Online word-of-mouth - Influences on brand perceptions and choices

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As the Internet keeps developing, it also creates new ways for the consumers to participate in the marketing activities, and share their experiences. Online word of mouth has become an important factor influencing consumers' purchasing decisions. This thesis examines the impact that the word of mouth has on consumers and the reasons why they engage in it. The second objective of this thesis was to also research the companies' side, should they somehow try to control the word of mouth, or maybe even participate in it. The research questions are: "How do consumers use WOM on the Internet and how does it affect their behavior?" and "Should companies response to this, and if so, how?"

The theoretical framework is based on literature review, it combines the basic information concerning word of mouth, the different types of WOM and the basic reasons that make people engage in it. The other side of the theoretical framework handles the issue from the companies' point of view.

The consumer behaviour concerning online word of mouth is studied in the empirical part; the research is conducted using netnography. The material for the empirical study was collected from Suomi24 discussion boards, regarding the restaurant topic. It covers the discussions started during the last three months. As there was no research done from the companies' point of view, the conclusions and recommendations concerning this part are based purely on the theoretical findings.

The results showed that there are three basic reasons for consumers to engage in word of mouth. Most commonly people participate in the discussions because they need recommendations or some other help. The second most common reason was to help others, or just to comment other people's messages and maybe seek approval by doing that. The third most common reason was to release frustration or show disappointment by engaging in negative word of mouth. There were no restaurants participating in the discussions. Taking into consideration the power and influence of word of mouth, it would be suggested at least to be aware of the ongoing discussions. If there are resources for participation, it would also be recommended, as long as it is done the right way.

Keywords
WOM, word-of-mouth, online, restaurant, service industry

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1 Introduction

Few years ago the big buzzword in the Web discussion was the Web 2.0. Among other meanings it refers to a social phenomenon embracing an approach to generating and distributing Web content itself, characterized by open communication, decentralization of authority, freedom to share and re-use, and "the market as a conversation." Even though Web 2.0 didn't really create anything new that hasn't existed ever since the Internet was invented, it broadened the platform for word of mouth to spread, and showed that more attention is should be paid to WOM on the Internet. As the development continues, is been suggested that Web 2.0 has been replaced with Web 3.0. The list of buzz words concerning the Internet is endless, and new services appear at such a speed that normal consumer is having difficulties keeping up with the development.

Restaurants are much discussed on the Internet, and there are many cases where the WOM has lead to unwanted results. Probably the best-known cases are Lehtovaara and Nuevo Latino, in both of them the restaurants threaded their customers with legal actions, as they did not appreciate the feedback that was published on blogs. Eventually no legal actions were taken, but the restaurant's image has been stained for some time. This shows that undermining the power of word of mouth can be dangerous, not only for restaurants, but also for all the companies that are subject to WOM. Since these two cases, restaurants might have learned something, as scandals like this have not been seen at least in the mainstream media.

Today, the Internet offers many different channels for spreading the word, there are numerous discussion forums where people share their experiences, blogs are full of comments praising or criticizing restaurants and also there are complete Websites that are dedicated to rating restaurants. It would be about time for the restaurants, as well as all other companies, to wake up and see what is going on in the Internet.

Participating in the discussions takes a little effort, but simply going through the discussions can be an easier alternative. By knowing what people are saying about your company, you have a chance of fixing problems before they explode. In the latest services companies even have the chance of correcting comments that are clearly inappropriate. For example if a hotel guest is complaining about something, it is possible to check whether the alleged person has even been a guest at the hotel. The comment can be removed if the meaning has been just to

badmouth the company. And who knows, maybe seeing the outside perspective of things can be the needed agent for change.

Until recently, not much research has been done on the subject. The objective of this thesis is to find out whether restaurants should pay more attention on WOM, is it a threat or can it be controlled and exploited in e.g. companies' marketing actions. Another objective is to create better understanding for the reader of the influences that the word of mouth on the Internet has on brands. Something to take into consideration is that the word of mouth on the Internet has a different nature compared to the traditional face-to-face WOM. The research problem is to clarify **"How do consumers use WOM on the Internet and how does it affect their behavior?"** This being the main research question, the sub question is **"Should the companies response to this, and if so, how?"**

The issue is researched by going through vast amount of previously conducted studies. The existing literature and studies do not directly link with restaurants, but the basic theoretical framework for a study such as this one can be found from different books, and the deeper understanding concerning restaurants can be found from multiple research papers handling for example WOM in the service industry, information adoption from the Internet and the reasons why people engage in WOM. The customers' point of view comes from Suomi24 discussion board's restaurant topics. The discussion in the board is active, and generally speaking suomi24 is the most popular discussion board in Finland.

2 Theoretical framework

2.1 WOM & eWOM

A simple definition of Word of mouth according to the Word of Mouth Marketing Association (2008a) is that it is "The act of consumers providing information to other consumers." Kotler (2006, 408) defines the word of mouth influence as "personal communication about a product between target buyers and neighbors, friends, family members, and associates." The difference between traditional WOM and eWOM is simple, eWOM is Internet based. Hennig-Thurau & Walsh (2004, 39) define eWOM as "any positive or negative statement made by potential, actual or former customers about a product or company which is made available to a multitude of people and institutions via the Internet."

WOM is considered as the most powerful, influential and persuasive force in the marketplace. WOM is about delivering experiences independently, which makes it credible. It is also self – generating and exponentially growing, which makes it unlimited in speed and scope. WOM can originate from relativity small number of sources. While it can be timesaving and efficient, it is often negative (Silverman, 2001, 23-24). A study conducted by Inc. Magazine showed that 82 percent of the fastest growing private companies use word-of-mouth techniques (Ferguson 2008, 179).

2.1.1 Levels of word-of-mouth

Word-of-mouth has different levels, the nature and intensity is not the same all the time. Silverman divides the word-of-mouth into nine different levels, starting from negative that includes four levels, to neutral or positive that has five different levels (Silverman 2001, 39).

The minus 4 level is highly negative and usually relates to scandal that leads people engaging in harmful conversation. People complain about the product, and encourage other people to boycott the product. The next level, minus 3 is much the same, but does not yet include the scandalous proportions. At minus 2 level, people do not anymore actively seek people to badmouth the product, but the talk is highly negative and slows sales. Marketing at this level can be dangerous, as the more people get involved with the product, the more negative word-of-mouth is created. At the last negative level, minus 1, the customers are still slightly

unsatisfied, but do not anymore badmouth the product. There is neither positive discussion, nor active complaining. (Silverman 2001, 39-43.)

Most products are at the neutral level, where people use the products, but don't really have much to say about it. At the first plus level, people have positive things to say if asked. For example if a restaurant has been good, is said as it is true. At this level, the traditional marketing is a good boost for the word-of-mouth. At the next level, plus 2, people are already really excited about the product when asked, and traditional marketing is no longer enough to increase the word-of-mouth, people need the channels to rave about the product. At level 3, people convince other people to try the product, or for example restaurant, and it is the thing that everybody talks about. At the last positive level, the product is a subject of constant word-of-mouth. The publicity is high and even the influentials are talking and promoting the products. (Silverman 2001, 43-45.)

2.2 Engaging in WOM

According to Hennig-Thurau, Gwinner, Walsh & Gremler (2004, 41-42) the 5 main reasons that motivate people to engage in word-of-mouth are Focus-Related Utility, Consumption Utility, Approval Utility, Moderator-Related Utility and Homeostase utility. The first three are based on theory by Balasubramanian and Maha-jan (2001, in Hennig-Thurau et al. 2004, 41), and the latter two are extensions of this theory.

Focus related utility assumes that adding value to the community is an important factor for consumers. Through their contribution, the consumers improve the community by providing reviews or information about a service or product that is interesting for the community. Consumption utility refers to users gaining value from the other users´ contributions. Reading the reviews and comments by others may also lead to additional commenting. The approval utility motivates the consumers by giving them satisfaction when other consumers consume and approve the information such as reviews. (Hennig-Thurau et al. 2004, 42-43.)

The moderator related utility refers to a third party making the commenting, reviewing or complaining easier for other users. The homeostase utility includes two motives, expressing positive emotions and venting negative feelings. Venting the negative emotions is considered a major force in negative word-of-mouth, as it gives people the channel to lessen frustration and ease the dissatisfaction with a service or product by publicly expressing the negative feelings in writing. (Hennig-Thurau et al. 2004, 43-44.)

2.2.1 The Locus of control in WOM

Locus of control is one of the most widely studied personality concepts; it is usually used for predicting employees´ behavior in organizations. One definition for locus of control is "the degree to which the individual perceives that the reward (obtained) follows from or is contingent upon his own behavior or attributes."

Lam & Mizerski (2005, 223-224) have studied the meaning of locus of control for WOM, and the major finding was that the WOM is influenced by person's locus of control. It can either be internal (meaning the person believes that they control themselves and their life) or external (meaning they believe that their environment, some higher power, or other people control their decisions and their life). The research on locus of control has shown externals to be less educated, have a low income, tend to be women and hold lower corporate positions, whereas internals, on the other hand, have a higher income, are more educated, tend to be men and hold higher corporate positions.

