Marketplace Rumors and Consumer Behavior


Abstract
Consistent with contemporary advances in communications technology, rumors about companies and their offerings have emerged as imposing competitors in the marketplace of information exchange. Whereas much has been written in recent years about the growing influence on consumer behavior of word of mouth and marketplace buzz, relatively little attention has been focused on the role of rumors in consumers’ reactions to products and services. As unverified stories in general circulation (i.e., unconfirmed or unverified propositions), rumors potentially can have a variety of adverse consequences for a firm: they can affect company or brand image, can undermine corporate credibility and consumer loyalties, can have an impact on sales and market standing, and can prompt the spread of negative word-of-mouth. Research is lacking, however, on the key factors underlying the emergence and spread of marketplace rumors and the specific nature and extent of their consequences on consumers. This paper is intended to provide insight into the factors associated with the spread of rumors in the consumer marketplace and their effects on consumer behavior by presenting the preliminary results of a cross-cultural survey of American, Hispanic, and French consumers.

Keywords: Rumors, marketplace rumors, consumer behavior, word of mouth.

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Since the late 1970s, commercial rumors about companies and their offerings have become the dominant form of hearsay in mass circulation (Koenig, 1985). The rising spread of marketplace and financial rumors can be attributed to various technological, socio-economic, and psychological forces. As recent cases have revealed, the Internet and other emerging communication technologies are particularly well suited to serve as conduits for the spread of unverified information to a global audience (Berensten, 2000; Goldstein & Carrell, 2000; Kimmel, 2004a). Further, in recent years a variety of international events, ranging from highly publicized corporate scandals to deadly terrorist attacks, have left in their wake an especially fertile atmosphere for the swift and widespread dissemination of rumors. These events have led to a dramatic rise in mistrust, fear, and uncertainty, including concerns about the safety and security of the consumer marketplace.

For many contemporary managers, rumors represent an imposing 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. Most of these stories are relatively harmless, drawing little serious attention and quickly fading away before having an opportunity to develop into something more formidable. However, sometimes the situation festers and takes on a life of its own, and what may have started out as a seemingly innocuous assertion about some aspect of the company’s activities evolves into a full-blown whispering campaign that spreads quickly and uncontrollably throughout the company’s various publics. In such cases, rumors can strike at the very heart and soul of a business. They can severely damage company and brand images, undermine corporate credibility, and have far-reaching effects on financial markets.

Much has been written in recent years about the growing influence on consumer behavior of word of mouth and marketplace buzz (e.g., Rosen, 2000; Silverman, 2005). Nonetheless, despite the potential threats rumors can pose in the business and financial sectors (Kimmel, 2004b), relatively
little attention has focused on their role in consumers’ specific reactions to products and services. This paper is intended to address this oversight through a cross-cultural comparison of the cognitive, emotional, and conative effects of rumors on American, Hispanic, and French consumers. In addition, rumor theory is applied to assess the factors predicting the spread of rumors among the three consumer populations. Finally, attention is given to the distinguishing properties and prevalence of rumors in the consumer marketplace.

The Nature and Dynamics of Marketplace Rumors

Defining Rumor

Whether a rumor pertains to events unfolding in the marketplace or within other contexts, it tends to have something to do with the need for people to know what is happening and why in situations in which they are or may be implicated. Broadly speaking, rumor historically has been defined as a story or statement in general circulation without confirmation or certainty as to facts (Allport & Postman, 1947; Knapp, 1944). As defined in the American Psychological Association’s Encyclopedia of Psychology, a rumor is viewed as “an unverified proposition for belief that bears topical relevance for persons actively involved in its dissemination” (Rosnow & Kimmel, 2000, p. 122) Rumors are public communications, usually embellished by allegations or attributions based on circumstantial, unverified evidence, that reflect people’s assumptions or suspicions about how the world works.

