviewers whose ratings are high get bigger royalties. This feature also creates a participation-based community with appeal for readers, raters and reviewers alike. Finally, epinions has automated filters for detecting profanity and vulgarity. The result of this process is good reviews, which lead to increased levels of trust among individuals who are seeking advice.

The company has two sources of revenues: advertising, including conventional banners and pay for placement, and licensing of its technology. The latter involves licensing the underlying functionality of the epinions platform, including writing, rating, personalized filtering of reviews and syndicating content to other sites.

Source: The authors

For example, Amazon uses book reviews as a tool to help its customers make better purchases. Yahoo! did the same with its movie website. If a "bricks and mortar" company would like to see payoffs from this technology, what's the right way to do it?

It's not convenient for "bricks and mortar" companies to set their own repository systems because: a) people do not trust corporate websites to post reviews, and b) generally speaking, these web pages do not usually receive much traffic. The solution might lie in forming a partnership with a product-review website such as epinion.com, doyoo.com, etc. These sites encourage people to post comments about product usage, and since they are specialists in product reviews, they usually incentivize people to make comments (see Exhibit 3 for an example). Product-review websites are both general (epinion and doyoo.com are among the most well-known) and specialized (ratebeer.com is a good example).

Repository systems are the right tools for detecting consumer complaints and for getting ideas to develop new products. Information is stored in digital devices, allowing managers to analyze the main insights of people's comments. Companies have little or no control over what people say on these websites, and the scope of e-WOM depends on the type of products.

Online Forums: As can be seen in Table 2, from an e-WOM strategy viewpoint, online forums have the same functionality as **Feedback Mechanism/Product Review**. Online forums are not intrusive technologies, firms have little control over how the social interaction works among customer and prospect, and it is difficult to reach a huge number of people through this technology. However, there are two differences between these systems that should be stressed.

- Online forums are dynamic, which means there is direct interaction among participants. Individuals might agree or disagree about a certain topic, supporting their opinions with arguments that could be very useful for companies. This dynamic interaction uncovers most of the customers' feelings, experiences and needs. So the richness of this technology lies in observing how people behave in an online discussion about the attributes of a certain product.

- The second difference from **Feedback Mechanism/Product Review** is that companies can easily deploy an online forum within their own website and foster online debate/discussion among their customers. Both medium-sized and large companies are actually promoting this type of mechanism to get new ideas for developing new innovations.

Podcast: Podcasting is a method of distributing multimedia files, such as audio programs and music videos, over the Internet. Podcasting was coined in 2004 by combining two words, "iPod" and "broadcasting." Even though the name is technically a misnomer, in that podcasting doesn't require an iPod and no over-the-air broadcasting is required, the name has stuck.

Podcasters distribute their audio files via websites and through podcast directories such as Podcast Alley, Podcast.net and iPodder.org. Although it is a new phenomenon, a handful of widely known brands are using this technology to increase awareness among their consumers. For example, Heineken creates HeinekenMusic, a peer-to-peer website in which people can upload their songs (podcast them) for others to critique. It is an initiative to be in touch with young

people – Heineken's main target – and to increase brand awareness. BMW achieved its goal of being in touch with customers and future consumers: its podcast received 20,000 listeners in 15 days with no marketing action.
Podcasting offers the following advantages over broadcasting:

- It is a pull medium, meaning that consumers decide when and what they will listen to.
- Podcasting fosters consumer P2P power, because any consumer can create a podcast to express himself and upload it to a web page or blog.
- It is a tool that can be customized to the specific needs of each audience.

The main purpose of podcasting is to increase the level of brand awareness among consumers. So to encourage higher levels of downloading, firms should consider offering exclusive content unavailable to their consumers through other channels (like BMW's podcast did).

Blogs: Perhaps one of the most versatile technologies to carry out an e-WOM strategy is the weblog. The flexibility of blogs can be seen in three aspects:

- Firms have control over the interaction process, because they usually decide which topic is going to be discussed on line.
- They are very popular among Internet users, which guarantees a high presence on the Internet.
- They allow companies to attain a different purpose. Since they have the capabilities of html and include new technologies such as RSS, blogs are good in terms of multimedia features and interactivity. They also combine the advantage of dynamic and repository systems very well, because they allow online and instant interaction, and also the ability to store previous information chronologically.