The study found that individuals with a high internal locus of control were more likely to engage in word-of-mouth communications with people they aren't that close to i.e. out-groups. Individuals with a high external locus of control were more likely to engage in word-of-mouth communications with their close friends and families i.e. in-groups. This information can be useful for marketers when identifying the segments, as there is knowledge on the type of people who may be more receptive to word-of-mouth marketing. (Lam & Mizerski 2005, 224-225.)

2.2.2 WOM and decision-making

WOM has a different meaning for consumers in different stages of decision-making process. Pruden & Vavra (2004, 26) concentrates on three stages on the process: awareness, information gathering, and decision-making. In all the stages except for the awareness stage, WOM is considered the most reliable source of information. 69 % of interviewed people admitted to using referrals during the past year help in decision-making process concerning restaurants.

2.3 Word-of-mouth in the service industry

Word-of-mouth in the service market place is especially important as people rely on the word-of-mouth to reduce the risk in service related purchases. Compared to product purchases, people find it easier to trust personal information sources when buying services. The factors that affect negative word-of-mouth in the service market depend on the level of dissatisfaction and the responsiveness of the service provider. If the customers feel that their complaints are taken seriously, and the response is what they expect, they are not that likely to engage in negative word-of-mouth. The level of inconveniency caused by the problem also correlates with the tendency to engage in negative word-of-mouth. (Mangold, Miller & Brockway 1999, 73.)

Service failures can concern employee actions (e.g. rudeness), failure to respond to specific customer needs or preferences, or core service failures, e.g. unavailable or unreasonably slow service (Bitner et al., 1990, in Swanson & Kelley 2001, 194). There are different ways the failures can vary, for example in severity, frequency, and timing. Acting on customers' complaints is important for companies, as a well done service recovery will impact the customers' perception of the company's competence, the already purchased service and other services available. (Swanson & Kelley 2001, 194.)

Understanding what leads to customers sharing their experiences is now more important than ever before. In the past, customers shared this information with a small circle of people, consisting of their friends and family. The Internet has provided an unlimited platform for this information to spread. The Internet users don't only search for the information; they also share it through for example discussion groups and home pages. Information about the factors that lead to word-of-mouth will help companies to improve their complaint handling policies, recovery procedures and eventually lead to higher customer loyalty. It is suggested that a well-done service recovery may lead to even greater overall satisfaction than the original service outcome variables. (Swanson & Kelley 2001, 207.)

According to a study (Keaveney 1995, in Swanson & Kelley, 2001, 208), 45 percent of consumers may decide to switch service provides due to a single failure in the service process. If the service recovery is not handled promptly and the customer feels that the process is lengthy, they might engage in negative word-of-mouth even if the end result is satisfactory (Swanson & Kelley 2001, 208).

2.3.1 Attribution theory

Customers make judgments about cause and effect relationships that influence them based on three dimensions of causal attributions: locus, control, and stability (Weiner 1985, in Swanson & Kelley 2001, 195-196).

Locus of causality can be either in internal or external. The internal locus means that the customer feels that he/she is responsible for the incident, as in external locus the employee or other outside factor causes it. Control relates to credit and blame, the situation can be controlled or uncontrolled, if the employee has the control over the situation, but fails to fix it, the incident is blamed on him/her. The circumstances can be stable or unstable, which creates the stability that may create uncertainty. (Swanson & Kelley 2001, 196.)

Studies show (Swanson & Kelley 2001, 196), that: "The more consumers believe a service failure is due to the seller (external locus), is likely to happen again (stable), and could have been avoided (controllability), the more likely they are to complain." These types of attributes create the negative word-of-mouth in service situations that are poorly handled. The same attributes are also present when customers evaluate the service recovery process.

2.4 Influentials

According to Keller and Berry (2003, 1), roughly 1 in 10 of the adult population of the United States make the society culture and market place run. These opinion leaders are called influentials or influencers. They are active in their communities, highly engaged in the workplace and their personal lives as well. They are interested in many subjects and are connected to many groups. (Keller & Berry 2003, 1.)

> "Influencers are people who significantly shape a customer's purchasing decision, yet may never be accountable for it. They come from a wide variety of categories including journalists, academics, regulators, government bodies, retailers, consultants, blogs, authors, associations, and so on (Influencer 50, 2008, 1.)"

The influencers are a highly diverse and informal community between a company and its customers (See Figure 1), that influences consumers' decision-making. The main message is that the decision-making today is a conversation. Before buying people talk and listen. The Internet has made it even easier to have the conversation. People research purchases, post

questions to companies and other consumers email links and even create relationships with the like minded people who are active on same bulletin boards. (Influencer 50, 2008, 1.)
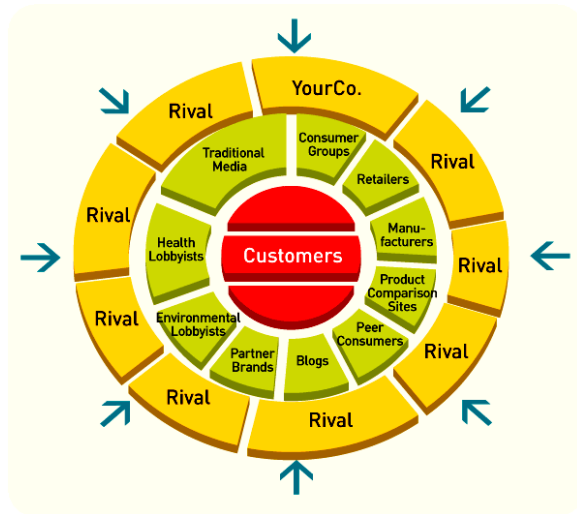
Figure 1. Decision-making Ecosystem (Influencer50 2008, 1.)

The influence spiral (See Figure 2) describes the process of influentials getting involved in learning something new. During the first step, the effort of learning something bears results, and leads to sharing the new information with other people. This inspires them to continue the research further and share once again the information. Eventually this creates an ever-widening spiral of influence and change, which leads to adopting something new, and the cycle starts from the beginning. The influentials´ WOM impact usually rises exponentially when they become interested in something. (Keller & Berry 2003, 124-125.)

Figure 2. Influential Spiral (Keller 2003, 124.)

2.4.1 Finding the opinion leaders

There are several things companies can do to find the opinion leaders from target market. According to studies, the opinion leaders – also known as e-fluentials and influentials - form from 10% of the population, yet they create most buzz about brands and companies and have great impact both online and offline (Kirby & Marsden 2006, 107). The solution to finding the opinion leaders can be self-designation, professional activity, digital trace, key informants or sociometry (Kirby & Marsden 2006, 9-10).
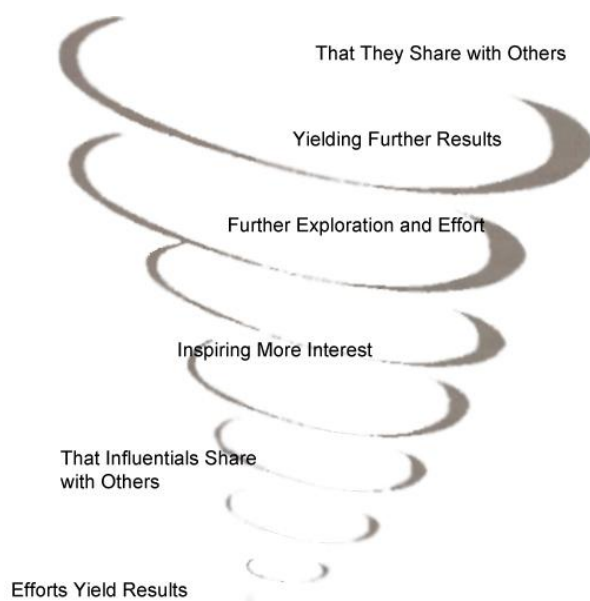
Self designation simply means asking the possible buyers to fill a self-completion questionnaire that points out the opinion leader, though there is a risk, that people over estimate their leadership. Professional activity is an easy and cost effective way to screen opinion leaders. The job titles that suggest involvement or ability to spread the word and engage people in word-of-mouth in the target market are considered as opinion leaders. The digital trace offers companies a fast and effective way to screen the opinion leaders by analyzing the blogs, discussion forums, news groups etc. that are relevant to the target segment. The e-fluentials can be screened based on the frequency they participate in e.g. chartrooms, bulletin boards, newsgroups, email sending or providing feedback. (Kirby & Marsden 2006, 109.)

Using the key informants is a good solution for screening small markets. The key informants, who presumably have a good understanding of the word-of-mouth patterns in the target category, simply designate the people who can be considered opinion leaders. When using the sociometry, the influence of word-of-mouth is actually mapped in the target market. Though this method identifies the influence hubs, it is considered expensive and time-consuming, and only suitable for mapping limited influence hubs. (Kirby & Marsden 2006, 10.)

2.4.2 Influential strategy

Keller presents a six-rule strategy for developing an influential strategy for companies. Due to the fact that the influentials are active in their community and life, winning them over as opinion leaders creates a business benefit. The influentials are twice as likely to search for advice from their peers compared to an average person. Taking into consideration the multiplier effect, these people will generate buzz like no other group of people. (Keller & Berry 2003, 1.)

The first rule is to be where the information is. Give the influentials all the relevant information for their decision making process. The information is highly valued, and the influentials tend to be where the information is. Generally the influentials are rich in information, as an example, the sources for ideas about places to visit are all information-oriented media: magazine articles, online or Internet sources, newspaper articles, and TV programs. (Keller & Berry, 2003, 290-300.)