A critical element of rumor is that there is a lack of certainty as to the validity of its message; that is, it is an unconfirmed proposition. The fact that there exists some degree of uncertainty regarding the truthfulness of a rumor is not meant to imply that all rumors are untrue. The key is that the rumor may eventually turn out to be true or false, but until that time, the communication is subject to the dynamics of an unfounded assertion. A story in widespread circulation that has been officially verified as false may nevertheless be considered a rumor, so long as there is a suspension
of disbelief in the story’s content. Should the rumor turn out to be true (or verified), its content then becomes subject to the limitations presented by the facts at hand.

Because of its frequently negative connotation, people often are reluctant to acknowledge that a communication is, in fact, a rumor. Such acknowledgment highlights the possibility that the transmitted information could be false and that the bearer is irresponsibly communicating misinformation (Kamins, Folkes, & Perner, 1997; Rosnow, 1991). As communication technologies have accelerated the pace by which news and information are transmitted to the public, there is an increasing tendency for communications to be based on unverified content, although they may readily be accepted as verified news by a public craving clarification regarding matters of current or local concern. Just as the line separating rumor and news sometimes blurs, the distinction between rumor and word of mouth may be unclear or confused. Rumors that circulate interpersonally in the consumer marketplace can best be viewed as a type of word of mouth, the latter term referring to all information transmitted informally among consumers.

**Rumor Types**

Several classification schemes have been offered to identify various types of rumors, reflecting differences in message content, etiology, and underlying motive or purpose (e.g., Kapferer, 1990; Kimmel, 2004a; Koenig, 1985). One of the earliest and perhaps most widely-known classification scheme was suggested by Knapp (1944), who concluded that rumors can be labeled as either pipe dream (or wish-fulfillment) rumors, bogie (or dread) rumors, or wedge-driving (or aggression) rumors. Pipe dream rumors represent positive rumors in that they reflect public desires and wished-for outcomes; by contrast, bogey rumors are negative in that they reflect feared or anxiety-provoking outcomes. Dread rumors may be further classified according to whether their content reflects the theme of conspiracy or contamination. Conspiracy rumors tell of policies or prac-
tices by a commercial enterprise that are deemed threatening or ideologically undesirable, whereas contamination rumors claim that a certain feature of a commercial product is potentially harmful or undesirable to consumers. Wedge-drivers represent another form of negative rumors in that they are intended to divide group loyalties or otherwise undermine interpersonal relations. In the marketplace, wedge-driver rumors are likely to take the form of unverified assertions about competitors. Another category of rumors consists of homestretchers, or anticipatory rumors that precede an expected event (Allport & Postman, 1947). Such rumors may typify positive hearsay in the consumer marketplace, such as messages pertaining to eagerly awaited product launches (Furukawa, Kato, & Yamada, 2002).

There have been few attempts to assess the relative frequency of these types of rumors in the marketplace. Kamins, Folkes, and Perner (1997) conducted an extensive field survey among members of an American consumer research panel. The respondents reported that they were exposed to and repeated more negative (wedge-driver and dread) rumors than positive (wish) rumors. Of 271 rumors about companies or brands that the respondents recalled having heard during the preceding year, 7.4% were considered “wish,” 74.9% were classified as “dread,” and 17.7% were identified as “wedge-drivers.” Similarly, Kimmel and Audrain (2002) surveyed 30 French product and brand managers and found that 73% of the rumors that reached their ear were negative in nature.

How Rumors Start and Why They Spread
Given the many forms that rumors may take, it generally is understood that there is no one simple explanation as to why rumors emerge, circulate, and ultimately disappear. However, current understanding, consistent with the socio-psychological theoretical perspectives developed by Allport and Postman (1947) and Rosnow (1991; 2001), suggests the involvement of collective and group needs, personal motives, and situational or con-
textual forces. Like most rumors, those that appear in the marketplace tend to result from a combination of uncertainties, anxieties, and a natural desire for inside information inherent in the immediate situation or pervasive in the more general societal context. Previous research on the dynamics of rumor has revealed that uncertainty (i.e., how filled with questions people are about current or future events) and importance (i.e., personal relevance of the rumor content) are primary determinants of rumor generation. Whether the rumor then catches fire and spreads among a public depends largely on levels of anxiety (i.e., how worried or concerned people are) and belief in the rumor (i.e., how confident people are that the rumor is true) (e.g., Anthony, 1973; Kamins et al., 1997; Kimmel and Keefer, 1991; Naughton, 1996; Rosnow, Yost, & Esposito, 1986; Walker and Beckerle, 1987).