Blogs are very useful for interacting with customers on a daily basis. When people wish to make suggestions, or rather to complain, they usually go to a corporate web page to leave their opinions there. Firms usually analyze the messages, and after several days, they reply to the customer's e-mail. With blogs, however, this course of action is pretty much natural, since the logic of this tool is its frequent updating.

Both firms and the customer have better interaction, because firms tend to answer customer inquiries on a daily basis; furthermore, the firm's answers can

be seen by other customers who might have the same problem. For the same reason, blogs are good for getting ideas for developing new innovations and for improving existing products.

Although companies can choose to outsource the design and development of their blog platform, it is advisable to manage the updating process in-house, in order to benefit fully from the blog's integration with other IT tools such as CRM and e-commerce platforms.

5. Assessment of e-WOM Strategies

One of the most difficult and controversial issues regarding e-WOM is how to assess its effectiveness. At the beginning, we pointed out that the advantage of traditional advertising lies in the fact that companies are able to assess its effectiveness quite accurately. Once a firm selects a media plan and targets a certain audience in a specific schedule, managers can know approximately how many people may be exposed to that firm's advertising.

In e-WOM, however, it is more difficult to make a forecast because the initial content introduced by the company is spread through the Internet in a more chaotic way. So companies face at least two significant challenges associated with measuring WOM. First, how does one gather the data? Second, what aspect of these conversations should one measure?

In order to address these questions, we think it is important to distinguish once again between dynamic and repository systems. In repository systems, managers have information about the rating that each reviewer assigned to a certain good or service, the content of the review (qualitative information) and the number of posts. Repository systems feature a concentration of reviews on a few websites. For example, book reviews are more likely to be found on Amazon.com or Barnes and Noble. With dynamic systems, on the other hand, information is more widely dispersed among various online forums. People "rate" products by expressing opinions, and in order to assess such information, it is necessary to implement a methodology that allows managers to interpret whether this comment is good or bad (see Exhibit 4 for examples of both systems).

Because of its persistency, WOM can be assessed both qualitatively (to uncover what is behind user opinion, to discern general patterns) and quantitatively (measuring the statistical significance of such patterns). Hence, both quantitative and qualitative analyses are possible and useful; therefore, both of them should be carried out as part of the information gathered in an e-WOM campaign.

Exhibit 4. Examples of dynamic and repository systems

☆ **Complaint about Pampers wipes**

Todos los **22** mensajes del tema - vista en árbol

De:	**Daisy Duke** - ver perfil
Fecha:	Jue 31 May 2001 00:07

Sin calificar
Valoración

mostrar opciones

Responder | Responder al autor | Reenviar | Imprimir | Mensaje individual | Mostrar mensaje original | Notificar abuso | Buscar mensajes de este autor

These **wipes** seem to work best with Jessica's bum. Huggies tend to make her a
little red. Anyway, anyone else notice that the further down in the box you go,
the wetter they get? Too wet! And that happens even with the refill bag. I
don't get it! That doesn't happen with Huggies.

laurie
mommy to Jessica, 9 weeks

▶ Responder

De:	**Mom2Many.com** - ver perfil
Fecha:	Jue 31 May 2001 00:11

Sin
calificar
Valoración

mostrar opciones

Responder | Responder al autor | Reenviar | Imprimir | Mensaje individual | Mostrar mensaje original | Notificar abuso | Buscar mensajes de este autor

I find the same thing so I turn the box over.
"Daisy Duke" <mugsymo...@aol.com> wrote in message

news:20010530180703.00442.00002305@ng-mi1.aol.com...

- Mostrar texto de la cita -

▶ Responder

De:	**Sophie** - ver perfil
Fecha:	Jue 31 May 2001 00:38

Sin calificar
Valoración

mostrar opciones

Responder | Responder al autor | Reenviar | Imprimir | Mensaje individual | Mostrar mensaje original | Notificar abuso | Buscar mensajes de e
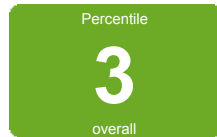
When my box of **wipes** gets low and it's time to refill them, I take the ones
from the bottom of the box out, put the new ones in, then put the old ones
on the top. None of them end up too wet that way.

