NEGATIVE E-WOM AS A RESPONSE TO BRAND FAILURES: EVIDENCE FROM AN ONLINE BRAND COMMUNITY

TUGBA OZBOLUK, YUNUS DURSUN

1Marketing Department, Bozok University, Turkey
2Marketing Department, Erciyes University, Turkey
E-mail: tugba.ozboluk@bozok.edu.tr, ydursun@erciyes.edu.tr

Abstract—This paper aims to understand how consumers spread negative e-WOM as a reaction to brand failures in online brand communities. Data is drawn from an 18-month netnographic study including participant and non-participant observation. The findings reveal that consumers in online brand communities do not only share their positive feelings but also their negative feelings as a response to brand failures. The paper offers some insights for marketing scholars and practitioners. Besides the advantages, online brand communities may also be disadvantageous to a company, as negative messages from unsatisfied consumers could threaten brand image. There are still limited studies examining negative e-WOM in online brand communities. This study extends the previous literature by demonstrating a key driver of negative e-WOM in an online brand community.

Keywords—e-WOM, negative e-WOM, word of mouth, negative word of mouth, online brand communities, netnography.

I. INTRODUCTION

In last two decades, consumers are using internet to communicate with each other and the importance of online communities is continuously growing, as consumers are increasingly turning to computer-mediated communication in order to get information. The rise and growth of internet as a communication channel allows geographically dispersed individuals to come together. Virtual world does not only connect businesses, but also consumers to each other and thus enables online content and communication. Interaction via communication tools such as electronic discussion forums, bulletin boards, chat rooms, news groups, e-mail lists, personal web sites, social networks and blogs allow new and extended types of interactive consumer experiences that contribute to developing customer loyalty [1].

Internet has also empowered consumers to spread brand-related information easily through online brand communities. Online communities, which have been used only to share product information and consumption experiences, are now used to connect like-minded individuals who share a common passion for a specific consumption practice or a brand [1]. An online brand community is a brand community which uses computer mediated communication systems as the main tool to form an interaction between the members. It is not surprising that brand communities use computer mediated communication as a complementary to face to face communication. Increasing internet usage has been effective on consumers to communicate online and follow the brand they admire, hence to participate in online brand communities.

Brand communities carry out important functions such as sharing information, providing assistance in the use of the product and the brand, perpetuating the history and culture of the brand [2]. In these communities, consumers look for developing a sense of self by establishing a bond with the brand and interact with people who share similar passion for the brand. However, consumers do not only share their positive feelings, but also their negative feelings and experiences and it is still a challenge for marketers to control the spread of negative WOM in these communities. Negative message dissemination can have negative impacts on brand or company reputation, as consumers can create a brand meaning which is different from the marketer’s mind.

The major objective of this study, therefore, is to understand how consumers spread negative information as a reaction to brand failures in online brand communities. The paper first provides an overview of the literature on online brand communities and negative e-WOM. The study then explains the research methodology. Thereafter, findings of the research are presented and this is followed by implications for marketing theory and practice. Finally, the paper is concluded with suggestions for future research.

II. ONLINE BRAND COMMUNITIES

The invention of internet developed the idea that brands can create communities around their web sites and last studies emphasize the active role of brand communities in creating linking value on the internet [3]. Brand communities may exist virtually in a non-geographically bound nature of internet or just exist entirely on Web 2.0 [4] [5]. Online brand community is defined as “a group of individuals with common interests in a brand who communicate each other electronically in a platform provided by the company which supports the brand” [6]. An online brand community is “a self-selected, hierarchical and non-geographically bound group of consumers that have common values and norms and a strong feeling of membership to the group as a whole on the basis of a shared commitment to a particular brand”[7]. They
argue that online brand community is an extent of the physical one and a combination of brand community and electronic networks.

Online brand communities are created through electronic platform of continuous social interaction between the admirers of the brand. In fact, an online brand community is a kind of brand community which exists on the internet and there is no clear difference between online brand communities and physical (offline) brand communities in essence but content. These communities generally have common characteristics with physical brand communities. However there are some specific characteristics that make them different from offline brand communities such as non-face to face communication, anonymity and large amount of data. These communities are not deprived of offline activities; but the main mode of interaction is online [8]. In this context, brand communities in which the interaction is developed mainly or predominantly in online settings can be described as online brand communities.

Online brand communities are effective communication channels where companies can interact with the customers and receive feedback about their brands [3]. Social interactions between online brand community members offer many advantages for marketers [9] and serve as a tool for building strong and lasting relationships with customers [10]. Online brand communities are effective tools for strengthening relationships and fostering brand loyalty [11]. They can help marketers to reinforce relationships with their customers, thus improve their market position and enhance their brands [12]. These communities also play an important role in helping companies to create positive word of mouth [13]. However, these communities can also become a source of negative e-WOM and thus can be disadvantageous for companies.