Influentials are the most active people in complaints, so the next rule is that when the critics come knocking, invite them in. Compared to the total public, the influentials reportedly have had almost twice as many problems with products or services during the past three months. Influentials are also most likely to do something about their problems, so a complaining customer should be considered as an influential. More than one third of the complaints via email or Web sites are from influentials. (Keller & Berry 2003, 301-302.)

It should be taken into consideration that if the 3.2 million influentials in America tell about their bad experiences to 5 friends or family members the total impressions of negative WOM reach 16 million (Keller & Berry 2003, 304).

As the influentials are highly active in their communities and lives, it is also important for the company to present it self as a member of their community creating some tangible benefits for the members of the community, i.e. get out into the community. (Keller & Berry 2003, 307.)

Make it easier, then make it easier still. For influentials, it is very important to get good value for their money and make life easier with everything they purchase. For marketer the key is to clearly communicate what is the benefit of buying this product instead of the competitors´ product. (Keller & Berry 2003, 310.)

The influentials are individualistic and rather than copying what others do, they expect that their desires and wants are known. There are seven categories, in which the influentials are especially powerful: technology, personal finances and investing, travel, restaurants and cooking, home, health, and automobiles. For these areas, people turn to influentials for advice and recommendations. Knowing these areas is important for businesses that want to keep up with the influentials, even though if this is not your business, it might affect your business and gives a good idea of what motivates influentials, so know the "exceptions" – and keep up with them. (Keller & Berry, 2003, 319-321.)

For influentials the brand is highly valued. The last rule is to be a brand and tell the world. If the brand offers a positive experiences and quality, the influentials usually consider it to be worth the price premium. Building the brand by delivering what the influentials require, can win these normally marketing skeptical people over. (Keller & Berry 2003, 326.)

Valuing the brand also depends on the product category; usually brands concerning more durable goods have higher appreciation. The brand is not a self defining matter for the influentials as they define them selves through their families, friends, interests and involvement in their community, but yet influentials hold brands in high value in many areas. (Keller & Berry 2003, 325-326.)

2.5 Changes in the market place – collective media

Internet has provided the consumers a way to shift the authority away from the institutions. The four basic reasons for this shift are the consumers' collective intelligence and power, sharing experiences, transformation of information management from companies to the Web and the consumers' possibility to control the different channels. (Salmenkivi 2007, 93.)

The collective intelligence is formed when great masses work together. Good examples of this are Wikipedia and the Linux operating system. There are many reasons why people want to participate in these attempts, for some it is a hobby and to someone else the joy of helping other people is enough. (Salmenkivi 2007, 94-95.)

Sharing the consumer experiences makes the prices, quality and different features of products or services transparent. The need for this has risen because of the growing amount of product information and the difficulty of assessing products. The blogs provide the means to quickly spread both negative and positive information. In Finland, 46 % of the people read discussion forums in the Internet, which means 1.5 million people. 29 % of people who use Internet, are seeking for information about products or services others have tested. (Salmenkivi 2007, 97-97.)

In a recent study by Mediacom, 42 % of the respondents had decided not to buy the product or service they intended based on the information they had read from the Internet. 47 % of the respondents had made a purchase based on recommendations (Juvonen 2008). In future the buying behavior will be even more strongly based on the information sharing between

consumers, the decision makers trust in "people like them selves" has jumped from 20 % to 68 % in three years, and is one of the most influential factors in purchase decisions.

The source credibility of the people who asses the products and services is an important issue, as there is nothing stopping the companies from spreading positive information about their own products and services. Nowadays there are different reputation management systems that help the consumer to understand what information is trustworthy. According to Mediacom's study, more than 40 % of the respondents felt that the information and recommendations from blogs and discussion forums are fairly reliable, as almost half felt they are not that reliable. (Juvonen 2008.)

Internet search engines have transformed the information management from companies to Web. Because the writings in the blogs are so well linked, companies no longer can trust that the information that comes up in searches is what they expected. Typing in the product name can bring up discussions and opinions about the product, instead of the information the company is providing. Companies need to accept that they no longer are able to control all the information about the company and products. (Salmenkivi 2007, 103-104.)

In the Internet, the consumers can control and decide what they want to see and when. It is for example possible to block ads and discard the information that is considered boring. The traditional ways of advertising are no longer effective, but new forms are yet developing. (Salmenkivi 2007, 105-106.)

2.5.1 Brand image

Ind presents a model (see Figure 3) of the branding, which takes into consideration the direction of the information flow in the model. Even nowadays companies are pushing the messages out, though the pull factor is stronger than ever because of the Internet. The model also focuses on the unplanned communication through out the process. The unplanned communication is called "the moments of truth". The identity and employees' understanding of the brand idea form the moments of truth. (Ind, 2004, 95-96.)

The core of the organization; personality, culture, philosophy, values and mission forms the identity. Through the brand idea the identity is then transmitted forward as the articulation of the unique attributes of the brand. The brand idea is communicated through the three interrelating boxes: marketing communication strategy, employees' view of the identity and

products and services. In the end, the employees deliver all of the mentioned, so all aspects of the organization's systems and processes should be integrated in a way that the brand is presented consistently. (Ind 2004, 95-97.)

The two-way information flow between the company and the stakeholders creates the brand image, which eventually leads to brand reputation. The process is interactive and on going, there are not that many barriers between the company and stakeholders as there used to be. (Ind, 2004, 97.)
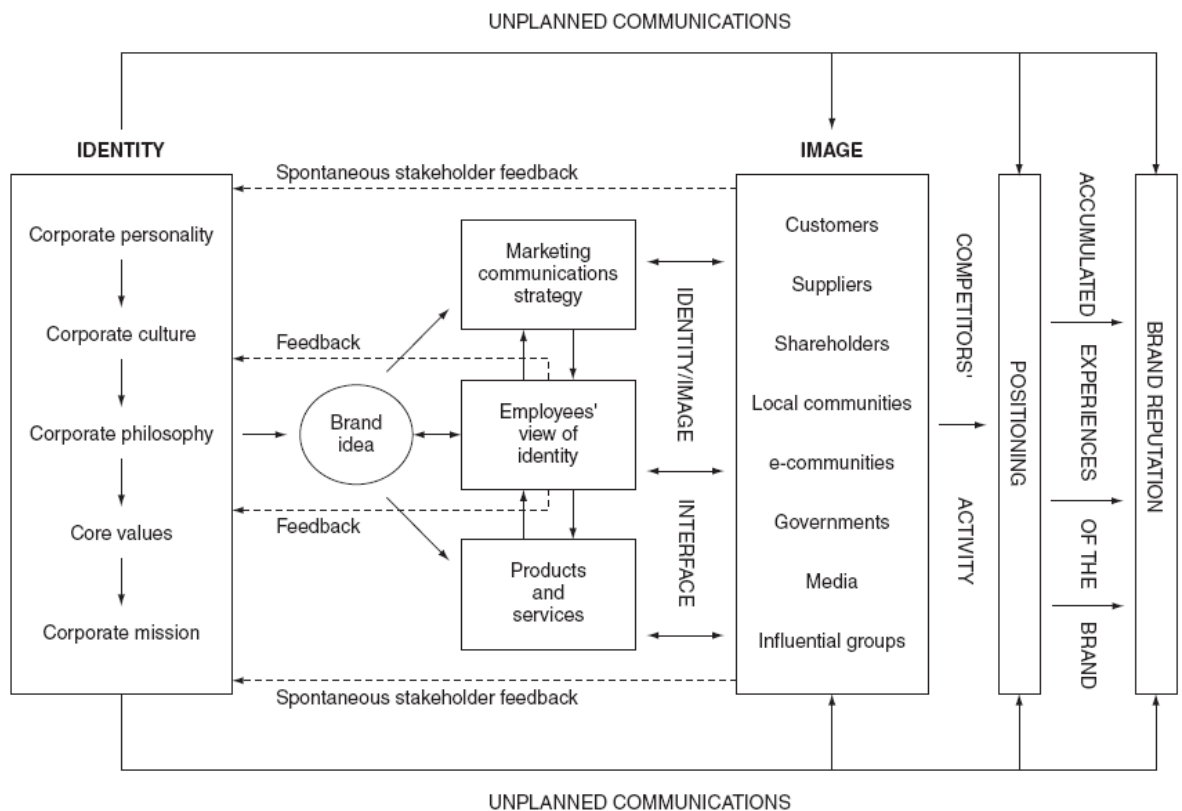
Figure 3. Brand Model (Ind 2003, 96.)

2.5.2 CREF-model

The CREF-model (see Figure 4) shows the elements that are important for companies to take into consideration in today's Internet environment that is highly networked and communal. The model takes the traditional 4P´s and discusses them in the light of the changes in the field of marketing. The promotion changed into collaboration, meaning that today the marketing is a two-way communication between companies and interest groups. Price has turned into a revenue model that shows that competing with price is no longer enough; the indirect income produces most of the revenue. The growing need to gain experiences has turned the product

into an experience, and because more important than the physical placement is making the products and services available to customers, the place has been replaced by findability. (Salmenkivi 2007, 220.)

Figure 4. CREF model (Salmenkivi 2007, 220.)