--
Sophie

Corona Extra

Percentile
3
overall

A Pale Lager brewed by
Grupo Modelo (Corona)
México DF, Mexico

bottled
common

on tap
common

Broad Distribution
Find this beer

Send Corrections

Ratings	Average	Score	Std Dev	Alcohol%	Style Pctl	Serve in	Advanced
1486	1.71/5.0	1.71/5.0	0.9	4.6%	22.2	Dimpled mug, English pint, Lager glass, Shaker, Stein	P Stats

Commercial Description:
Corona Extra is the number-one selling beer in Mexico and the leading export brand from Mexico. This pilsener type beer was first brewed in 1925 by Cervecería Modelo, located in Mexico City.

View - Top Raters | Highest Ratings | Most Recent   Who's Rated This?

smashbros (3), USA
does not count ⊘ Date: Oct 8, 2006

2.6

Aroma	Appearance	Flavor	Palate	Overall
3/10	4/5	5/10	2/5	12/20

Little flavor, aroma, and palate. Adding a lime however, can make for a satisfying experience. A mediocre, yet drinkable beer.
Comment/Post to the Forums

Anglofile (43), Yona, Guam
Date: Oct 8, 2006

2.7

Aroma	Appearance	Flavor	Palate	Overall
4/10	4/5	6/10	1/5	12/20

The best beer you could possibly bring to the beach on a hot day... thanks to marketing. I like this beer though. But I've heard that a friend of a friend visited the brewery in Mexico and will not drink Corona any longer.
Comment/Post to the Forums

The_Jester (76), Peterborough, Ontario, Canada
Date: Oct 8, 2006

1.5

Aroma	Appearance	Flavor	Palate	Overall
2/10	2/5	3/10	2/5	6/20

Very little I can say about this that hasn't been said already. Weak, watery, dry, pale, bland. Lime helps, but you shouldn't have to add something to a beer to make it taste better.
Comment/Post to the Forums

FineTime78 (1), Suffolk, Virginia, USA
does not count ⊘ Date: Oct 7, 2006

1.6

Aroma	Appearance	Flavor	Palate	Overall
2/10	2/5	5/10	2/5	5/20

Good on a hot summer day with a few lime slices...not a serious beer in any way.
Comment/Post to the Forums

Slayer85 (13), Firenze, Italy

Date: Oct 7, 2006

1.3

Aroma	Appearance	Flavor	Palate	Overall
2/10	2/5	2/10	1/5	6/20

Yellow beer with not much aroma, not much flavor, not much afterstaste, but thousands of fans worldwide. Something wrong? Quite good thirst quencher if you haven't any othe drink

5.1 Quantitative Approach

Volume: The first and most obvious dimension of e-WOM is its volume. The more conversations there are about a book, for example, the more people will become informed about it. Because awareness is a necessary condition for trying, it is to be expected that higher volumes of WOM will be associated with higher future revenues. The question is how to assess volume. In repository systems, the task is made easier, because a company can select the right websites where its product is actually discussed and count the number of posts. In dynamic systems, however, information is scattered across the Internet, so it is almost impossible to track manually what people are saying about a product. For this reason, there are tools available to assess the level of buzz on the Internet according to a specific key word. For example, Yahoo!'s buzz index measures the percentage of Yahoo! users searching for that subject/key word on a given day. Technorati, a real-time search engine that keeps track of what is going on in the blogosphere, assesses the number of posts that contain a specific key word across more than 45 million blogs. However, the limitation of these free tools is that sometimes the information is neither enough nor at all accurate. For that reason, there are a handful of specialist WOM marketing agencies that can deliver deep knowledge of the space. These companies bring new capabilities, such as blog measurement (for example, Biz360, Cymfony, and Nielsen BuzzMetrics) and agent networks (such as BzzAgent).