III. NEGATIVE E-WOM IN ONLINE BRAND COMMUNITIES

Consumers generally refer to other consumers’ opinions in their purchase decision and there are some reasons of this behavior. One of them is to reduce the amount of information before the purchase decision. Consumers benefit from other consumers’ opinions in order to eliminate the additional alternatives or the product attributes [14]. Other reason is the willingness to access information in a large number and variety [15]. Consumers also search for information in order to make themselves comfortable before purchasing products and services [16]. Word of mouth, which is often perceived as more reliable, credible and trustworthy by consumers compared to firm-initiated communications [17] plays an important role in helping consumers to search information. Moreover, internet has a major impact on information search behavior [18] because of its accessibility, reach, and transparency [19].

Consumers use online communities to exchange their opinions on products and services and members have a strategic freedom to exchange WOM information in online communities as they are anonymous [20]. WOM is regarded as a major part of online consumer actions and it is defined as “a consumer-dominated channel of marketing communication where the sender is independent of the market” [21]. The concept of e-WOM is derived from traditional WOM, but has some unique characteristics. Electronic word of mouth refers to information spread by customers about a product or a company through internet [22]. Main differences of the e-WOM are the referability of WOM information and the power of the link between consumers who exchange information [15] [23]. Traditional WOM is more likely to be restricted to family and friends, while e-WOM mostly occurs between online users who do not have a strong social tie with each other [24].

WOM is not always positive, but can be neutral or negative [25]. Consumers can easily spread negative information in online communities. Negative word of mouth arises from customer dissatisfaction and external media comment [26]. In addition, failure to respond well to customer complaints is also influential in creating negative word of mouth.

Research shows that, negative word of mouth can spread faster than positive word of mouth [27] and has a stronger affect than positive WOM on consumer attitudes [28]. When more and more consumers adopt the negative WOM, the credibility and reliability of the negative message can increase [26]. In addition, customers who voice negative word of mouth are more likely to switch product and services [29].

Electronic word of mouth communications are co-produced in consumer networks, since the consumers are active co-creators of brand value and meaning [19]. More and more consumers use several platforms such as blogs, social networking sites, online discussion forums and consumer review websites in order to exchange positive or negative product information online [30]. The popularity, growth and influence of online communities make these communities important areas to research e-WOM behavior for marketing scholars and practitioners [21]. Online brand communities are also important platforms which offer a rich background for positive or negative e-WOM. Previous studies have asserted that easily accessible information in online brand communities affect consumer decisions [31]. Negative information might also acquire a status of truth based on repetition, since consumers tend to remember negative messages better than positive messages [32]. However, there are still limited studies examining the negative e-WOM behavior in online brand communities. Therefore, this study attempts to contribute to the online brand community literature, by examining negative e-WOM in response to brand failures in an online brand community.
IV. METHODOLOGY

This research examines the negative e-WOM behavior of consumers in an online brand community dedicated to Apple. An internet based research method netnography is applied in order to explore the online brand community. Internet based research is a relatively new approach to empirical social science. However, the importance of online qualitative research methods which enables to understand the culture based on internet, is gradually increasing with the spread of online communities. Netnography is the most prevalent of these research methods to gain insight about online communities and has been defined as “ethnography adapted to the study of online communities and cultures” [33]. Netnography is naturalistic, open-ended, interpretative and flexible, but usually faster, simpler, and less expensive than traditional ethnography [34]. Online brand communities are suitable online platforms for conducting netnography, as they meet the criteria (having a focused topic, high posting traffic, and high number of discrete message posters, detailed or descriptively rich data and a high level of interaction between members) proposed by Kozinets [33].

A long-term online brand community ElmaKurdu Apple User Group is chosen as the primary data source for the netnographic study. This community consists of Apple users in Turkey who come together around a common goal that is perpetuating Mac culture in Turkey. The community mainly comprises of graphic designers who think differently and appreciate aesthetics and creativity like all the Mac users. They share a creative life style they developed with aesthetic emotions that distinguish them from PC users. The community was initially founded in 1991 as a physical community and came together in online environment by the year 2001. Online communication of ElmaKurdu is carried out via an e-mail list. The community and its culture exist online as the community members interact mainly in an online platform. In order to collect the information, the authors have compiled the necessary data using participant and non-participant observations from October 2012 to April 2014. The netnography was carried out during 18 months and conducted in five steps: planning and cultural entrée, data collection and data analysis, trustworthy interpretation, conducting ethical research and member checks. Cultural entrée process was conducted over a period of one year, and involved activities as lurking, joining the community, creating posts and responding to other member’s posts. Data is drawn from an 18-month netnographic study including online participant and non-participant observation. The researcher bought a Macbook Air after a few months of non-participant observation. Data collection and data analysis proceed simultaneously and data analyzed by using computer assisted qualitative data analysis software. The netnographic study incorporates more than 2000 discussion threads within the group, each consisting of multiple posts. NVivo 10 is used for qualitative data analysis and textual data is examined in detail, categorized and interpreted with this program. In member checks step, in order to check the data interpretation and ask their opinions, results of the study were shared with 12 community members and their opinions are evaluated before preparing the final research report.