According to Rosnow (2001), rumors are a likely outcome when people are confronted with unexpected events or are challenged by the unforeseen consequences of anticipated events, such as mergers, takeovers, and changes in management. In his view, “the more perplexing these events, the more that people need to invent stories to put their anxiety to rest... and to furnish cues to guide their future behavior” (pp. 212-213). It is likely that the factors that have been implicated in the emergence and spread of rumors are intimately linked. As the uncertainty surrounding a situation increases, we might also anticipate a heightening of anxieties, and uncertainty becomes more difficult for people to tolerate under highly stressful circumstances.

Another factor that appears to serve as a critical triggering mechanism for rumor diffusion is the degree of believability or “credulity” in the rumor. That is, unless rumors are believable or at least somewhat plausible to their recipients, they are unlikely to be passed along to others. In fact, when a rumor is received, one of the first steps the recipient likely takes before deciding whether to pass the message on to others is to evaluate its credibility or trustworthiness (e.g., Kimmel & Keefer, 1991; Rosnow et al., 1986).
Research Hypotheses and Methodology
Although extant rumor theory is useful in providing an understanding of the forces underlying rumor transmission in the consumer marketplace, little is known about consumer reactions to the rumors about companies, products, services, and brands that reach their ear. In order to further investigate the nature of marketplace rumors and the responses they stimulate among consumers, a survey investigation was conducted in three country settings—the United States, Mexico, and France.

Hypotheses
Consistent with rumor theory and previous research, the study investigated four general, exploratory hypotheses pertinent to the frequency and content of marketplace rumors and the study’s cross-cultural focus:

Hypothesis 1: Marketplace rumors are prevalent in all three country settings (1a), with a majority of rumors having negative themes (1b).

Hypothesis 2: Specific rumor content varies cross-culturally, consistent with local concerns, issues, and events.

Hypothesis 3: The psychological factors of anxiety, importance, credibility, and uncertainty are implicated in the transmission of rumors in all three country settings.

Hypothesis 4: Variations in consumer response to marketplace rumors reflect cultural differences on such dimensions as power distance and uncertainty avoidance (Hofstede, 1983; Usunier, 2000).

The generalizability of current rumor theory across consumer populations has been implicit in previous research on the topic and, to the author’s understanding, has not previously served as a focus of rumor research. Accordingly, specific predictions concerning cross-cultural differences were not developed in the present investigation. However, a consideration of cultural dimensions and values suggested certain potential variations among the three cultural affiliations studied. For example, because Mexico and
France represent countries with very high uncertainty avoidance, it was expected that consumers within those contexts will be more likely than Americans (low uncertainty avoidance) to take concrete steps to reduce uncertainty about rumor content, such as by seeking out information to confirm or disconfirm the rumor, or contacting the company directly for clarification. Consistent with their more confrontation approach to authority, the French also were expected to react more forcefully to rumors, by altering purchasing behavior, participating in boycotts, and the like.

Sample
Written survey responses were obtained from students enrolled in business schools in the United States, France, and Mexico. The Mexican sample consisted solely of English-speaking participants. A total of 209 questionnaires were completed, comprising a sample of 64 American (30.6%), 66 Hispanic (31.6%) and 79 French (37.8%) participants. The overall sample was evenly represented by male (49.8%) and female (50.2%) respondents, with the Hispanic sample consisting of a higher percentage of males (57.6%) and the French sample consisting of a higher percentage of females (59.7%). The average age of the overall sample was 23.7 years.

