

## Effects of Brand Feedback to Negative eWOM on Attitude Toward the Product

*Manu Bhandari, PhD\**  
*Arkansas State University*

*Shelly Rodgers, PhD*  
*Professor, Missouri School of Journalism*

**Acknowledgement:** The first author would like to thank Rodney Rice, a graduate student at Arkansas State, for his help with the earlier manuscript version.

### **Abstract**

Brands often provide a response, or brand feedback, to negative online reviews or electronic word-of-mouth (eWOM). The current research investigates whether brand feedback to negative eWOM by reviewers can impact information processing of visiting consumers who read the negative eWOM to make a purchase decision, particularly on the consumers' attitude toward the featured product. Results from a 2 (Brand Feedback: Present/Absent) X 2 (Products: Laptop/TV) between-subjects experiment show the presence of brand feedback may have implications for consumers' information processing online. Although the effects found were not very strong, the findings nevertheless did give some indications brand feedback to negative eWOM can affect consumer's attitude toward the featured product. The study tends to support the usefulness of a dynamic (two or multi-way information flow between reviewers, brands, other consumers) rather than static (one-way information flow from reviewers to others) conceptualization of eWOM that allows for brands' participation.

### **Effects of Brand Feedback on Product Attitude**

Sixty-six percent of people around the world trust consumers' opinion posted online about products and services (Nielsen, 2015). Such online opinions and reviews, often termed "electronic word-of-mouth" (eWOM), are a common phenomenon on popular online retail sites such as Amazon.com and Bestbuy.com. eWOM has been defined in the literature as "any positive or negative statement made by potential, actual or former customers about a product or company, and which is made available to a multitude of people and institutions via the Internet" (Hennig-Thurau et al., 2004, p. 39).

Scholarship on eWOM has investigated a variety of variables pertaining to eWOM source, context, message and receiver characteristics (Cheung & Thadani, 2012). However, there is a lack of a thorough investigation of factors in an eWOM environment that *brands* can control, as the eWOM scholarship so far has predominantly focused on eWOM's effects on consumers sans adequate considerations to brand presence or contributions. One major problem in this regard has been that popular eWOM definitions, such as the one cited above, seem to emphasize eWOM as a one-way flow of information from consumers creating eWOM to those consuming such eWOM and/or brands. eWOM and its environment is hardly seen as dynamic, allowing for two or multi-way flow of information. Dynamic conceptualization of eWOM may allow scholars to develop a more updated knowledge about eWOM and its effects on visiting consumers (readers, not writers, of eWOM messages) who use such eWOM information to make product-related decisions on online shopping sites. Limiting our understanding about eWOM focusing on factors only consumers can control can be especially problematic at a time when brands are increasingly becoming a part of the eWOM environment (Sparks & Bradley, 2014). For instance,

businesses actively leave responses to consumer reviews on sites like Amazon.com, Bestbuy.com and Tripadvisor.com. This means scholarly research needs to pay more attention to eWOM and situate it in a dynamic environment. This study seeks to contribute in this regard and demonstrate how dynamic eWOM may operate, using brand feedback as the primary concept. More specifically, the study provides the results of an experiment examining the effects of brand feedback to negative eWOM on attitude toward the product in an online shopping environment. We chose to focus on brand feedback in the context of negative eWOM because the latter may be considered more consequential to brands. Some past studies also seem to indicate negative messages have greater impact than positive messages on consumers' attitudes or behaviors (Hennig-Thurau & Walsh, 2003; Lee et al., 2009). Using product attitude as a dependent variable helps situate the current study within the advertising literature.