The findability has become more important as the products or services and information needs to be available everywhere. Salmenkivi (2007, 279) states that if the product is not found from the first page in Google, it is highly likely that some other product replaces the product. If the Internet search engines are not able to find the product or it is not found from social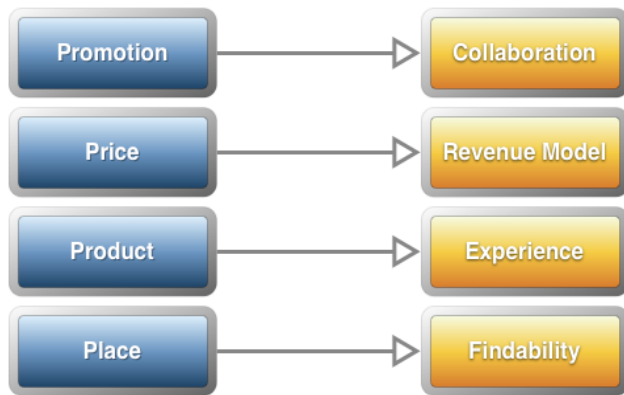 networks, it might get completely ignored. What makes findability extremely important, is the fact that every one searches the Web for information, according to a survey by Taloustutkimus, 93 % of the Internet users use the Internet for searching information (Salmenkivi 2007, 279).

When customers participate in the marketing, it gives them a positive experience, which has proven to have a positive influence on the brand image. The key is to respect and listen to the customers. When the customers are innovating and participating, not only do they create added value for the company, but also for them selves. The dialog with the customer increases the brand knowledge and makes the marketing more effective. The increase in media content and channels makes it even more important to know the customers and involve them in the dialog. (Salmenkivi, 2007, 221-224.)

Listening to the customers is the first step in gathering information about the conversations concerning companies in the Internet. The next step is to respond to the feedback and fine tuning the marketing. The blogs and discussion forums operate as a focus group for marketing research. Not only does following the conversations make the present marketing adjustments, but it is also a good way to predict the following trends. At the simplest, the

information gathering can be done with the help of search robots, some of which are able to gather information from about 70 million blogs. (Salmenkivi 2007, 231-232.)

The negative writings are better of ignored, unless there are factual errors that can be corrected in a way that it leaves no room for speculation (Salmenkivi 2007, 233). Monitoring the discussions is worth doing as there may be something bigger developing that can be controlled before it blows out of reach. Search engine reputation management is nowadays a big business. The two ways to clean company's reputation are either manipulating search engine hits by creating new content and positive hits, or by editing the content that has negative information. It has been studied that people only go through first 30 search engine hits and ignore the rest. Completely erasing the negative information is usually not possible, but companies such as ReputationDefender reportedly have a hit rate of 85 %. Even though removing the negative information is possible, it is fairly expensive as removing writing from a blog costs around 500 dollars. (Puustinen 2008.)

2.6 Word of mouth on the Internet

The Internet was originally invented for the scientists to exchange scientific information. Only after the Internet opened for rest of the people, the originally slow information sharing exploded. The growth was achieved by WOM, as no one owns the Internet, it wasn't marketed. It is the best-adopted innovation ever. For companies the Internet made it possible to send news and information about their products and services, but it also provided the ordering and delivery mechanism. (Silverman 2001, 110.)

As the email, Websites, chat rooms, and discussion boards became more common, individual and group communication became easier and started to create WOM, which eventually became a built in feature in many sites. Different recommendation system started to bloom, rating e.g. movies made it possible for sites to recommend movies that likeminded people had liked or purchased. Internet provided the means to exchange thoughts with professionals, and use the expertise of large number of people. (Silverman 2001, 110-111.)

The discussion boards and Usenet groups started to spread the word, both positively and negatively. This also gave the companies a change to decide whether they want to negative WOM to spread, or try to fix it. The Internet WOM has reached instantaneous and global proportions, and it is here to stay. (Silverman 2001, 112-113.)

2.6.1 Online brand trust

There are many things that affect brand trust online. First of all, marketers need to make sure that individuals' security and privacy is guaranteed on the Web site, including protecting the personal data that is given on a Website. Another factor that affects brand trust is the brand name. A known brand offers customers comfort and familiarity and trust also online, so the marketing actions should also include offline marketing, as customers remember better for example new product information from familiar brands. (Ha 2004, 336.)

Much of the trust is created by word-of-mouth. As the negative word-of-mouth generates e-complaining, positive word-of-mouth will spread the buzz and create strong relationships with customers. This makes it important for companies to monitor and manage the online word-of-mouth. The Web site itself may increase brand trust if it provides impressive experiences to customers. The content of the communities needs to be updated continuously in order to be able to keep it interesting and offer the experiences customers are looking for. If the customers are kept impressed and experienced, they are likely to generate positive word-of-mouth concerning the service or company. (Ha 2004, 336.)

2.6.2 Information adoption from the Internet

In a study concerning eWOM, Cheung, Lee & Rabjohn (2008, 232) use the model from Sussman and Siegal (2003, in Cheung et al. 2008, 232) to research the adoption of information from the Internet (see Figure 5). From the basic model, the Argument Quality part has been divided into sub categories: Relevance, Timeliness, Accuracy and Comprehensiveness. Also the source credibility has two sub categories, Source Expertise and Source Trustworthiness (Cheung et al. 2008, 233).
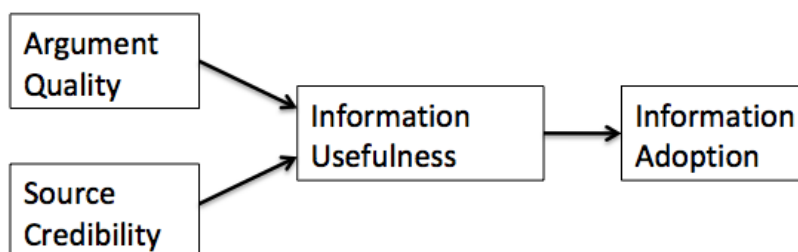

Figure 5. Information adoption model (Cheung et al. 2008, 232.)

The study found out that Information usefulness has a strong impact on consumer decision adoption from the Internet. From the factors influencing Information usefulness, only Relevance and Comprehensiveness showed noticeable impacts on perceived Information usefulness. Especially Comprehensiveness was important in the study. (Cheung et al. 2008, 242.)

Source expertise and Source trustworthiness, Accuracy and Timeliness were not found to impact information usefulness as much as Relevance and Comprehensiveness. Accuracy might have been difficult to evaluate in the Internet surroundings, as it is not possible to know the origins and factuality of the comments. Also Timeliness did not demonstrate significant relationship to information usefulness. In the online environment, comments about casual topics like food and restaurants may not be as time sensitive as other topics. (Cheung et al. 2008, 242-243.)

2.7 Viral marketing and Internet technology

For marketing, the technological innovations during last few decades have created new tools and techniques. It has enabled for customer to exchange both positive and negative experiences about products and services. For companies the Internet has provided new ways to bring value to the customers, and the change is continuing. (Datta, Chowdhury & Chakrabotry 2005, 72.)

Word of mouth marketing can be defined as: "Giving people a reason to talk about your products and services, and making it easier for that conversation to take place." (Word-of-Mouth Marketing Association, 2009a.) There are dozens of types of word of mouth marketing, and the terminology varies, but some of the most common types are:

- Buzz marketing (Using entertainment or news to create WOM)
- Viral marketing (messages designed to be passed along, often electronically or by email)
- Community marketing (forming or supporting such communities as user groups, fan clubs, and discussion forums)
- Product seeding (providing the influential people the right product at the right time)
- Influencer marketing (finding the people and/or communities that are able to influence others)
- Conversation Creation (things such as emails, promotions, entertainment or anything that is designed to create WOM)

- Brand Blogging: creating blogs and openly participating in them with valuable transparent information)
- Referral Programs (giving the satisfied customers the change to spread the word with different tools) (Word-of-Mouth Marketing Association, 2009b.)

A definition of viral marketing is much debated, but Kirby & Marsden (2006, 88) defines it as follows:

> Viral marketing describes any strategy that encourages individual to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. Like viruses, such strategies take advantage of rapid multiplication to explode the message to thousands, to millions.

According to Ferguson (2008, 180), the difference between viral marketing and word-of-mouth is in the cause and effect. Viral marketing is meant to cause buzz, as positive word-of-mouth leading to trial is the effect.

Viral marketing has been in the marketing literature for more that 30 years, but it has been called word-of-mouth. The Internet brought the possibility to replicate word-of-mouth communication and by this build trust and a source of competitive advantage. The term viral marketing refers to exploiting social networks to exponentially increase brand awareness similarly to an epidemic spreading. The idea of the viral marketing in the Internet is that the users spread the marketing message forward to other sites and users, creating exponentially growing growth in the visibility and effect. Viral marketing can also be described as any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message's exposure and influence. (Datta et al. 2005, 72.)

The difference between traditional WOM and the definitions of Internet WOM is that the traditional WOM is not able to create similar exponential growth. Viral campaigns are usually created based on WOM, for which Internet provides a platform to accelerate in news groups chat rooms etc. The main difference between viral marketing and WOM is the medium being used and the fact that WOM is local, but viral marketing can be global (Datta et al. 2005, 74). The eWOM provides the possibility to obtain information from all over the world from the people who have relevant experience with the product or service (Cheung et al. 2008, 230).