V. FINDINGS

ElmaKurdu Apple user group is an important source of information that enables Apple users to improve their brand awareness. It has a decisive and effectual role on its members as they generally adopt the information in the group. Besides providing useful information about the brand, community has an influence on its members’ with electronic word of mouth. Before the purchase decision, users generally take into consideration of other users’ opinions and enjoy sharing their ideas with the community. They share information in order to provide the consumption experience easier for others. Sharing information is vital for the users, as they think that they have common values with other users. 

Electronic word of mouth in the community is visible in giving advices and providing sources of information about the product and brand, promoting new campaigns and discounts, sharing new methods in product use and warning others about harmful applications and software. However, e-WOM in the community is not only positive, but also negative. Users also share their dissatisfaction about the brand and they spend too much time to discuss Apple’s future. These discussions are generally composed of rumors about the failures in some new products. These rumors emerge as a reaction to Tim Cook’s management and its perceived negative effects on the brand improvement.

Negative e-WOM in the community is often visible in messages about brand failures. Users generally criticize problems in product launches, especially launching a product before its perfect. Examples of members’ criticisms on failures of new products are - “If Apple doesn’t launch a 4.8” or 5” inch innovative smart phone due on May or June, it will experience worse days. After iPhone 5, Apple’s stocks lost 200 billion in value. Apple lovers must aware of this: Mac and mobile devices are not similar. Is there any other brand that updates a new mobile OS version in three or four days saying ‘sorry we made a mistake’?”- “Apparently, Apple has fallen into decay with Mavericks. Oh Steve! Why didn’t you bring up someone like you in this company? They just imitate you in product presentations.”

Users generally perceive the new management as the responsible of the problems they encounter with Apple products, since these kinds of problems was not common in Steve Jobs’ management. They do
not accept the failures, thus often spread information criticizing Apple’s new management. Some posts of members offer some cues which indicate that they have a critical attitude against the new management team: “The new management has a wrong thought as: ‘when we put an i letter and paste an Apple logo on what we launch, everyone already falls into line in the midnight in order to buy it’”. “What makes Steve different from others was this; a product couldn’t be launched before it is perfect in his time. Steve would never allow the Apple Maps to be released. He would never disrespect to iPad 3 owners by launching iPad 4 too early. But Steve has gone.” “Steve was a perfectionist. We shouldn’t have given the opportunity to people who want to exploit his success. When I say Hello to a 5.5 inches HD technology, I should first see an Apple logo on it, not Samsung. But now it’s too late!” “Steve was making efforts to create a perfect product, but new team is only interested in income statement.”

Most of the users think that things have changed in Apple, after Steve Jobs’ death. This thought presents itself in messages such as: “When Apple launched the first iPhone, I was there in New York Apple Store. Since that day, I have bought almost every version of Apple. My house and office are full of Apple products. Although I am not an expert in user experience, I believed that I was a loyal user until this time. But after Steve, some things have leaked away and a ‘failed Apple’ image occupies my mind. Actually, I don’t know the reason…. I think we have raised the bar so high that we always expected the more, the better, the best… But product failures, declines, disappointments, failure to meet expectations, etc. caused me to say ‘What’s happening’….”. “After Steve, Apple is like…. how can I say….like a car which had a blowout. We often feel greatly disappointed in new products.”

Negative comments also arise when some users feel uncomfortable with the brand’s overreliance to the customers’ loyalty, as they believe that this leads to negative returns for the brand. They often express how they are uncomfortable with this overreliance: “I think Apple has an overreliance to their customers’ loyalty… and I can’t understand what they do in order to perpetuate this customer loyalty. Today we are exactly on the point where Apple’s image is tarnished…In this point, what should be done is to look out for the customers, not to leave them alone in this drastic competition”- “Looking after your customer requires working effectively. Once the image is tarnished, disloyalties will be inescapable… I am repeating ‘customer always wants a difference and utility’…. For example, if the new trend is large screen smart phones, you must be the first in offering this feature to the customer.”

