

Online opinion leadership in negative e-WOM dissemination

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Abstract

With the rise of online media channels, negative electronic word-of-mouth (e-WOM) can damage a well-established brand within a short time frame. Departing from the past research that focuses on positive WOM and offline setting, this study addresses issues as follow: Does an opinion leader exist in the course of negative e-WOM dissemination after a bad news about a brand or its product revealed to the public? How is the online opinion leadership established in the process of negative e-WOM dissemination? How does such an opinion leader influence the online community members' sentiments towards the brand and its product? Through the content analysis on iPhone6's bending issue, the research uncovers how online opinion leadership is developed and how it functions in e-WOM dissemination. This study advances the understanding of the intervening factors that underlie the influence of opinion leader and its role in the process of negative e-WOM dissemination within an online community.

Keywords: Negative e-WOM, online opinion leadership, e-WOM dissemination, online communities

Track: Consumer Behaviour

Introduction

The Internet has facilitated a variety of online social media channels which have a profound impact on consumer interaction and have created a new communication landscape in the digital world. These social networking sites provide a highly interactive platform for information sharing and exchange in innovative ways (Pagani, Hofacker and Goldsmith, 2011), thereby has the potential to build customer emotional attachment to the brand as well as serving as a good source for new product ideas.

However, the existence of these online social media also present challenges to marketers. For example, marketers have to deal carefully with instant, real time information exchanges as negative electronic word-of-mouth (e-WOM) often spread faster than positive ones. Negative e-WOM communication among consumers may jeopardise a company's image and its bottom line, and in some cases its survival (Williams & Buttle, 2014). It is important to closely monitor negative e-WOM communication so that strategic decision can be made to combat negative consumer opinions. Nevertheless, the booming popularity of online social communities has caused the shift of marketing power to consumers. Negative e-WOM communication generated through these online channels are perceived as being more trustworthy (Ba & Pavlou, 2002; Sen & Lerman, 2007). The question faced by marketers is how to better manage the e-WOM dissemination that takes place within the self-organised online communities.

The key e-WOM players are opinion leaders, who are interested in particular product field, make an effort to expose themselves to mass media sources and are trusted by opinion seekers to provide knowledgeable advice (Julilvand *et al.* 2011). Recent studies (e.g. Koh, Kim, Butler & Bock, 2007; Huffaker, 2010) demonstrate the emergence of leadership in online communities. These studies reveal that opinion leaders establish their leadership status through e-WOM interaction, and gain influential position by enhancing their interpersonal communication credibility. However, some important questions in this area of research remain unclear. For instance, news of a more negative nature has a greater influence on consumers' psychological state than do neutral or positive news due to the negativity effect (Baumeister, Finkenauer & Vohs, 2001; Rozin & Royzman, 2001). A good understanding of negative e-WOM dissemination process and the influence of opinion leaders during a crisis situation is crucial for the implementation of strategic interventions during the course to regain consumer trust. This paper aims to explore how opinion leaders mitigate negative e-WOM dissemination when a crisis event occurs considering that consumers tend to trust negative e-WOM more than positive ones. Particularly, the following issues are addressed:

- Does an opinion leader exist in the course of negative e-WOM dissemination after a bad news about a brand or its product revealed to the public?
- How is the online opinion leadership established in the process of negative e-WOM dissemination?
- How does such an opinion leader influence the online community members' sentiments towards the brand and its product?

Background Literature

Negative e-WOM Communication

Consumption decisions are often made in a social environment (tanner *et al.*, 2008). Past research has established that negative e-WOM often arises from customer dissatisfaction (Williams & Buttle, 2014), and that online consumers are more likely to spread e-WOM when they are dissatisfied with a product or service (Lee, Noh & Kim, 2013). These complaints are

voiced in different ways with different effects on the business performance (Lee, Noh & Kim, 2013). Cheng, Lam and Hsu (2006) classify negative WOM communication into two categories based on the motives of spreading WOM. The first category relates to an aggressive complaint with a specific intention of retaliatory action against the sellers. The second type of WOM concerns the use of WOM as means to warn others of a potential risk. There has been an abundance of research on the motivations for negative e-WOM communication which revealed four major motives that drive the behaviour. These include the desire to prevent others from experiencing similar problem (East, Hammond & Lomax, 2008); the need to express their emotions (Zeelenberg, Wetzer & Pieters, 2007); the attempt to reduce cognitive dissonance (East, Hammond & Lomax, 2008); and lastly, the act of venting out their dissatisfaction (Williams & Buttle, 2014). These nature of motivations for consumer participation in negative e-WOM communication reflects the key essence of the negative e-WOM interaction.