Another difference between the traditional and Internet WOM is that the Internet WOM is not affected by the background of the participant, instead of spoken it is written. A fundamental characteristic of the Internet WOM is that it is visible for larger audiences and longer time compared to traditional WOM, and it can be anonymous. (Datta et al. 2005, 73.)

2.8 How can companies benefit from WOM

Most companies don't have adequate systems for tracking WOM. The main reasons for this are divided into four categories: indifference, disbelief, cynicism and ostrich behavior. The companies feeling indifferent towards WOM think that it does not affect them as is impacts all the companies. The companies with disbelief believe in the power of advertising and refuse to believe that WOM has a greater effect on consumers. Cynic companies feel that there is nothing to be done, WOM cannot be controlled. The last, ostrich behavior refers to ignoring WOM and hoping it will not impact marketing. (Pruden & Vavra 2004, 27.)

Monitoring the forums, groups and discussion boards gives a good understanding of the discussion that might affect sales. In case the forums are closed and you are not able to follow the conversation, it might be useful to get updates from customers if possible. One way to spread the word is to contact the experts and recommending services, and reach their constituencies by doing this. (Silverman 2001, 113.)

Building various word-of-mouth attributes into your Web site will make your Web site more valuable and give it extra credibility. Systematically placed testimonials and endorsements on the Web site are beneficial if they fit your customers' stage of the decision cycle and the adoption category. The important thing is to know what you are doing. (Silverman 2001, 114.)

Setting up distribution list of business associates, friends, and various categories of customers will help you, as long as they inform people of something genuinely useful in a short enough form. People will pass along the message if it is of their interest. Sending out interesting information is the key, people only go out of their way to talk about the unusual, extraordinary, and outrageous things. (Silverman 2001, 114.)

2.8.1 Monitoring the conversation and participating

As people are interested in what companies have to say, it is suggested that also companies participate in the conversation, as long as it is done the right way. Good way to keep track of what is going on, is to use some time for going through what people are talking about. One way is to agree the brands, products and key personnel to be monitored by the customer service team. The follow up can be done simply by checking the mainstream Websites, search engines, and there are also free of charge blog services that can be used to search blogs. These services also make it possible to get real time information from blogs, as soon as something about your company is written, a notification is sent to alert you (Sernovitz 2006, 153). Monitoring the conversations will help you in many ways, for example, it will help you find out who is talking about you. It will also give you an idea of what are the hot issues, and if your own word of mouth is making any difference. One of the most important things is that it makes it possible for you to join in the conversation (Sernovitz 2006, 167).

A good way of handling WOM is to analyze the information in hand. For this four areas need to be assessed: the directionality (Does the WOM concern the company or a specific service or product?), multiplier (How widely spread the WOM is, how many people it affects?), action level (Is the communication intentional or passed forward with out further meaning?) and tonality (What type of information is spread, positive, negative, neutral and the level of this). (Pruden & Vavra 2004, 29.)

According to Pruden & Vavra (2004, 28), there are three steps in participating in the conversation. First, the consumers need to be able to communicate with your organization. By doing this, at least the company knows what is going on instead of waiting for the consumers to tell their friends and family about the things bothering them. The second thing is to analyze the information from consumers. This is done to help the company in future in similar situations. The third and last part is to communicate with the consumers. Making them feel that you care about what they have to say and by doing that put an end to negative WOM.

There are a few basic things that should be kept in mind when participating in the conversation. First, when ever it is possible, the company should reply and response. The only worse thing is not to participate, if the people didn't want answers, they wouldn't be asking questions online. Second part is simply thanking people. This will encourage future participation, and in the best case, it might turn the potential complaining customer into active talker. Third step is to fix the problems as well as possible, or at least show you tried.

Companies rarely participate in the conversation, but when that happens, it is most likely to create positive word of mouth. In the end, what people really want is attention. The last thing is to participate as a regular person. If the product is worth of word of mouth, it will be enough just to let people know you exists, without immediately pushing your sales pitch. (Sernovitz 2006, 154-155.)

2.8.2 WOM campaigns

For making the most out of the WOM, Silverman (2001, 57) has a six-step process of harnessing the WOM. The first step is to Figure out why someone should buy your product, given his or her values and priorities. The step means looking at the market through your customers' eyes. In reality this means researching the segments in the market and finding out what makes a product the preferred choice.

The second step is to find out what is the type of people you're looking for. The types can be categorized as innovator, early adopter; middle majority, late adopter, laggard (Silverman, 2001, 57). This is dependent on product life cycle. The product life cycle is divided in five distinctive stages (Kotler 2006, 269-271). The process starts with product development, which is followed by the introduction stage. At this stage the profits are relatively low or negative as the market is not yet ready for the new product. At the next stage, growth stage, the early adopters find the product and the later buyers will follow especially if the word of mouth is favorable. After this the product enters maturity stage, in which the sales will slow down and eventually the products goes to decline stage where the sales dip. This is important as there is a right time for all of the types, and targeting them at the right time is the key to success.

The third step is to identify the crucial decision stages needed to adopt your product. This is done by mapping out the different stages that a person would go through in order to try and adopt the product. The important thing is to find the bottlenecks from different stages. After this the next phase is to find the stages where WOM is to be used, for example making sure that the product works as meant in a certain situation. (Silverman 2001, 57.)

The fourth step is combine the steps two and three into a matrix (See appendix 1) that will tell you what is needed to get by the problematic steps. All the adopters go trough different steps in the process, and the important thing is to find out all the steps and different WOM needed to convince the adopter to take the next step (Silverman 2001, 58.) The idea of the matrix is to

get customers moving to the next step in the decision process. This is done by using certain messages in right order, and from right source (Silverman 2001, 81).

The fifth step is to Figure out the best possible way to deliver WOM in the most effective and motivating style. After this a program should be designed clearly pointing out the identified issues, and with this program the decisions should be made of what creates the most favorable decisions concerning the product in largest group possible. (Silverman 2001, 58-59.)

The last sixth step is to create and implement the WOM campaign. All the steps need to be considered through all the adopter types, making sure that the right media is used to reach them. This may include the use of mass media to reach large masses, but other techniques are needed to reach for example the early adopters. The next crucial step is to create all the event that spread the WOM and make sure the product is functioning right. To reach as many people as possible, all sorts of media from live events to Websites and discussion groups are needed. (Silverman 2001, 59.)

2.9 Summary of theory

The theoretical framework is described as a model in Figure 6. The black text indicates basic theoretical information about WOM. It explains the difference between WOM, online WOM and word-of-mouth marketing. The framework covers basic reasons why people engage in WOM, how it influences them, and the specific issues to be taken into consideration when talking about WOM in the service industry.

The white text on black background describes the companies' side of the matter, the changes in the marketplace, and the issues that should be taken into consideration when dealing with WOM. These parts also discuss the basics of WOM campaigns. Also covered is the influence of the opinion leaders for companies, as well as the information on how to find the opinion leaders and how to deal with them.
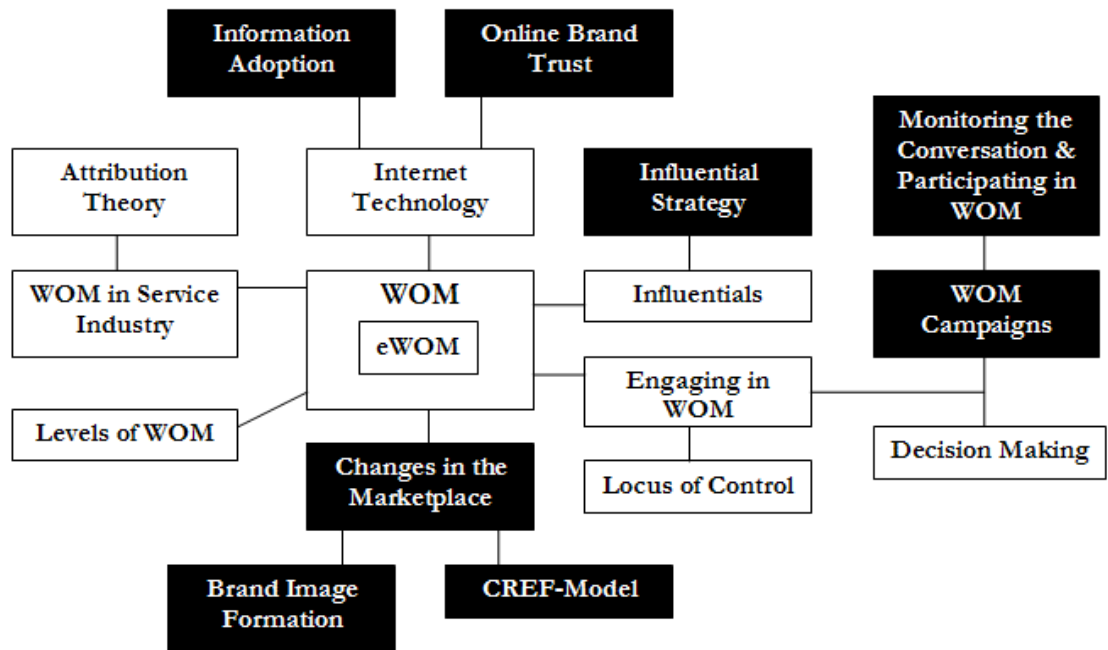
Figure 6. Summary of theory

3 Methodology

3.1 Ethnography and netnography

Netnography is also known as ethnography in the Internet. It is a qualitative research method that uses the techniques similar to ethnography to study online communities and discussion boards. Netnography uses the information available in the Internet to study online consumer groups. For marketing purposes, it gives the researcher a better understanding of the consumer needs and facts influencing decision making. (Kozinets 2002, 62.)