Dispersion: Another important dimension to assess the effect of e-WOM is to know how dispersed the discussions about a certain product across the Internet are. This dimension is a good complement to volume, because it takes into account the distribution of postings. The theory behind dispersion is that information flows quickly within communities and slowly between them, hence the more dispersed the information is, the more people will become informed about a certain product. For example, if there are 10,000 postings about Product X, and 40 percent of them have been placed in the same online forum, the discussion of X is mostly among consumers of this one forum. Although they might contain useful insights, the distribution of postings is not contributing much toward generating buzz around the product. It could be argued that this is actually what happens with certain entertainment products, such as books and movies, in which a few websites handle most of the reviews. For this reason, it is strongly recommended that firms apply dispersion only when the sources of the e-WOM strategy are dynamic systems, because it is more unlikely for a single online forum to concentrate the distribution of the discussion.

Statistical methods: Volume and dispersion should be complemented by other metrics that relate e-WOM with financial performance. Econometric models help managers to assess e-WOM performance, both for forecasting purposes and hypothesis testing.

In terms of forecasting, research shows a causality effect between e-WOM and sales of specific products. For example, Chevalier & Mayzlin (2003) examined the incremental sales effects of having online reviews for a particular book versus not having reviews, and also the differential sales effects of positive and negative reviews. They found that online reviews have a causal impact on consumer behavior on two Internet retail sites. Dellarocas et al. (2004) provided evidence for the claim that online ratings might be considered a good proxy for WOM. They developed a model to forecast future revenue that incorporates the effect of online consumer reviews of movies. The accuracy of the prediction suggests a causal relationship between online ratings and box-office revenues. These findings show that e-WOM, under certain circumstances, can be used as a forecasting tool.

Econometric models also allow managers to test the statistical significance of e-WOM as an explanatory variable of sales or some other indicator of turnover. In this case, managers should control all kinds of variables that they think might have an impact on the evolution of the dependent variable (i.e., sales) and check the level of significance that e-WOM has in its variance.

Econometric models can be applied to either repository or dynamic systems. In either case, part of the difficulty in measuring WOM is the fact that this variable is a precursor as well as an outcome of consumer behavior. In other words, there is a circular effect between e-WOM and consumer behavior. People tend to spread an idea when they have already bought or tried a product. Because they might tell somebody else about the product afterwards, future sales (or more people buying) will depend in part on the social interaction that takes place beforehand. Analysts should account for these technicalities in order to assess correctly the impact of WOM on the behavioral variable.

The application of econometric models in repository systems is simpler than in dynamic ones. It is easier to gather the required information to run the analysis, since data is concentrated on a few websites. What most analysts do is count the number of postings per day and average the rating of each posting on a daily basis. Then, using other control variables, they run multiple regression

models to assess the effect of the number of postings and the average rating, which is a proxy of positive or negative WOM.

In dynamic systems, however, a couple of steps are needed before running the analysis. First, analysts should ensure that the source of information is representative enough of the e-WOM phenomenon. To do this, we strongly recommend looking for as many online forums as can be found or asking specialized companies for help in tracking the information required across the Internet. The second step is to group the messages per day and to "count words."

In dynamic systems, since individuals do not rate products directly, it is necessary to make an inference from the message to know whether the opinion is positive or negative. Once the analyst has a "rating" of each posting, it should average the rating on a daily basis. By doing this, the analysis follows the same logic of econometric models in repository systems.

One interesting aspect of dynamic systems is that they provide enough variance to test volume and dispersion of e-WOM. Godes and Mayzlin (2004) tested them using online forums that discuss TV shows, finding strong support for dispersion as an antecedent of TV shows' ratings, but not for volume. Testing volume and dispersion of e-WOM as antecedents of sales is very important, because firms might understand not only how the number of online comments affects sales, but also the implications of how the dispersion of information among communities impacts revenues.

5.2 Qualitative Approach

Once firms launch an e-WOM campaign to promote a product, seek customer suggestions or for some other purpose, one interesting insight they might discover is what people really talk about in these discussions – in other words, to uncover people's opinions, complaints, unsatisfied needs, etc. The question is how to find behavior patterns in the information contained in thousands of messages.