Negative e-WOM can have a profound impact on a business (Williams & Buttle, 2014) since it spreads faster than a positive one and that opinion seeker tend to pay more attention to negative e-WOM (Cheng, Lam & Hsu, 2006; East, Hammond & Lomax, 2008). Not only that, negative e-WOM also has a stronger impact on consumer attitudes and product evaluations than positive information (Cheng, Lam & Hsu, 2006). In sum, negative information can have far-reaching effects on a larger circle of potential consumers, resulting in adverse impacts on the sales, revenue, market share and reputation of an organisation (Hickman & Ward, 2013).

Indeed, failure to respond effectively to negative e-WOM may lead to a further and more intense spread of negative e-WOM. In some extreme situations, negative e-WOM spreading can affect the survival of a business which crisis management would be needed to recover the issues (Lee & Cranage, 2014; Williams & Buttle, 2014). Although a number of studies (e.g. Senecal & Nantel, 2004; Cheng, Liam & Hsu, 2006; Hickman & Ward, 2013) have suggested strategies for responding to negative e-WOM, it remains a challenge for businesses to effectively control the spread of negative e-WOM.

Chatterjee (2001) and Hickman and Ward (2013) found that consumers are less receptive to negative information when they are familiar with the company or brand. Thus, some companies attempt to engage consumers by continuously providing promotional information through various forms of communication channels in order to strengthen the positive image of the brand, and influence the consumers' opinion of their products (Mayzlin, 2006). Some firms also taking a proactive approach by actively intervening e-WOM communication with an aim to reduce the impact of negative e-WOM (Lee & Youn, 2009). However, this form of intervention executed by a company has its limitation since the message from a company is often perceived as less trustworthy than personal opinions or recommendations from consumers. This notion has led many companies to pay increasing attention to opinion leadership creation and stimulation.

Opinion leaders and e-WOM

Within an online community, there bound to be some members who actively engage in the online discussion by sharing and exchanging useful information and personal opinions with other members (Gu, Konana, Rajagopalan & Chen, 2007). These online consumers may participate in multiple online communities and are more likely to be innovative (Dahalander & Frederiksen, 2012; Ren et al, 2012). Rogers (1995) labels the special consumers as opinion leaders who can facilitate WOM communication and help others with a better understanding of the company and the product. In an online community, opinion leaders are defined as

individuals who have the ability to influence the e-WOM conversation within the community and shape the way other members talk about a given topic (Huffaker, 2010).

Past opinion leadership research has attempted to link credibility to other concepts such as persuasion, social influence, expertise and trustworthiness of message (e.g. Venkatraman, 1989; Awad & Ragowsky, 2008; Huffaker, 2010; Hoch & Kozlowski, 2014). These studies conclude that the reason for the significant influence of e-WOM from opinion leaders on consumer decision-making is their level of credibility in the discussion community (Sun, Youn, Wu & Kuntaraporn, 2006). While some scholars (e.g. Forman, Ghose, & Wiesenfeld, 2008; Huffaker, 2010) argue that credibility is one of the key elements for opinion leaders to build trust and to increase their influence on e-WOM adoption, Hollander (1961) asserts that leadership is obtained when people engage in the group activity long enough, and other members can recognise their contribution to the community goals. In a similar vein, Forman, Ghose and Wiesenfeld (2008) explain that opinion leadership establishment is a developmental process that based on time spent in discussion communities. Huffaker (2010) echoes that the credibility of an opinion leader relates to trustworthiness, which is built through the length of time spent within a community.

Another stream of research centres on opinion leaders' social identity and social status, as well as their influential power within an online community (Forman, Ghose & Wiesenfeld, 2008; Hoch & Kozlowski, 2014; Huffaker, 2010). That is, the intensity of online discussion engagement is related to sociability whereby the influence of an opinion leader is perceived according to the communication volume and the number of their supporters (Hoch & Kozlowski, 2014; Huffaker, 2010). This line of research indicates that opinion leadership is built on social relationships with other online members through continuous online information exchange activities which gradually gain the trust of the community and leadership social status.