> Ethnography is an anthropological method that has gained popularity in sociology, cultural studies, consumer research, and various other social scientific fields. The term refers both to fieldwork, or the study of the distinctive meanings, practices, and artifacts of particular social groups, and to the representations based on such a study. (Kozinets 2002, 62.)

Ethnography is based on participation and observation in particular cultural arenas, it is grounded in knowledge of the local, the particularistic, and the specific. Ethnography is most often used to gain a type of particularized understanding (termed "grounded knowledge") but it is also used to generalize. Ethnography has become popular because of its vast qualitative content of findings and open-endedness that makes it easily adaptable to different circumstances. (Kozinets, 2002, 62.)

Ethnographic methods have been continuously updated to better fit particular research questions, research sites, times, researcher preferences, and cultural groups. The basic ethnographic actions include five steps: making cultural entree, gathering and analyzing data, ensuring trustworthy interpretation, conducting ethical research, and providing opportunities for culture member feedback. (Kozinets, 2002, 62-63.)

3.1.1 Making cultural entrée

Providing a description of the steps and procedures of netnography will act as a guideline to the researcher conducting market research with netnography, which, (like ethnography) is naturally flexible and adaptable to the needs of the individual marketing researcher. There are two initial steps that market researchers will find useful as preparation for conducting a netnography:

> First, researchers must have specific marketing research questions and then identify particular online forums appropriate to the types of questions that are of interest to them. Second, they must learn as much as possible about the forums, the groups, and the individual participants they seek to understand. Unlike in traditional ethnographies, in the identification of relevant communities, online search engines will prove invaluable (Kozinets, 2002, 63).

There are many different forms of online communities, but the four most common for conducting netnography for marketing purposes are boards, independent Web pages, lists and chat rooms. (Kozinets, 2002, 63.)

The boards function as electronic bulletin boards (also called e.g. newsgroups). The boards are usually categorized around specific products, services, etc. For the marketer who is interested in a certain topic, these boards contain valuable information in different forms. Independent Web pages as well as Web rings, also form an online community. Web pages such as epinions (www.epinions.com) provide online community resources for consumer-to-consumer interaction and information exchange. The lists (also called listservs) are e-mail mailing lists, which are joint by common theme (e.g. music, hobbies). The last type of online communities is chat rooms. Due to the nature of the chat rooms, they tend to be less market oriented. The information is usually more focused on social intercourse, fantasy and sexual matters. (Kozinets, 2002, 63.)

After finding the online communities that are best for the research at hand, the researcher can make final decision with the help of the defined criteria. The preferred online communities should meet the five step criteria of having

1. A more focused and research question-relevant segment, topic, or group
2. Higher "traffic" of postings
3. Larger numbers of discrete message posters
4. More detailed or descriptively rich data
5. More between-member interactions of the type required by the research question.

Before the actual data collection, the researcher needs to get acquainted with the characteristics of the chosen online community. These characteristics can include for example group membership, interests, and language. (Kozinets 2002, 63.)

In this research, the forum chosen for further research is Suomi24.fi. Suomi24 is one of the busiest forums, covering just about every single topic there is. It has high traffic of postings, and it is open to everyone, though it is possible to sign up and become a member, it is not required. The language of the forum is Finnish. Suomi24 has a fairly active Restaurants-topic, in comparison to other Finnish discussion forums in the Internet; it is probably the largest by number of postings.

3.1.2 Data collection and analysis

After choosing the researched online community, there are two main elements in the data collection. First is the data that is directly collected from the discussions between the community members, and second is the information gathered by observing the interactions and meaning in the conversations between members. As in ethnography the interviews need to be transcribed, in netnography the text is already in written transcribed form, which makes it easier for the researcher. (Kozinets 2002, 63-64.)

As a medium, online is considered fairly casual, so one way to start the research is to categorise the messages first based on the social and informational content, and after that by on-topic and off-topic. Also the posters can be categorised, there are four levels of involvement: first group, the tourists lack a strong commitment to the discussion, their participation is usually based on information search. The second group, minglers have stronger social ties to the community, but the use is minimal. The third group, devotees, use and participate in the community a lot, but they are not really attached to it. The fourth and last group is the insiders. Insiders are the frequent users, who have strong ties and active participation to the community. Insiders are also usually long standing members in the communities. (Kozinets 2002, 64.)

The data collection should continue as long as new insights on important topical areas are still being generated. The researchers may keep count of the exact number of messages and Web pages read, and also the number of participants involved in the discussions. Depending on the type and quality of the messages, even a small number of them may five deep insights about

the discussions. One of the challenges in netnography is to contextualize the data while it is being collected. (Kozinets 2002, 64.)

In this study, the level of involvement cannot be considered taken into consideration, as the discussion does not require a membership, and only few people posting to the restaurant topic are members. More often people just come up with a nickname when posting, so getting reliable information about the people behind nicknames is not possible. All the people participating in the conversation would have to be regarded as tourists.

The method for data collection in this case was to copy all the discussion from past three months (December, January and February) as a separate file to be further analyzed. During the past three months, there were 30+ new topics started, but after dividing them by on-topic and off-topic, there are 25 topics to be studied. The total number of posting is 154, which is divided unevenly by the topics, some having just a few replies to some that form longer discussions.

The main research question of this study is "How people use WOM on the Internet and how it affects their behavior?" Derived from this question, the discussions are analyzed based on the content. The postings are preliminarily colored coded based on the content to ease the deeper analysis, and to give a better overall understanding of the postings. Green indicates a positive comment, red negative comment, brown question, and grey recommendation. Also postings considering price (blue), quality (pink) and service (turquoise) have colors indicating them.

3.1.3 Providing trustworthy interpretation

Netnography is a method for understanding the interaction of people in the computer focused environment. During the research, the netnographer must make sure that the research is reasonable and trustworthy. Instead of the often used validity, trustworthiness is more commonly used concept in qualitative consumer research. Through out the research, it is important to remember that the focus needs to be on the acts of communication, instead of the overall actions in the community. If the results are generalized outside of the researched market, there has to be evidence to support the generalization. The conclusions of netnography need to reveal the limitations of online medium and technique in order to the research to be trustworthy. (Kozinets 2002, 64.)

3.1.4 Conducting ethical research

The ethical issues concerning netnography have been much discussed lately. The two main concerns are: "Are online forums to be considered a private or a public site?" and "What constitutes "informed consent" in cyberspace?" No clear answers for these questions have arisen, but it's suggested that the researcher follows the next four procedures when conducting market research using netnography; disclose his or her presence, affiliations, and intentions to online community members during any research, ensure confidentiality and anonymity to informants, seek and incorporate feedback from members of the online community being researched and take a cautious position on the private-versus-public medium issue. (Kozinets 2002, 65.)

3.1.5 Member feedback

Member feedback means that some or all of the findings are presented to the group being studied. There are three main reason that make member feedback important. First, it enables the researcher to find out new and more specific information about the meanings of the comments. Secondly, the member feedback improves the ethical issues discussed earlier. The last reason is to enable the information flow between the marketer and group being studied. Unlike in ethnography, in netnography the member feedback is easy and cost effective, as the needed information can e.g. be posted on the Internet or sent by email instead of meeting the focus group face to face. (Kozinets 2002, 66.)

4 Findings

The comments from Suomi24 can be divided in to different categories based on the type of the comments. The different types of comments are questions, recommendations and positive/negative comments. In addition to different types of comments, there are also three different attributes that come up in most of the topics: price, quality and service. These factors are researched in the following chapters, as well as the meaning of opinion leaders in this study.

4.1 Questions

Most of the discussion in the forums starts with a question. It gives a good picture of the postings, that out of 26 threads, 19 are started with a question. The reasons for asking questions differ a lot. People are looking for new options, asking for children friendly or romantic restaurants, or looking for some special food that is not available everywhere. Some questions are also about things not directly related to food. For example there is a long thread about having to pay dinner in advance, when there is a group going out for dinner. The thread was started by nickname "vxy", and the discussion was fairly active with people dooming this policy, and wanting to know which restaurant is trying to get the payment in advance.

People also seem to be afraid of disappointments. In many threads people have been disappointed before somewhere, and are now checking references from other customers before going to some restaurant. People may also want to check whether the testimonials they might have heard are true, and some place is worth visiting. This assuring is especially common when it comes to more expensive restaurants. For example nickname "calista" is looking for a romantic restaurant to take her boyfriend out to celebrate birthday in a fine dining restaurant, but is not sure where to go. It seems that most people genuinely want to help; sharing good experiences comes up in many threads, and is likely to be one of the main reasons for making recommendations. The thread has many different options with additional information about the atmosphere, quality etc.

People from other cities going to a holiday are one group who start discussions with questions, they might be planning a trip ahead, and want to find good restaurants. In one thread nickname "...................." has moved back to Finland after living abroad, and is now

trying to find a good Italian restaurant from Helsinki. Another example is a couple asking for recommendations, because they are going to Tampere for weekend from some other city.