Some users, who expect the improvement of the existing situation in vain, define themselves as “desperate Apple lovers”. These desperate Apple lovers want Apple to take their opinions into consideration as they have a strong belief and commitment to the brand. However they feel an explicit anxiety about Apple’s future which manifests itself in messages such as: “After Jobs’ leaving us, I began to think that Apple is getting worse and may even fall!” - “As a user of many Apple products, I see Apple’s problem as becoming like Sony. Sony thought that their product was the best and unrivaled. However, with this approach Sony lost its place to Samsung…and now Apple is losing too. Steve’s ideal was to create a brand like Sony. He achieved this goal…. But, if Apple continues to make the failures of Sony, it will fail faster than it unfortunately.” - “….The one who needs to worry is Apple, but in fact, we are more anxious.” - “I can’t think a world without Apple, but it is questionable if Apple feels the same things for me…”

**IMPLICATIONS AND CONCLUSIONS**

Online communities so developed that, brands do not only listen to their customers, but also create their brands and products with them in these platforms. Increasing online interaction derived from the increasing use of online tools by companies to communicate with customers and allow the interaction between them, generates social groups named as online brand communities. In online brand communities a group of people come together to accomplish collective goals with a shared enthusiasm for the brand. These communities which are built based on the common interest of the members give an opportunity to develop relationships with other people who share a similar passion for the brand. These communities have become a powerful instrument for marketing and provide so many opportunities for consumers and marketing practitioners.

Online brand communities are a source of WOM and trustworthiness of word of mouth highlights the importance of these platforms. However, consumers do not only share their positive feelings, but also their negative feelings about a product or a brand in these communities. Previous research evaluates online brand communities as a platform for only positive e-WOM. However, this study extends the current knowledge of consumers’ e-WOM behavior, by examining negative e-WOM in response to brand failures in an online brand community. Findings show that consumers do not only spread positive information but also negative information in online brand communities as a reaction to brand failures. In this study, the anxiety of Apple users about the current situation refers to the emotional bond they established with the brand. This emotional bond leads to high expectations from the brand and users cannot stand any kind of failures thus they criticize the brand management. In addition, failure to meet customer expectations has considerably affected the customers’ brand perceptions. “Post-Steve Jobs” perception...
among the members can result in community members’ shaping the brand meaning in a way not desired by the company. Findings also reveal that online brand communities bring some challenges for marketers and the biggest challenge is the role of consumers in breaking the whole branding effort. Negative e-WOM generated from this online brand community may be really disadvantageous for the company, as it can damage brand image considerably. Consumers have the power to challenge the communicated brand and right to invoke that power as the brand’s owners. Brand community members who see themselves as the owners of the brand have a vital role in shaping the brand meaning. They can come together in online brand communities to raise their voice against the branding campaigns and create a brand meaning different from the marketer’s mind. Previous research shows that “consumers uncover and activate their own brand meanings” incompatible with the meanings ascribed by the marketers [9].

In this context, online brand communities may also be disadvantageous to a company, as negative messages from unsatisfied consumers could threaten brand image. Therefore, suppressing negative word of mouth is significantly more important than promoting positive word of mouth for marketers [26]. It is also important for marketers to get involved in the process of image building and brand positioning in online brand communities [35]. Marketers should conserve the brand identity in online environment, but they should also provide the required materials to build a meaningful community [36]. These communities often defy managerial control. However, letting go of control does not mean giving up the responsibility. Marketers can actively nurture, facilitate and enable brand communities by creating the conditions in which they can thrive and they can play an active role in building meanings within the brand community [37]. Therefore, marketers should actively participate in discussions in online brand communities that enable them to conserve, change or reinforce the brand meaning. Marketing practitioners should recognize that consumers share the control of the brand and want to engage with them in a rich dialogue in online communities [21]. Marketers need to be active participants in online environment but they also need to be aware of the independent and uncontrolled role of online brand communities. These communities should not be approached as market segments and members should be seen as subscribers or fans, instead of customers. In addition, marketers should approach online brand communities as an opportunity to get closer to customer, instead of seeing it as a mechanism to be controlled. Furthermore, it is important to help customers to feel as a part of a family. Companies, who care their customers, listen to them and take their opinions into consideration, encourage them to share their voices.

LIMITATIONS AND FUTURE RESEARCH

Research on negative e-WOM in online brand communities has been scant and this study attempts to contribute to the literature by examining negative e-WOM in an online brand community. Based on a netnographic study, the paper offers a deeper insight to the negative e-WOM behavior in online brand communities. However, the study has some limitations in generalization. As the findings reported from this study are limited to an Apple user group in one country, future research would investigate different consumer groups from different countries. In addition it would be interesting to analyze the effects of negative e-WOM for more brands in future research.

REFERENCES


Negative E-WOM as a Response to Brand Failures: Evidence From an Online Brand Community