Content Analysis: One way to study what people talk about is by using techniques of content analysis. Content analysis is a qualitative method that involves establishing categories and then counting the number of instances

these categories are used in a particular item or text. There are two reasons that justify the use of content analysis in a qualitative study of e-WOM:

- Generally speaking, e-WOM is featured by a set of rather short messages about a certain topic, without necessarily following a connection between each conversation over time. Based on this assumption, we discard other qualitative techniques such as narratives, for example, in which the focus is on a deep interpretation of the text.
- The number of single messages posted online concerning a certain issue is usually pretty high. Hence, a method that looks for general patterns in the sample is perhaps the most appropriate, because there are enough units of analysis to look at.

Content analysis, however, is not easy to carry out, because the categories on which the analyst makes the analysis must be established accurately. Content analysis does not work, for example, with single words, because their meaning might change from sentence to sentence.

For example, in these two sentences – "I felt free to tell him about it" and "Tony got a ticket for free" – the word "free" has two completely different meanings, so it cannot be treated in the same category. Bearing this in mind, there are two ways to do content analysis: human-based and software-based. Obviously, human-based analysis is the most accurate, because a person is able to categorize according to different criteria and look beyond what the text says. However, it is also very time-consuming and not efficient when applied to thousands of different messages.

Because of this, firms are resorting to software-based content analysis to interpret the data gathered from e-WOM campaigns. Such software uses "linguistic representations," meaning that in order to define a category, the software takes into account grammatical and syntactic features of the sentences and paragraphs of a certain text. Atlas.ti, Qualrus and TextSmart are among the most widely used software programs for doing content analysis.

5.3 E-mail Marketing Measurement

We have left the analysis of e-mail marketing for the end of this section. This tool can be assessed in different ways. Since companies have total control, several metrics can be implemented in order to check the campaign's effectiveness.

a) Reach of the campaign
- Open rate
- Click-through rate

b) Behavioral effect of the campaign
- Unsubscribe rate
- Website actions
- Number of orders, transactions, downloads
- Percent of unique clicks on a specific recurring link

c) Check viral effect
- Referral rate (send-to-a-friend)
- Blogs for this message/video
- Podcasts of this song

The last metrics are the specifics of the WOM effect in e-mail marketing campaign. By incorporating videos, songs and other interactive resources, firms can not only improve their customer experience, but also assess what type of resources are more viral, by checking the referral rate through the number of clicks that customers or prospects make whenever they open, read and resend the e-mail.

In summary, as we mentioned above, the assessment of a marketing strategy based on e-WOM is perhaps the most controversial issue and the one which sows the most doubt about e-WOM implementation. However, simple measurement techniques, such as volume and dispersion, put together with econometric models, can provide analysts with good insights about the results of the e-WOM campaign regarding a behavioral outcome such as sales. In addition, content analysis techniques allow the analyst to understand what people talk about in online conversations and, therefore, to get important information concerning key issues in marketing, such as product development and customer satisfaction.

6. Other Relevant Issues

6.1 Advertising and e-WOM

Marketing managers and agencies believe that WOM campaigns are most effective when launched in conjunction with other media, as a consistent message across multiple channels amplifies message impact. In other words, there are synergistic effects between positive WOM and advertising. The logic of this is straightforward. People become aware of certain products mainly through advertising, as companies target their primary audience through the mass media. The effect of this advertising is then amplified through positive WOM, because people who have already tried, or at least are aware of the existence of the goods, get the word out to other colleagues, friends acquaintances. Therefore, and hence the probability that many people will try the product is increased.

Customers are individuals embedded in a social structure. They interact with friends, colleagues, relatives and other people. This social interaction has important managerial implications, since it allows people to become aware of a specific product without any investment by the firm. Most advertising models assess the level of audience reach without considering this social interaction among consumers. They misallocate resources, because their underlying assumption is that people become aware of a brand only through advertising. From our perspective, firms should develop a communications strategy that includes both advertising and e-WOM, and try to find the right combination between both variables.