The Survey Instrument
A “Marketplace Rumor Questionnaire” was developed to investigate the prevalence and types of rumors transmitted among consumers, and to study the cognitive, emotional, and behavioral responses of consumers to rumors. The English-language version of the questionnaire (utilized for both the American and Mexican samples), was translated into French for the third (French) sample. The initial translation was reviewed independently by two bilingual speakers for any discrepancies from the English version of the questionnaire, and changes were made accordingly to the French questionnaire. The term “rumor” was defined at the outset as “an unverified piece of information about something of importance to persons involved in its spread. It is like news in every way except that it is not verified.”
In order to assess the types and prevalence of rumors encountered by respondents, the first section of the questionnaire asked them to indicate how frequently, on average, a rumor about products, brands, or services reaches their ear. This was followed by structured items pertaining to the respondents’ overall experience with marketplace rumors and the extent to which rumors affected their trust in and image of the company, products, brands, or services involved.

The next section of the questionnaire focused on specific responses or reactions induced by marketplace rumors. A listing of possible responses was provided, including cognitive (e.g., ignore the rumor; loss of trust), affective (e.g., lowered satisfaction for previous purchase; anger, guilt, or embarrassment regarding one’s relationship with the company) and behavioral (e.g., boycott the company involved; encourage people not to purchase from the company) items. Each response was rated on a frequency scale ranging from “never” to “sometimes” to “often.”

The remainder of the instrument presented structured questions related to psychological and situation variables affecting rumors. To assist respondents in answering these questions, they were asked to recall a harmful or potentially harmful marketplace rumor that they previously had considered. Demographic information pertaining to respondent gender, age, and nationality was obtained, and all questionnaires were completed voluntarily and anonymously during class sessions.

**Results**

The findings obtained from questionnaire responses correspond to the nature of marketplace rumors received and transmitted by respondents and reported responses induced by the rumors. Results are organized below according to (1) rumor reception and transmission frequency, (2) rumor types, (3) psychological factors linked to rumor transmission, and (4) participants’ responses to rumors. Cross-cultural differences are discussed within each of these focal areas.
1. **Rumor reception and transmission frequency.** On average, respondents estimated that marketplace rumors reached their ear on a regular basis, with nearly half (49.0%) indicating they heard such rumors weekly or daily. All but one respondent reported receiving marketplace rumors at least a few times per year, suggesting that rumors about companies and products represent a common focus of publicly transmitted hearsay. American respondents received rumors significantly more frequently than Hispanic and French respondents, $F(2, 199) = 10.07, p < .01$.

The questionnaire provided two opportunities for participants to freely give examples of recent consumer-related rumors that reached their ear and that were of interest or concern to them. (The first instance allowed for recall of any rumor of general interest or concern to respondents, whereas the second instance specifically asked for a negative example involving a harmful or potentially harmful rumor.) Dependent measures of transmission frequency were obtained through the use of 5-point Likert scales, indicating number of people to whom the respondent repeated each recalled rumor (ranging from 1=did not repeat the rumor to 5=more than 10 persons). Overall, 19.7% and 17.5% of respondents reported that they did not repeat the two freely-recalled rumors to anyone, respectively; the majority of participants (>85%) who claimed to have repeated either recalled rumor reported that they repeated the rumors to at least two to five persons, with 15.5% of the total sample repeating the rumors to more than six persons. There were no apparent differences in transmission frequency among the three cultural groups or between males and females.

Word-of-mouth (telephone, email, face-to-face discussion involving a friend, acquaintance, relative, or co-worker) overwhelmingly was revealed as the most common medium for reception of rumors, with 90% of respondents claiming to have received a freely recalled rumor via that channel, followed by mass media (49%) and the Internet (38.3%).