Studies have tried to investigate the effects of brand feedback (or similar concepts, like management or manager response in hospitality/travel management context) before (e.g., Bhandari & Rodgers, 2016; Mauri and Minazzi, 2013). However, we did not find studies examining the effects on attitude toward the *product*. This creates a lack of understanding about brand feedback's consequence on visiting consumers' perception of the *product* being featured, thereby limiting our understanding of brand feedback's effects on consumers reading negative eWOM messages. This is detrimental to scholarly knowledge about processing of online information and its effects, particularly brand feedback's effects on consumer product buying intentions/behavior. This is because past research has established better attitudes lead to higher purchase intentions (see, Cheung and Thadani, 2012). Additionally, as mentioned earlier, investigating the topic also can also provide stronger evidences to support a dynamic conceptualization of eWOM. If the study finds there are significant implications of a brand feedback on product attitude, then that would support a dynamic conceptualization of the eWOM environment, where the flow of information from brands can influence the consumer-to-consumer eWOM conversation process.

Overall, thus, the purpose of this next section is to examine how a dynamic conceptualization of eWOM operates to influence attitude toward products among consumers, particularly young college-aged ones. More specifically, the study asked whether the presence of a brand feedback to negative eWOM influences product attitude differently than when the brand feedback is absent. Below, we review some relevant eWOM and brand feedback literature to arrive at a research question, and then move toward method, results and discussion.

### **eWOM**

eWOM is a form of information that captures consumers' informal communication about products and services that is subsequently shared with others (Liu, 2006). However, the concept is not the same as what in the literature has been called user-generated content (UGC), consumer-generated content (CGC), consumer-generated advertising (CGA) and viral advertising. The concept of eWOM differs from much broader concepts such as user-generated content (UGC) and consumer-generated content (CGC) in that the latter two concepts generally encapsulate *any* type of content people create outside of professional routines and practices (Christodoulides et al., 2012; Gangadharbatla, 2012; Wang & Rodgers, 2011). This includes "video, audio, or written content created by end users of a website that is largely publicly

available for others to consume, comment on, or further modify” (Gangadharbatla, 2012, p 405). Consumer-generated advertising (CGA) is also a broad concept, different from eWOM, in that it can be about any other topic except brands, including friends, families, institutions, and so on (Berthon et al., 2008). In the advertising context, eWOM basically differs from CGC, UGC or CGA concept in that eWOM is usually considered to be only about brands or their products and services (Wang & Rodgers, 2011). eWOM also differs from viral advertising, which is defined as “a widely used form of unpaid communication through persuasive messages created by identifiable sponsors and distributed among peers on interactive, digital platforms” (Eckler & Rodgers, 2014, p. 4). Among other differences, the creation and distribution by identifiable sponsors (brands) is a major characteristic of viral advertising that also serves to distinguish the concept from eWOM communication.

### **Brand Feedback**

A “brand” is often associated with several things or ideas (see Krugman & Hayes, 2012, for a review), among which is a certain promise that a business makes to their customers (Krugman & Hayes, 2012). A brand could also simply mean a business. Next, feedback in the current context means a written response of a business to an eWOM message from a consumer. Together, brand feedback as a concept here basically means a business’s written response to consumers’ eWOM communication seeking to strengthen or uphold the business’s promise to consumers (Bhandari, 2015). The term is close to the term management response or manager’s response in the travel and hospitality management literature but seeks to put an overall focus on the brand, and the feedback’s implication on the brand and its promise to its customers.

Advertisers and marketers post brand feedback to eWOM to assist consumers who may have a complaint about a product or service or who may have an axe to grind about their usage of a particular brand. As noted earlier, previous definitions tend to conceptualize eWOM as a one-way communication consisting of mostly consumer-driven communication (i.e., a consumer posts a product review online, which is consumed by other consumers, and this influences the latter’s perceptions and behaviors). Subsequently, this type of static conceptualization has led to a literature that most of the time examines eWOM’s effects without consideration of the possibility of the brand’s or the advertiser’s influence in this process, such as through brand feedback. The current study conceptualizes eWOM as being dynamic, meaning that brands can become part of the eWOM process (e.g., a brand can post feedback based on the original eWOM message posted online). Dynamic online platform, as used here, refers to a platform that not only facilitates a one-way flow of information from a consumer to others but also allows consumer-consumer and consumer-brand flow of information in either direction. Since the study conceptualizes eWOM as a dynamic process, it would mean definitions of eWOM must accept and acknowledge a dynamic platform, where not just the consumer but also a brand can participate. This dynamic conceptualization allows an examination of the role of brands in the eWOM communication process. eWOM environment thus gives advertisers and marketers an opportunity to provide a response or a brand feedback to negative eWOM messages to try and retain an existing customer while attempting to influence others who may read the negative eWOM. Negative eWOM messages are those eWOM messages that contain negative cues or information about brands. When providing brand feedback, brands can provide their side of the

story and thus attempt to mitigate the effects of negative eWOM messages on visiting consumers (or those consumers who read the eWOM messages to make purchase decisions).