There are also a lot of clearly provocative comments. The provocative comments often take over the whole thread, and the original question is lost because people start focusing on off-topic comments. People are also eager to point out if some one is asking a question, which is already discussed in another topic. Also this takes away from the on-topic discussion. In one occasion, the whole thread changed into a fight about weather the topic starter should first go through the old threads, and only then post something new. The thread was started by nick "spa-holiday makers" and in the end when the discussion returned to the original question, the nick had changed to "dissed spa-holiday makers" because of all the negative criticism they received.

4.2 Recommendations

People ask a lot of recommendations, and they are one of the most common reasons for participating in the discussion. Most of the recommendations are well justified, it seems that it is not enough to give just the name of the restaurant, people need more accurate information to support the choice of restaurants. The number of recommendations supports the idea that one of the main reasons for engaging in WOM is to help others.

As the recommendations in general are positive, and encourage people to try some restaurant, there are also negative ones, which tell people to avoid certain places. In a thread "American diner" the nickname "katyyy" is asking whether the restaurant is worth visiting, and the replies are versatile, some people like it , but there are also the ones who recommend not to try, and suggest something else. For example "Oneechan84" says that American diner is at the same level with lunch restaurants, but expensive, and suggest going to a restaurant called Salud instead. This comment causes also other people to start criticizing American diner, but as "katyyy" no longer participates in the conversation, it is impossible to say if the comments recommending other places overwhelmed the positive recommendation in the beginning of the thread. Assessing information adoption from the Internet using netnography might not give reliable results.

4.3 Positive comments

Surprisingly, only one of all the topics starts with positive comment about a restaurant. In this thread, the nickname "Nimetön" is commenting the decision to shut down a restaurant called Hälläpyörä. "Nimetön" is disappointed that the place has to be shut down, and wanted to thank the staff and owners for good and pleasant service. Also this thread suffers from the same problem as many others, the discussion turns into an off-topic provocation, and the original subject is quickly lost.

Generally speaking, there are also positive comments in the topics, but not that many compared to the negative comments. Usually the positive comments are about some instance when the customer feels that he/she has gotten really good service or for example the food has been exceptionally good. For example "the dissed spa-holiday makers" commented their restaurant choice only after two people who had recommended restaurants asked how the experience had been. It seems that it take a lot to give positive feedback, it is given only for especially good performance, unlike negative comments, that people are keener on posting.

4.4 Negative comments

After asking questions and making recommendations, the next most common reason for posting on Suomi24 restaurant topic, is to give negative feedback. Out of the 26 threads studied, six of them begin with a negative comment. Threads started by"23.12.2008", "IhmettelenSuuresti......."and "Aika vihainen" all handle the same restaurant. Restaurant chain called Pancho Villa gets very aggressive feedback in all three threads. No one seems to have anything good to say about the chain, the main target of criticism seems to be exceptionally bad service, but also the quality of food is often criticized. The restaurant seems to have multiple problems, and it is impossible to asses the meaning of just WOM, but in the same thread "juuble" has posted a comment saying that Pancho Villa in Ideapark has closed. It is unlikely that just the negative WOM would have closed the place down, but certainly it has an impact on the customers.

Another restaurant that gets a lot of negative comments is Golden Rax. Golden Rax is mentioned in several threads, and though there are few people who defend the restaurant, most of the comments have even an angry tone. The restaurant has gotten a reputation of being bad, and it is even used as an ironic example: in one of the threads, the nickname "23.12.2008" has started the thread by criticizing Pancho Villa chain, and "onneksi meillä" has

replied by saying with an ironic tone that "thank god we still have Pizza Rax." In another case, the thread handles good Italian restaurants, and "vastaushan" has commented the suggested restaurants by saying "Wonder why you didn't suggest Rax."

The threads that have negative tone and criticize restaurants seem to be the most interesting ones. The posted comments are really long, and the threads have more postings that average topics. Usually the negative threads also create off-topic comments and clearly provocative statements, but even though they are disregarded, the negative comments still create active discussion.

It seems that when the topic is started, is encourages other people to share their negative experiences. Especially if someone notices that he/she has been in a similar situation in the same restaurant, people are eager to share their negative experiences. In the threads that are criticizing Pancho Villa, many people have replied saying that they have experienced similar bad service, and that they wouldn't recommend the restaurant to anyone. For example, the nicknames "aika vihainen" and "dsdhsdh" have replied to a thread that is named as "An open letter to the owner of Panho Villa", and they all have experienced similar problems in the same restaurant.

4.5. Price, quality and service

The subjects that are most commonly discussed in the topics are price, quality and service. One or many of these attributes come up in every thread. Especially in the topics that handle cheaper restaurants, the issue of food quality is often pointed out. In these topics, the comments often refer to the fact that one can't get quality food with little money. If the food quality of these restaurants is criticized, people are often "defending" the restaurants by saying that the customers choose to go to cheap places, and because of that they can't expect to get better quality. For example in the thread "Golden Rax Sucks" the nickname "vihavihavihavihaviha" is defending the prices by saying that contribution margins in such buffets are amazingly low, and if people are not happy with the food, no one is making them go there. They are free to pay more somewhere else or make their food at home.

Price and quality are usually linked; most people understand that normally the price brings the quality. In the topics and recommendations that handle fine-dining restaurants the one who posts the comment usually justify the price in the comments. For example, the nickname "se on tämä" is recommending Chez Dominique to a couple that is looking for a romantic

restaurant, and ends the comment by saying that "It won't be cheap, but the small sacrifice brings festive atmosphere." In another example, nickname "ryöstävät vanhojen tansseilla" is complaining that restaurants raise their prices during the prom season. The discussion quickly turns into a defensive one saying that the prices mentioned by topic starter are very reasonable for three course menu in that restaurant.

Service is the one subject that people are interested in. Especially when the service has been bad, it is often commented. It also comes up often in recommendations in a positive sense, but it is mostly commented when the service level has not been what was expected. In the threads handling Pancho Villa, eight different nicknames comment the service. Nickname "uskoin…" has commented that the service was slow and bad, and the waitresses were rude and ignored customers. "dsdhsdh" has experience the same, and "vieraillut kanssa" replied that after waiting for an hour for the food, the waitress had started to argue that it is not true. The same recur in many discussions, when someone starts the discussion about bad service, people jump in to share their experiences.

4.6. Opinion leaders

In this case, the opinion leaders cannot be pointed out. There are only a few users, who participate in the conversation with more that one comment. As the discussion board does not require registering, it is impossible say whether someone is posting comments with several nicknames. There are a few registered members, but as they are not active in the discussions, they cannot be considered as opinion leaders/influentials.

4.6 Summary of findings

As a summary, it can be stated that people use the discussion boards for several reasons when the discussion is about restaurants. The most common reason for posting a comment is to ask a question. The most common issue for the questions is getting recommendations for new restaurant experiences. People need recommendations for different occasions, from different cities, and they also want to avoid being disappointed. Apart from this, there are also questions that are not directly linked with the dining experience, the questions handle for example restaurant policies and new restaurants being opened.

The number of positive comment versus the negative comments is really low. People only have positive comments, when they have experienced something extraordinarily positive,

usually this being service. Customers are keener on giving negative feedback for restaurants. The negative feedback often handles bad service experiences, food quality and price. The negative comments also create more discussion than positive comments, people want to share their positive experiences, but more often the negative comment create an active discussion with many people sharing their similar experiences.

The most commented separated subjects are price, quality and service. They come up in every topic, whether the topic is a question, recommendation or feedback. People are prompt when it comes to their money, they might complain about food quality and prices, even though they know that the restaurant discussed is not regarded as fine-dining place. The most common subject for complaints is bad service; it is the main thing that encourages people to give negative feedback.

Opinion leaders don't exist on this forum. Pointing the out wouldn't even be possible, because users are not registered, and only a few people appear to participate in the discussions with same nickname more than one time. Another observation was that companies do not participate in the conversations. In only one occasion when a good after work restaurant was asked, there was an answer by a nickname that is also the restaurant name. Even in this case it cannot be said for sure that the comment was written by an employee of the restaurant. There might be restaurants trying to promote themselves by recommendations, but once again, there is no certainty of that.

4.7 Validity and reliability

The private-versus-public medium issue is not a concern in the study, as the discussion is open to everyone and no registering is required. All the material for the research is openly available to everyone on the discussion board. Also the anonymity of people participating in the conversation is safe, as they are not registered members on the community.

The member feedback in this case is not necessary, as the discussions have been on a fairly general level, and the need for more specific information does not exist. There is no commercial marketer behind the study, so enabling the information flow between the marketer and group being studied is not necessary, but it would be possible.

The research has been conducted by keeping the focus on acts of communication. The researcher has disclosed his presence from the researched community, and there has been no interaction between any community members during the research. The research is not generalized to any other issues; it handles only the restaurant discussion.

The amount of studied material was fairly small, but the point of saturation was reached in early stage of the analysis. Since taking the material from the discussion forum for further research, there have been some comments added to the threads. The additional comments support the findings done earlier, and do not have a significant meaning to the end results.

5 Conclusion

The conclusion and recommendations part is divided into two parts based on the research questions. For this study, the main research problem was to clarify "How people use WOM on the Internet and how it affects their behavior?" Conducted from the main question, the sub question was "Should the companies response to this, and if so, how?"