2. **Rumor types.** As predicted, a majority (57.2%) of the 194 freely-recalled consumer-related rumors of general interest were negative in
nature, as opposed to rumors with positive (21.2%) or neutral (21.6%) content. The most prevalent type of rumor content tended to reflect competitor-oriented (“wedge driver”) themes (36.4%; e.g., “The local Chevrolet dealership supposedly has bad car service”), followed by anticipatory (28.8%; e.g., “Turbo Jane is coming up with a new video”), dread/fear (28.3%; e.g., “SUVs tip more frequently and cause more accidents”), and wish-fulfillment (6.5%; e.g., “If you forward a certain e-mail, Telcel will put minutes on your mobile”) themes. A chi-square analysis revealed significant differences among rumor content for the three cultural groups, with American respondents more likely to provide competitor-oriented rumors, Mexicans more likely to provide dread/fear related rumors, and the French more likely to provide anticipatory rumors, $\chi^2 (df = 6, N = 183) = 23.68$ ($p < .01$). Differences in rumor type were not found to vary according to gender, $\chi^2 (df = 3, N = 181) = 1.67$, $p > .10$. Among the 222 negative rumors reported, contamination rumors were most common (45.5%; e.g., “Carl Jr.’s hamburgers are made of rat meat”), with the others nearly equally distributed among conspiracy (28.4%; e.g., “Procter & Gamble finances the KKK”), and poor quality (26.1%; “Wal-Mart carries products of inferior quality”) themes.

3. Factors linked to rumor transmission. Focusing solely on reactions to the freely-recalled harmful (or potentially harmful) rumors, significant positive relationships were revealed for rumor transmission and all five predictor variables: rumor credibility ($N = 193, r = .39, p < .01$), rumor importance ($N = 193, r = .38, p < .01$), uncertainty ($N = 193, r = .25, p < .01$), rumor accuracy/truthfulness ($N = 166, r = .23, p < .01$) and anxiety ($N = 193, r = .23, p < .01$), consistent with previous research on the critical factors linked to rumor spread. Overall, a stepwise regression analysis revealed that three factors –credibility, importance, and uncertainty– provided the best model for prediction of rumor transmission, $R = .54$, $R^2 = .29$, $p < .01$.

The best predictive models of rumor transmission were found to vary according to respondent cultural affiliation. For the American sample, cre-
dibility and uncertainty ($R = .54$, $R^2 = .29$, $p < .01$) emerged as the factors best able to predict rumor transmission, whereas for the French sample, credibility and importance ($R = .46$, $R^2 = .21$, $p < .01$) represented the best rumor transmission predictors. For Hispanics, however, only one variable, importance ($R = .61$, $R^2 = .37$, $p < .01$), was revealed as the best predictor of rumor transmission.

4. **Participant responses to rumors.** Overall, a distinct pattern emerged in terms of responses elicited by rumors. Across all three cultural affiliations, the responses or reactions most frequently identified by respondents ($N = 209$) as those that *often* occur in response to marketplace rumors included the following: (1) seek out additional information to confirm or disconfirm the rumor (37.3%); (2) ignore the rumor (16.7%); (3) loss of trust (16.3%); and wait for a while before repurchasing (15.8%). Only 12.9% of the respondents indicated that they *never* search for additional information when they encounter a marketplace rumor. Other personal responses or reactions most frequently identified as those that *never* occur in response to rumors were the following: (1) try to hurt the company through physical actions, such as graffiti (97.1%); (2) contact the company directly (79.4%); (3) inform an external source about the rumor, such as a consumer protection group (74.4%); (4) boycott the company involved (67%); (5) try to hurt the company by repeating the rumor (64.4%); and (6) spread counter rumors (59.8%).

When the 15 rumor responses listed on the questionnaire were categorized according to their cognitive, affective, or behavioral types, no significant differences were revealed according to cultural affiliation for cognitive responses (e.g., ignore the rumor; loss of trust) *often* taken, $F(2, 206) = .29, p > .05$, affective responses (e.g., lowered satisfaction for previous purchase; anger, guilt, or embarrassment regarding relationship with the company), $F(2, 206) = 1.11, p > .05$, or behavioral responses (e.g., boycott the company; purchase from a competitor), $F(2, 206) = 2.02, p > .05$. Nonetheless, a few noteworthy differences among cultural groups were
apparent for certain specific reactions to rumors. Hispanic respondents were most likely to report that they *often* experience a loss of trust in response to marketplace rumors (24%) and spread counter rumors (11.9%), compared with American (15.9% and 1.6%, respectively) and French (8.9% and 5.1%, respectively) respondents. French respondents were most likely to report that they *often* seek out additional information about rumors (43%) and *never* ignore rumors (16.5%), compared with American (36% and 7.9%, respectively) and Hispanic (31% and 4.5%, respectively) respondents.