Overall, past opinion leadership research has produced valuable insights into the characteristics of opinion leader, opinion leader's credibility and social identity. Although emerging research have looked into the opinion leadership development (e.g. Huffaker, 2010), further empirical exploration is needed to understand the establishment of opinion leadership specifically during a crisis when negative e-WOM is prevalent. The mechanism that underlies the influence of opinion leader on the online community members' sentiments is another issue that deserves attention. These issues will be addressed in this research.

Method

We took a qualitative approach to answering the research questions posed in our attempt to understand the nature of social exchanges within an online community. This research is based on an online discussion forum (i.e. MacRumors) around the faulty issue of the new iPhone 6 in September 2014. The website aims to keep track of Mac and Apple product rumour community with 950,000 members and more than 20,000,000 forum posts. The discussion forum allows online users to post a message in a public form and to other community members. These communications form a chronological thread. In general, the discussion traffic increases dramatically during Apple events such as new product release. The argument about new products is intensive and provides rich positive and negative e-WOM exchanges that influence consumer purchase intention. Specifically, the product complaints and product fault evaluation constitute a representative sample of negative e-WOM interactions.

A total of 557 online users who contributed 1911 posts covering a period of 3 months were collected for analysis. The online conversation contents from this forum were analysed with the assistance of the NVivo QSR 10 software. The data analysis comprises two stages. In the first stage, opinion leaders were identified by analysing community members' contributions to the online discussion using a set of criteria including the number of the post, the number of the reply and citation, the communication style, the posts length, the change of average path length and the centrality position a relational map.

Second, a content analysis was performed to analyse the online conversations by identifying valid categories relevant to the phenomenon of interest (Kassarjian, 1977). The emergent coding process as recommended by Stemler (2001) was followed. The data was first read so that coders are familiar with the data. During this process, notes and memos were produced for later reflection. The first author acted as the main coder and reviewed all data independently. A second coder was appointed to verify the plausibility of the main coder's interpretations. Disagreements between the two coders were resolved via discussion.

Findings

The first stage of opinion leadership identification analysis reveals a group of key influential members in the online community who plays an active role in shaping the negative e-WOM discussion direction. Among these influential active members, one individual member consistently scores high on all the measurement criteria was identified as the opinion leader in the community. The interactions between these active members and the opinion leader were then analysed in addition to the followers' sentiments.

The negative e-WOM dissemination process is divided into four main phases based on the discussion intensity. The content analysis reveals that during the four phases, opinion leader took multiple roles and shifts the role taking focus according to the discussion context changes in his attempt to gradually gain the leadership position. For example, as negative e-WOM spread intensively during the beginning stage, an increasing number of community members believed in the negative information. The opinion leader took the role as an information provider and observer to establish his appearance in the community and gain attention from others. In the second phase where the negative e-WOM discussion volume reached a peak, the opinion leader took more active roles such as opinion presenter and defender to present and reinforce his opinion and make his or her argument convincing. During the third phase of the discussion, the opinion leader assumed the role of evidence analyst and convergent thinker to focus on the evidence elaboration and analysis. During the last phase, the opinion leader acted as an aggressor and brand guardian. Overall, the analysis of the role taking at various stages reveals that the opinion leader gradually established his or her leadership position within the community and the negative e-WOM dissemination was under control. These results indicated that the opinion leadership evolution is a dynamic process which follows the e-WOM dissemination as well as influences the direction of the dissemination.

Our findings also reveal five intervening factors that underlie how the interactions between the opinion leader and the active members affect followers' sentiments: (1) hope; (2) cognitive balancing; (3) self-esteem; (4) emotion; and (5) justice. The perceived persuasiveness and genuineness of the communication style of the opinion leader plays an important role in influencing the followers' acceptance latitude of these psychological beliefs which somehow helpful in diverting the attention of the followers away from negative e-WOM about the brand and its product.

Conclusion

The contribution of this research is three-fold. First, it proposes a framework of online opinion leader identification by integrating multiple parameters, such as activity, communication style, impact and position of the opinion leader in the online community. Second, this study advances understanding of opinion leaders' impact by exploring its role in the process of negative e-WOM dissemination within an online community. Third, it also provides practical suggestions for companies to repair the damage of negative e-WOM in online communities and regain their consumers' trust by utilising the power of online opinion leader. In sum, our findings suggest that online opinion leadership is an important and useful topic to explore. We encourage future research to continue exploring the concepts of online opinion leadership and e-WOM as a potential to mitigating WOM related issues faced by marketers.

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