### **Effects of Brand Feedback**

Studies conducted on the effects of brand feedback or management response (a concept similar to brand feedback) in a different context, travel and hotel management, show mixed results (e.g., Cheng & Loi, 2014; Mauri & Minazzi, 2012; Sparks & Bradley, 2014; Xie, Zhang, & Zhang, 2014). Some studies on management or managers' responses to online reviews in travel/hospitality context have also found or proposed positive effects (e.g., Ye et al., 2010; Sparks & Bradley, 2014). Additionally, in an industry survey, 80% responded that when brands respond, they have a positive idea about the brand, particularly that the brand cares about its customers (TripAdvisor, 2014).

However, some other studies have also found brand feedback's (or management/manager's responses) negative effects (e.g., Mauri & Minazzi, 2013) or mixed results depending on certain factors (Cheng & Loi, 2014; Xie et al., 2014). Studies we reviewed have not yet examined the effects of brand feedback on attitude toward the product, or an overall judgment about the product, in an online product-shopping context. But given the general findings of both positive and negative effects, this study's investigation may be better served by posing a more open research question. Hence, we pose the following research question:

*RQ:* How does brand feedback to negative eWOM affect other shoppers' attitude toward a product?

## **Methods**

### *Design*

The design was 2 (Brand Feedback: Present/Absent) X 2 (Products: Laptop/TV) between-subjects experimental design. An experimental design allows a better examination of causal impact of brand feedback in a controlled setting. We analyzed the data for two different product categories — Dell laptop and LG HDTV — for replication purposes. This helps avoid some of the pitfalls associated with a single-message design. The current study was a part of another study not reported here. This study chose a product review context, as brand feedback is often found on popular product review and shopping websites like Amazon.com. Moreover, similar studies in the past have mostly focused on service-related travel and hospitality management context, leaving the important product-related context without much investigation.

### *Measures*

The independent variable was *brand feedback* to negative eWOM. It is defined as: a written response by a business to consumers' negative comments to strengthen or uphold the firm's promise to satisfy the consumers' needs or desires (Bhandari, 2015). Brand feedback was manipulated as present/absent.

*Attitude toward the product*, the study's dependent variable, is defined as one's summary

judgment of the product. The variable was measured using four bipolar items favorable/unfavorable, like/unlike, good/bad, and positive/negative (Holbrook & Batra, 1987).

Subjects' pre-experimental attitudes toward the featured brands (previous brand attitudes) were measured and treated as a covariate to control for extraneous effects arising from previous summary evaluation of the brand. Previous brand attitude was also measured using a 7-point semantic-differential scale using the same four bipolar items just mentioned above.

Brand feedback for both products were similar and mentioned the firm representing the brand (e.g., either Dell or LG) wanted to ensure every customer was fully satisfied, and that it was sad the customer had a negative experience, following which the brand invited the customer to call its 1-800 number for further assistance. Lastly, the brand/firm assured that it would do everything it can to make the customer feel valued. Negative eWOM was constructed based on reviews found online as well as per the study needs. The brand feedback text construction was consistent with past scholarly recommendations (Sparks & Bradley, 2014).

### *Stimuli*

The stimuli presentation format was consistent across conditions, with changes only seen in the manipulated variables. We chose laptop and HDTV products for this study, as college students, the study's target demographics, are likely to buy or consider buying these products online. The price of the products varied but was not very unaffordable for an average American household (\$359.99 for Dell laptop and \$599.99 for LG HDTV).