How do companies relate e-WOM with advertising? What firms usually do is first launch the media campaign, reinforce it through online channels, use e-mail campaigns, communication with bloggers, and upload the mass media campaign's video in YouTube or Google Video, for example. The logic of this sequence is that the mass media reach a big proportion of the audience faster, thus producing the necessary context to initiate an e-WOM campaign. Another

way to do it is through a simultaneous release. For example, every time Microsoft releases a new game for X-Box, not only do they communicate it on TV, they also develop a website where people can try a trial version of the game and make suggestions to improve it. The buzz generated around the game increases brand awareness.

Since e-WOM campaigns are generally cheaper than media planning, and taking into account that they have greater effectiveness in terms of awareness, firms should consider the right combination between mass media and advertising in order to optimize their marketing budgets. However, as we have seen, e-WOM's effectiveness is difficult to assess, so the question is how managers can find out what the right combination of these communication tools is. The answer to this question is neither easy nor unique, because it depends on different circumstances that include: type of product, audience, intensity of competition, etc. In this work, we only suggest some guidelines that might be helpful for managers when considering the right proportion in the allocation of marketing resources.

a) If there is information available, or at least a similar product targeted at the same audience, a good approach to check the impact of both advertising and e-WOM is to run an econometric model in which both variables are included as explanatory variables of sales. This tool allows managers to gain some insight into the contribution of e-WOM and advertising to total sales, which in turn might help them to learn the right combination in the communications mix.

b) Generally speaking, e-WOM is more effective and there is less need for advertising when:
    - **The target audience is young people:** In Europe, 60 percent of the population between 14 and 24 are considered "heavy" Internet users. These consumers have changed their habits from watching TV (-10 percent) to surfing the Internet (+50 percent). In addition, young people enjoy exchanging videos, songs and jokes via the Internet.
    - **The focus of sales is an entertainment product:** Services, specifically entertainment products, are more likely to be recommended through WOM. Movies, books and restaurants are the favorites among Internet users for making comments, reviews

and engaging in discussions through online forums. This fact should affect marketing managers' decisions about the allocation of resources in advertising. A good example is how Mel Gibson took advantage of the WOM effect in the release of his film *The Passion of the Christ*. Using a set of promotional tools, such as highly sensitive copies and trials, and opening a debate about the crudeness of Jesus' final days, Gibson was able to create buzz around the film. According to Yahoo! movies and IMDB (Internet Movie Data Base), the film received more than 25,000 user reviews and more than 100,000 people ranked it. *The Passion of the Christ* was not only a box-office success, but also a very profitable product: the studio "only" spent $25 million on advertising, yet the film grossed $370 million, of which $315 million was net profit, in the U.S. market alone.

6.2 Ethics of e-WOM

Since WOM is made through a sender (who initiates the conversation) and a receiver (who listens to the former), trust and ethics are key issues for natural and correct development of the social interaction process. In e-WOM, the problem is made worse because there is neither proximity nor assiduity in the relationship. The receiver must be able to believe in the source of WOM, and there will always be third parties with bad intentions who try to manipulate online forums to shape user opinion and influence behavior to their own advantage.

Exhibit 5: WOMMA's List of Unethical WOM Marketing Tactics

1. Stealth Marketing: Any practice designed to deceive people about the involvement of marketers in a communication.
2. Shilling: Paying people to talk about (or promote) a product without disclosing that they are working for the company; impersonating a customer.
3. Infiltration: Using fake identities in an online discussion to promote a product; taking over a website, conversation or live event against the wishes or rules set by the proprietor.
4. Comment Spam: Using automated software ("bots") to post unrelated or inappropriate comments on blogs and other online communities.
5. Defacement: Vandalizing or damaging property to promote a product.
6. Spam: Sending bulk or unsolicited e-mails or other messages without clear, voluntary permission.
7. Falsification: Knowingly disseminating false or misleading information.

Source: WOMMA womnibus, (2006).

However, evaluating ethics in e-WOM is, in many cases, a controversial task. Many situations fall into gray areas, and discerning whether an e-WOM marketing action is unethical or not is difficult. In order to shed some light, the Word-of-Mouth Marketing Association defines unethical tactics as "any practice intended to deceive people." The association highlights a set of tactics that it considers to be unethical: spam, falsification and shilling, among others (see Exhibit 5). All are practices that damage the philosophy of WOM.