5.1 How people use WOM on the Internet and how it affects their behaviour?

When talking about restaurants, people use WOM for multiple purposes. The following chapters describe the main reasons, how people use WOM in the Internet. There are three main reasons why people engage in WOM; main reason is to find information or support their choices, second is to help others with ones knowledge and the last one is to give negative feedback and release frustration.

5.1.2 People need help

The main reason why people engage in WOM on the suomi24 restaurant discussion board is because they need information. The needed information can be just a recommendation, or it can be something not directly linked with food and certain restaurant. Most commonly the needed information handles recommendations, prices, or quality. One reason for the information search is also the fact that people don't want to be disappointed. In many cases, the person participating in discussion has already decided the restaurant to try, but is hoping to get second opinions before actually trying out the place.

5.1.1 People want to help others

Helping other people or just generally participating in the discussions seems to be the second thing that creates WOM. Some people participate in the discussions with provocative comments, and clearly have no intention of discussing the issue at hand. For these people, the main reason for participating seems to just to spend time. Apart from these comments, it seems that people genuinely want to help others and share their knowledge.

The focus related utility mentioned in theoretical part seems to be important for people. In this case, the aim is probably not to improve the community, at least there is no sing of greater

commitment, as the people taking part in the discussions are registered members. Most likely people get the feeling of approval when they participate and share their thoughts.

5.1.3 People want to spread the anger

The third most common reason for participation is to share negative experiences. Many people feel that in the restaurant they have been ignored, and even giving face to face feedback has not solved the situation. Because of this people became frustrated, and share the experiences online.

Generally, the frustration is considered one of the most common reasons for engaging in negative WOM. It might very well be true, as it seems that in the discussions many people have clearly felt powerless as the service or food has been bad, and no one has shown any compassion. This would most likely lead to frustration, and eventually to negative WOM.

5.1.4 What it does?

There was no member feedback done with the people who participated in the discussions, but it seems that people take seriously both the recommendation and negative comments by other users. Even if the recommendation does not at this time convince the customer to try the restaurant, many other people see the same recommendations. This will leave a positive image for many people, and might be the reason that in the future encourages trying the restaurant.

The negative comments do the same as recommendations, but reversible. If a restaurant has made a real mistake, and the comment seems genuine, not written in provocative tone, it causes others to also share their experiences. Unlike with recommendations, the image in customers mind will not be positive. This information will remain in the board as long as it will exist, and the number of people that will see it is high. Trying to fix the problem might be wise for the restaurant, by commenting and fixing the mistake they would have at least a chance of putting an end to the negative WOM.

5.2 Should the companies response to WOM, and if so, how?

As no companies are researched in this study, the recommendations and conclusion are made based on the theoretical framework. The interesting finding ion the study was that companies do not participate in the discussions, at least on the Suomi24 restaurant forum. 69 % of

people admitted to using referrals during the past year help in decision-making process concerning restaurants, so companies definitely should participate, or if there are no resources for participation, at least they need to know what the WOM is doing to the business. When building brands today, companies need to understand that the days, when companies told something and customers believed it, are gone. If there is no two way information flow, people will dig out the information they need. WOM is also an important factor influencing brand trust online.

It has been studied that certain type of people are more likely to engage in WOM. The people in this group have high income, they are educated, and tend to be men and hold high corporate positions. It would be recommended at least for companies/restaurants dealing with these types of people to take into consideration that they are more likely subject of WOM.

The amount of negative comments in the forum also suggests that WOM is something that comments shouldn't be left ignored. The amount of negative publicity that for example Pancho Villa and Golden Rax have received in the discussions will take long time to fix. The threads keep on getting new postings, so the comments are not going away, and the topic stays visible for many people.

The market place is not what is used to be some years ago. The development of the Internet services has created collective intelligence and power, sharing experiences, transformation of information management from companies to the Web and the given the consumers possibility to control the different channels. The traditional 4P´s no longer play the same role. Instead of promotion, nowadays people expect two-way communication – collaboration. The price is replaced by new revenue models. Instead of products, companies need to sell experiences. The meaning of place is not as important as it used to be, findability is the issue.

5.2.2 Influentials

The influentials are a group that could not be defined from the forum, but based on previous studies, they exist, and they have a surprisingly strong effect on the choices that the other consumers make. According to the theory, approximately one in ten people are influentials. Finding the ten percent of people from company's target audience would be a huge advantage for the company.

For finding the opinion leaders, companies can use many ways. They can use self designation and ask the possible buyers to fill a self-completion questionnaire that points out opinion leaders. Another method is to identify the influence hubs with a sociometry. The last alternative is to use key informants with good understanding of the WOM-patterns to designate the people who can be considered opinion leaders.

When dealing with influentials, it is important to keep in mind some key issues. Companies should give them all the relevant information for their decision making process. The critic has to be accepted and it has to be handled, not forgotten. For this group of people, it is very important that they are given value for their money, and the also highly appreciate brands, which enables the price premium. Simply keeping up with the influentials and the areas where they are especially powerful in, might affect also businesses outside these areas.

5.2.3 Monitor

Participating in the online conversations is recommended, as long as it is done the right way. The easiest way is to go through the Websites and search engines, or use blog search engines to get deeper understanding of what is being said. Before acting, the information should be analyzed: What type of information is spread, positive, negative, neutral and the level of this? Does the WOM concern the company or a specific service or product? How widely spread the WOM is, how many people it affects? Is the communication intentional or passed forward without further meaning?

Monitoring the discussions might reveal the real extent of problems. As mentioned in the finding, some companies get incredible amount of negative WOM in the discussions. This might have been fixed with a simple apology, and maybe by giving some kind of compensation for the customer, but now the discussion just goes on.

5.2.4 Participate

Participating in the conversations will open the information flow. Simply thanking for the comments will give the customers the impression that you actually care about the issues. The participation shouldn't be sales oriented, the aim is keeping the discussion open and trying to fix the problems customers have, what ever they might be. The main reason for participating in the conversation is to put an end to the possible negative WOM.

If the company participates in the discussions, there is nothing stopping them from recommending them selves, which is not necessarily a bad thing. If there was a registered person participating in behalf of the company, and he/she has gained trust, people might not feel that the company is trying to sell something, the suggestions would most likely be appreciated. For many companies, this could be a simple way of brighten up their business.

5.3 Recommendations for further study

For future study, it could be recommended that the companies' side would be studied. Information about how many restaurants or other companies actually have strategy for coping with WOM, and how the strategies are working in reality would bring valuable information for many companies.

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The Decision Making Matrix™				
	Decide to Decide	**Weighing Information**	**Trial**	**Implementing**	**Expanding Commitment**
Innovator Wants to be outstanding Venturesome	Wants to hear how "far out" the product is. It's so new and unusual, no ones´s even heard of it or tried it. It works on totally new principle. Most people wouldn't even understand it	There is little information to gather. He will have to investigate the product firsthand. It's so far out, that there is nothing to compare it to. It's in a different class.	Wants to be among he first to try. It's so new that no one has tried it yet. You would be the first.	Wants to be the pioneer who leads the way for other people. Now that you have tried it successfully, you can help others learn about it.	Wants to push the envelope to the limits. Have you tried the wild new things it might be used for?
Early Adopter Driven by excellence Respectful	Concerned more about possibilities than actualities. Think of the possibilities if this product really worked in your situation, it would change your life or give you a competitive edge.	Looking not as much for "hard" information as for a vision of what it might be. Here's how I vision using the product. The other products are more ordinary. This one has possibilities.	Doesn't care that it hasn't been used in his situation, just that it may be applicable. This product doesn't work all the time. But when it does, wow!	Like the innovator, also wants to lead the way. Knows there will be problems, wants to know what they are and how they can be handled. Here is how to get most out of it and minimize the problems.	Wants a major advantage of being at the beginning of the curve. Here are the additional possibilities that will give you competitive edge.
Middle Majority Wants to be competent Deliberate	Concerned with practicalities. This ha been tried and really works in situation like yours, in your industry, etc.	Wants comparisons about how it's working out in situations similar to his own. Here is the practical information about how this is working out in the real world.	Wants to verify that it will work in his situation without investing too much time and trouble. The bugs have been worked out, and it is highly predictable	Wants to know that there is an easy way out of it if it doesn't work out. Training, support, and guarantees are in place and reliable.	Wants to know usage is getting pretty standard. Is rapidly becoming the standard in our industry.
Late Majority Wants to reduce risk Skeptical	Promises a good deal on a tried and true product. It has become virtually a commodity, and this product can get you better price, delivery, service training etc.	Wants to "shop around" and get the proven product with the best deal. I've checked out the pricing and service, etc., and it seems to be the best product.	Tends to be not for product excellence, but centers around the support system. Check out how wonderful they are to deal with, everyone can fix your problems, etc.	Wants complete support for rolling out full usage of the product. They'll come in and do it all for you.	Wants to use what everyone else is using, in the way that they are using it. Everybody is using it for everything.
Laggard Wants to be completely safe Traditional	Wants reassurance that it is a safe product where nothing will go wrong. You'll get in trouble if you aren't using this.	Wants to find the loopholes, problems, negatives, etc. If he doesn't find some, will keep looking. Here are the risks, and this is how to render them harmless.	Basically won't try anything new. Needs reassurance that the product is the standard product used in his industry, situation, etc. Try it, everyone else has and likes it.	Implements only when he has to. Adopt this product, or else.	Wants reassurance that he is using it in the standard way. That's the way we all use it.