### *Participants/Procedure*

A total of  $N = 447$  undergraduate subjects (mean age = 18.75 years) from a large Midwestern university were recruited for the experiment. Sample demographic data showed a greater dominance of female (71%;  $n = 316$ ) than male (29%;  $n = 131$ ). Subjects were 81.9% Caucasians ( $n = 366$ ), 7.8% Asian ( $n = 35$ ), 4.9% African American ( $n = 22$ ), 2.9% Hispanics ( $n = 13$ ), 2% Other ( $n = 9$ ), Native American ( $n = 1$ ), and Pacific Islander ( $n = 1$ ). Subjects received email links to participate in the study, an online experiment, and then were randomly assigned to one of the treatment groups. Each student signed informed consent page, and thereupon began to read eWOM (online product reviews) and answer questions. Extra credit was provided to subjects for their participation.

## **Results**

All the analyses were done using SPSS. The covariate (i.e., previous brand attitudes) was correlated with the dependent variable, supporting the former's use. The main dataset was then submitted to a 2 (Brand Feedback) X 2 (Products) ANOVA. Although there was no direct effect of brand feedback on product attitudes,  $F(1, 442) = .09$ ,  $p = .765$ , a small but significant interaction effect of product and brand feedback was found,  $F(1, 442) = 4.13$ ,  $p = .043$ , partial eta squared = .009. Results showed a better attitude toward the product in the case of a presence (Mean = 4.02,  $SE = .12$ ) rather than an absence (Mean = 3.76,  $SE = .12$ ) of brand feedback for LG HDTV. However, for Dell Laptop, an opposite effect was seen: The presence of a brand

feedback (Mean = 3.83,  $SE = .12$ ) produced poorer product attitude ratings compared with the absence of a brand feedback (Mean = 4.03,  $SE = .12$ ).

### Discussion

The study sought to test the effects of brand feedback on attitude toward the product and thereby further test whether brand feedback can play a significant part in an eWOM context. The results, while certainly not dramatic, still tend to support the benefit of a dynamic conceptualization of the eWOM environment. Even though there was no direct effect of brand feedback and only a slight interaction effect, the results nevertheless do suggest brand feedback to negative eWOM can have an impact on product attitudes, or consumers' summary evaluation of the featured product. In the case of some products (e.g., LG HDTV), brand feedback's effects may be positive, but for some other products the effects may be negative. This supports the notion that brand feedback's effects are not always positive (Bhandari & Rodgers, 2015).

Overall, the findings help provide further support for a dynamic conceptualization of eWOM, which enables scholars to investigate brand's role in an eWOM environment. Brand feedback could meaningfully play a role in the eWOM process. As indicated earlier, this role may be positive, which is more intuitive, but also negative. This finding also suggests brand feedback's effects may depend on various moderating variables (e.g., product type). However, a detailed examination and discussion of the various possible moderating variables is beyond the scope of this relatively modest investigation.

The study contributes to a growing pool of scholarship exploring effects of brand feedback or similar concepts (e.g., Bhandari & Rodgers, 2016; Mauri & Minazzi 2013; Sparks & Bradley, 2014; Xie et al., 2014) by investigating the brand feedback's effects on attitude toward the product in an online retail setting and providing further support for a dynamic conceptualization of eWOM environment. However, since we did not detect a strong effect, future research should seek to further test/replicate the current study's findings, and examine brand feedback's not just direct but also indirect effects. Below, some additional limitations and directions for future research are discussed.

Although the study has its merits, it also has several limitations. First, the study's young sample does not allow the findings to be generalizable to the larger public. The study should be replicated with several other demographics and also with more product categories for more external validity. Next, potential mediating and moderating variables should be further identified and examined. Exploring the boundary conditions including impacts of moderating variables is a very fruitful area for future research on the topic. Product categories may be further examined as a moderating variable. Another interesting variable worth examining is justice perceptions, which has some potential to mediate the effect of brand feedback on attitudes and purchase intentions. Lastly, the study used only a generic brand feedback, so future research should examine a variety of them for external validity.

### References

Berthon, P., Pitt, L., & Campbell, C. (2008). Ad lib: When customers create the ad.