While we tend to agree, it would be naïve to think that all WOM is generated massively in only natural ways. Companies, in most cases, do amplify WOM, and amplifying means somehow fostering such behavior. Sometimes this might imply rewarding an opinion leader or market maven with a special gift, as P&G is doing with moms belonging to Vocalpoint. Is that an unethical tactic? We don't think so. Since "opinion leader" moms in this program are embedded in a social network in which they have some influence, their credibility lies in the fact that they are not perceived as P&G sellers. If that were the case, Vocalpoint moms would be not credible anymore, and the system would break down. So far, that hasn't happened: the gifts are not perceived as compromising their credibility.

Although a few firms may take advantage of unethical tactics – using spam, faking consumer opinions and other dishonest methods – such approaches only work in the short term and ultimately damage the firm's reputation. In the long run, it is not advisable to fake WOM (Dellarocas, 2004). Ethics and trust are necessary conditions for e-WOM to work properly.
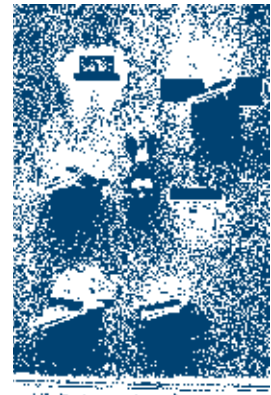
7. Conclusions

Figure 7 is a graphic attempt to summarize this work. In our view, e-WOM is a powerful tool that companies should use to balance their communication strategy. We identify three reasons why a firm might be interested in using this tool:

- To increase sales
- To get new ideas for product development
- To improve the level of customer service

Once the purpose of the strategy is clear, companies should look for the most efficient way to amplify WOM among consumers. In order to do this, the first step is to understand how social interaction works among people. We show that WOM is a dyadic process, meaning that there needs to be a desire to transmit something (sender's motivation) and a need for advice (receiver's motivation). When both motivations are triggered at the same time, WOM becomes very effective.

Once companies identify consumer needs – or, in other words, once they understand which factors can foster people's willingness to participate in online forums, share opinions concerning certain topics, etc. – the next step is to design the right strategy to fulfill the main objective. There are four elements to take into account.

- **Copy design:** creativity of the message and the concept to be transmitted
- **Content layout:** usability and friendliness of the e-WOM tool, balancing company objectives (promotion, measurability, etc.) with consumer experience
- **Platform**
- **Interactive resources:** blogs to gather information about customer satisfaction; online forums and feedback mechanisms to collect information for product development

