

ABSTRACT

Understanding Consumer Motivations to Share Rumours in the Marketplace

Subin Sudhir, FPM 04/04-M

Rumours have always been an interesting aspect of investigation in interpersonal communication. Koenig (1985) suggested that rumours are the dominant form of Word of Mouth (WOM) in mass circulation. A rumour is defined as “an unverified and instrumentally relevant information statement in circulation that arises in contexts of ambiguity, danger, or potential threat and that function to help people make sense and manage risk” (DiFonzo & Bordia, 2007). Rumours can potentially affect perceptions about the product and brand images, rumours cause changes to the credibility of the brands, and affect customer loyalty (Kimmel, 2004; Kapferer, 1990; Koenig, 1985). The overload of commercially generated marketing communication confuses the customer and guides the customer to explore non-commercial forms of information; like WOM (Meiners et al., 2010). Marketplace rumours are fast propagated, especially through social networks (Kostka et al., 2008). In the recent years there have been many rumours that have emerged in the marketplace and have created drastic effects on the marketing scenario (Kimmel, 2004). But, despite the importance of rumours, there has been little attention paid to rumour research in the marketing context (Kimmel & Audrain-Pontevia, 2010), although this stream of research is not totally new (e.g. Kamins et al. 1997; Kimmel, 2004; Kimmel & Audrain-Pontevia, 2010).

Kimmel (2004) has suggested that for managers, rumours represent a competitor in the marketplace of information exchange. Virtually every type of company is plagued from time to time by the spread of unverified stories and questionable information about business operations and marketplace offerings (Kimmel, 2008). Research also suggests that in most cases the rumour is harmless and will fade away with time; but there are instances when the rumour becomes harmful for the organization. Hence, it is important to study the motivations of a customer to share a product-related rumour; as it is the individual customers and their respective motivations that drive rumour propagation in the market. This understanding will help us to understand the dynamics of rumour propagation in the market. Further, this understanding will help managers develop better strategies to combat marketplace rumours. The objective of this thesis is to identify the motivations of customers to share product related rumours and to explore how these

motivations influence the customers' rumour propagation activities in the marketplace. Based on the aforementioned inadequacies in the current understanding of rumour transmission among the marketing scholarship, this thesis explores the following research questions:

- Research question 1*** - What motivates a consumer to engage in rumour propagation about products/ services/ brands/ organizations in the marketplace?
- Research question 2*** - How do these motivations influence the consumer's intention to share product related rumours?
- Research question 3*** - How do the above said influences vary with changes in rumour characteristics - Credibility, Novelty, Involvement and Valence?

The review of literature identified four streams of research in the field of rumours; these are identified as the four key motivations for consumers' to share a product-related rumour. These motivations included (1) Information sharing motivation, (2) Relationship management motivation, (3) Anxiety management motivation and (4) Self-enhancement motivation. During the duration of this study, no measures were identified to quantify the aforementioned motivations; hence, a 21 item scale was conceived, developed and validated for the purpose of this study. This scale was used to collect data from a sample of students and the roles of these four motivations were studied in detail; by looking at the relationship of these four motivations to the consumers' intention to share the rumour. The influence of credibility of the message, the novelty of the message, involvement in product category, and the message valence were explored in detail.

It was identified that each of the four motivations is positively related to the consumers' intention to share the rumour. This inference from this finding indicated that consumer engage in rumour propagation for (1) information sharing, (2) managing relationships with other consumers, (3) control their own anxiety levels and (4) for self-enhancement. Credibility, novelty, involvement and valence have all shown significant effects on rumour propagation. The results of these investigations provide significant contributions to marketing theory and practice.