*California Management Review*, 50(4), 6-30.

- Bhandari (2015). Countering the detrimental effects of negative electronic word of mouth on brands: effects of brand feedback, stability, and controllability of the cause of the problem on brand attitudes and purchase intentions (Unpublished doctoral dissertation). University of Missouri, Columbia, Missouri.
- Bhandari, M., & Rodgers, S. (2016). What does the brand say? Effects of brand feedback to negative eWOM on brand trust and purchase intentions. In *American Academy of Advertising. Conference. Proceedings (Online)* (p. 127). American Academy of Advertising.
- Cheng, Vincent TP, and Mei Kun Loi. 2014. Handling Negative Online Customer Reviews: The Effects of Elaboration Likelihood Model and Distributive Justice. *Journal of Travel & Tourism Marketing* 31 (1), 1-15.
- Cheung, C. M. K., & Thadani, D. R. (2012). The impact of electronic word-of-mouth communication: A literature analysis and integrative model. *Decision Support Systems*, 54(1), 461-470. doi: 10.1016/j.dss.2012.06.008
- Christodoulides, G., Jevons, C., & Bonhomme, J. (2012). Memo to marketers: quantitative evidence for change: how user-generated content really affects brands?. *Journal of Advertising Research*, 52(1).
- Eckler, P., & Rodgers, S. (2010). *Viral Marketing on the Internet Wiley International Encyclopedia of Marketing*: John Wiley & Sons, Ltd.
- Gangadharbatla, H. (2012). Social media and advertising theory. In S. Rodgers, and E. Thorson (Eds.), *Advertising Theory* (pp. 402-416). New York: Routledge.
- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004). Electronic word-of-mouth via consumer-opinion platforms: what motivates consumers to articulate themselves on the internet? *Journal of Interactive Marketing*, 18(1), 38-52.
- Hennig-Thurau, T., & Walsh, G. (2003). Electronic Word-of-Mouth: Motives for and Consequences of Reading Customer Articulations on the Internet. *International Journal of Electronic Commerce*, 8(2), 51-74.
- Krugman, D.M., & Hayes, J.L. (2012). Brand concepts and advertising. In S. Rodgers, and E. Thorson (Eds.), *Advertising Theory* (pp. 419-433). New York: Routledge.
- Lee, M., Rodgers, S., & Kim, M. (2009). Effects of valence and extremity of eWOM on attitude toward the brand and website. *Journal of Current Issues & Research in Advertising*, 31(2), 1-11.
- Liu, Y. (2006). Word of mouth for movies: Its dynamics and impact on box office revenue. *Journal of Marketing*, 70(3), 74-89.

- Mauri, A. G., & Minazzi, R. (2013). Web reviews influence on expectations and purchasing intentions of hotel potential customers. *International Journal of Hospitality Management*, 34, 99-107.
- Nielsen (2015). "Global Trust in Advertising." Retrieved from <https://www.nielsen.com/content/dam/nielsen-global/apac/docs/reports/2015/nielsen-global-trust-in-advertising-report-september-2015.pdf>
- Sparks, B. A., & Bradley, G. L. (2014). A "Triple A" Typology of Responding to Negative Consumer-Generated Online Reviews. *Journal of Hospitality & Tourism Research*, 1096348014538052.
- Trip Advisor (2014). How to add management responses to TripAdvisor traveler reviews. Retrieved from <http://www.tripadvisor.com/TripAdvisorInsights/n2428/how-add-management-responses-tripadvisor-traveler-reviews>
- Wang, Y., & Rodgers, S. (2011). Electronic Word of Mouth and Consumer Generated Content. *Handbook of Research on Digital Media and Advertising: User Generated Content*, 212.
- Xie, K. L., Zhang, Z., & Zhang, Z. (2014). The business value of online consumer reviews and management response to hotel performance. *International Journal of Hospitality Management*, 43, 1-12.
- Ye, Q., Gu, B., & Chen, W. (2010). Measuring the influence of managerial responses on subsequent online customer reviews—a natural experiment of two online travel agencies. Retrieved from [http://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1639683](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1639683)