**Discussion**

Consistent with claims that commercial rumors have emerged as the prominent form of hearsay in recent decades (e.g., Koenig, 1985; Sandberg, 2004), the current investigation found evidence attesting to the prevalence of consumer-related rumors in three distinct cultural samples (*hypothesis 1a*). Nearly half of the respondents studied revealed that rumors about products, services, and consumer-goods producers come to their attention on a weekly or daily basis, with participants from the American sample reporting higher overall rumor activity. Further, given two opportunities to recall examples of commercial rumors, a majority of participants were able to do so, and, despite some thematic similarities in rumor content, the number of distinct rumors freely recalled totaled 293. The fact that all participants were business students who may be more aware of commercial rumors than persons in the general population suggests that further research should investigate rumor awareness among different participant groups.

In terms of rumor content, a majority of freely-recalled rumors were evaluative in nature, pertaining to either positive or negative aspects or qualities of some aspect of the marketing environment. As predicted, a preponderance of freely-recalled rumors were negative in nature (*hypothesis 1b*), consistent with previous rumor research (Kamins et al., 1997; Kimmel & Audrain, 2002) and findings suggesting the high frequency
with which consumers are likely to transmit negative word-of-mouth (e.g., Walker, 1995). Despite rapid advances in information technology in recent years, providing a growing number of channels for the formal dissemination of both verified and unverified commercial information, the study revealed that informal interpersonal channels (e.g., email, face-to-face discussions, telephone conversations) represent the primary means by which consumer-related rumors are received. Thus, this study highlights the power of word-of-mouth as a marketing medium, and suggests that marketers will have to harness that power if they hope to curtail the spread of false rumors (see Silverman, 2005).

It is interesting to conjecture why negative rumors would be more active than positive ones in the consumer marketplace. In part, this may be explained by the possibility that consumers do not recognize speculation about new product launches, price reductions, and the like (i.e., typical forms of positive, anticipatory marketplace rumors) as rumor per se, but rather as an offshoot of promotional activity and everyday word-of-mouth within the marketing context. Given that a majority of negative rumors recalled by the respondents had contamination or conspiracy themes, it also is reasonable to assume that the circulation of such rumors reflects active attempts by consumers to reduce uncertainties and fears by seeking confirmation or refutation. The persistence of contamination rumors is likely linked to the widespread uncertainty and anxiety in contemporary society about health risks contained in food and safety defects or design flaws in a variety of durable goods. These rising fears are associated with modern-day developments in the ways consumer products are mass produced and distributed, and may be exacerbated by sporadic, unpredictable crises, such as the growing global threat of a bird flu pandemic.

The results also indicated rumor themes were likely to vary according to cultural context (hypothesis 2). This is consistent with the nature of rumor, which arises from collective concerns and has topical relevance for those involved in its dissemination. Thus, in the highly competitive Ame-
American marketplace, competitor-oriented (or wedge-driver) rumors were found to be most prevalent, with a variety of freely-recalled rumors reflecting a firm’s competitive edge or disadvantage. Several of the rumors reported by American participants pertained to anxieties associated with the steadily rising price of gasoline. By contrast, Hispanics showed a greater tendency to report fear (or dread) rumors, an indication of uncertainties surrounding the safety of food and drink products in their home environment. This was reflected by a number of freely-reported rumors concerning unsavory ingredients supposedly discovered in common foods (such as hamburgers made of rat meat). Although competitor-oriented and dread rumors also were well-represented within the French sample, French respondents demonstrated a comparatively higher reporting of anticipatory rumors, suggesting a high degree of curiosity and speculation about impending marketplace events, such as new product launches or variations, mergers, and stock market activity.