Most marketing campaigns have a single or key objective: to increase sales. There are many ways to achieve this through e-WOM.
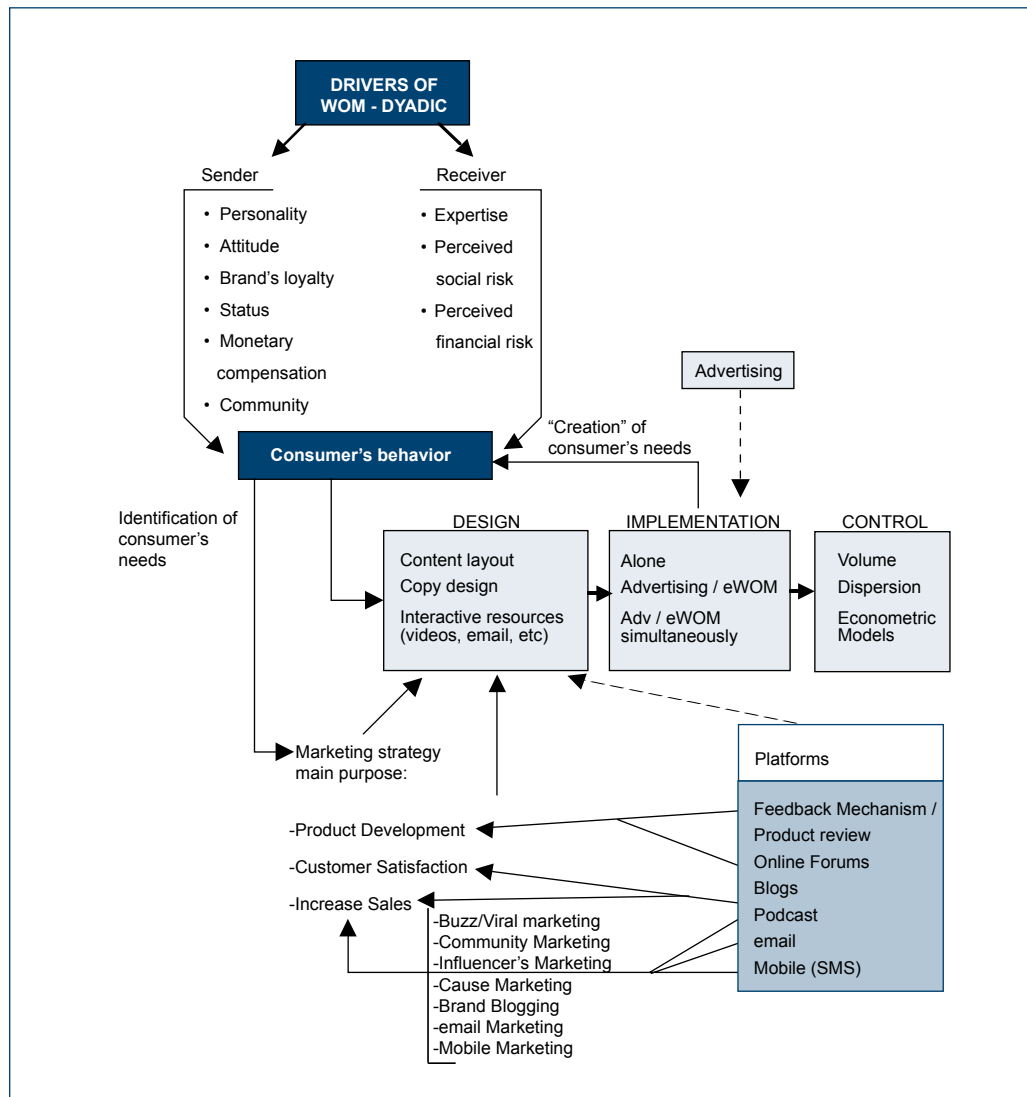
- **Create a community of consumers**

- **Recognize key influencers:** both emotional and rational, who foster the WOM process
- **Identify a social cause and stick to it:** in order to be in touch with consumer sensibilities regarding certain issues
- **Use e-mail marketing:** this is one of the most viral tools because of its scope and usability among Internet users

Figure 7: Summary

Source: The authors

Once a company selects one of these e-WOM strategies, there are many combinations of resources and platforms they can use to increase the buzz around a product and consequently increase sales. They could, for example, combine an e-mail marketing campaign with videos or songs embedded in the e-mail, which in turn leads the user to the corporate blog.

In the phase of implementation, we discussed the importance of mixing advertising with WOM in a single campaign. WOM enhances the effect of advertising by making more people aware of the existence of a firm's product through a process of social interaction. If successful, the firm can influence consumer needs by offering incentives to the sender (e.g., status, community belonging, financial compensation) as well as creating contexts of perceived social risk (e.g., launching fads that people like to be part of), thereby fostering the conditions in which receivers ask for advice. The promotion and amplification of the natural WOM process increases the level of the community's knowledge regarding the firm's brand/product, which might lead, in turn, to an increase in sales, because the likelihood of trying (purchase) is positive when correlated with the level of awareness.

The last step is to check the effectiveness of the campaign. Since e-WOM is persistent over time, there are ways to measure it. We suggest using simple measures such as volume and dispersion, and introducing them into an econometric model that assesses the statistical significance of e-WOM in relation to other explanatory variables of sales.

The other interesting insight is learning what people really talk about in online forums. Content Analysis emerges as a key technique to address this question. Since the implementation of this not straightforward, we suggest asking for advice from specialists in natural languages and narrative techniques.

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