With regard to psychological and contextual predictors of rumor transmission, the study provided support for contemporary models of the rumor process (e.g., Rosnow, 1991, 2001), as evidenced by the strong bivariate relationships obtained (hypothesis 3). Specifically, rumor transmission was found to be positively related to the believability of a rumor (i.e., credibility), personal relevance of rumor content (i.e., importance), the extent to which people are filled with questions about what is going on (i.e., uncertainty), the degree to which people are worried or upset (i.e., anxiety), and how truthful a rumor ultimately turns out to be (i.e., accuracy).

Taken together, credibility, importance, and uncertainty provided the strongest set of predictors of whether or not a rumor would be transmitted to others, although variations in the best predictor models were evident when analyses were performed separately for the three cultural affiliations. Unlike the more individualistic American and French cultures, the comparatively high degree of collectivism characteristic of a Hispanic country such as Mexico may to some extent explain why personal rele-
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Vance, by itself, emerged as the best predictor of rumor transmission among Hispanic respondents. Rumor transmission may serve primarily as a social facilitator for Hispanics by providing topical material of general interest to the group. Thus, whether a rumor remains in circulation may be more a function of level of collective interest in its content, and less so its presumed accuracy. Surprisingly, given Mexico’s high level of uncertainty avoidance (Hofstede, 1983), uncertainty did not significantly improve predictability of transmission when included with importance in a stepwise regression analysis. By contrast, believability emerged as a key predictor of rumor transmission for the American and French respondents, suggesting a reluctance to transmit information that ultimately could turn out to be false. The transmission of false information could serve to weaken one’s current or potential status as an as opinion leader (in terms of the quality of word-of-mouth messages) (Kamins et al., 1997).

Despite some cultural differences, the present investigation revealed that commercial rumors tend to elicit a high degree of similarity in consumer response (hypothesis 4). Although respondents claimed that marketplace rumors often result in negative consequences, including a loss of trust in the company involved and a delay prior to repurchasing, the more common response apparently elicited by such rumors is to motivate consumers to obtain more information, a tendency that was most characteristic of the French respondents. The search for information appears to be conducted in an informal manner (e.g., by transmitting the rumor via word of mouth), as a majority of participants revealed that they never attempt to contact the company directly or consult an external formal source about the rumor (such as a governmental agency). Similarly, the findings suggest that consumers do not respond to rumors in a vengeful manner; in fact, respondents rarely admitted to ever trying to harm or get even with a company through some direct action, such as boycotts, maliciously repeating rumors, or vandalism. Overall, the cultural variations in consumer response to rumors, such as the Hispanics emerging as the group most likely to lose trust and spread counter rumors, do not appear
to be linked to identifiable cultural dimensions. Finally, one of the more common responses to rumors reported by respondents was to ignore them. It would be interesting to further investigate this reaction in subsequent research, especially in terms of individual differences in consumer attentiveness to marketplace rumors.

Conclusion

Given the potential for harm that rumors possess for consumer-oriented businesses, in terms of financial losses or tarnished brand or company image, it stands to reason that managers have much to gain from a better understanding of their nature and dynamics. It is hoped that this research can provide some direction for the development of strategies that are useful for countering false rumors circulating about a firm’s offerings or corporate activities, or for preventing their emergence in the first place. Although limited by a procedure dependent on participants’ free recall of rumors, the present findings suggest that in consumer-related situations, people appear prone to transmit rumors in order to obtain cognitive clarity regarding the circumstances or events at hand. This conclusion is based on results indicating that participants are more likely to transmit commercial rumors when they are filled with uncertainties about important and believable issues, and most typically respond to such rumors by searching for more information.

As the search for information does not appear to take place through formal mechanisms or channels, it appears that commercial rumors are self-perpetuating; that is, uncertainties give rise to rumors, which serve as hypotheses after the fact, and, once received, they are passed on in an effort to gain clarification as to the their validity. How this process comes to a halt could serve as a focus of future research. Unlike common forms of financial rumors, which are typically confirmed or refuted soon after they emerge (Kimmel, 2004b), the life cycle of rumors about products, brands, and services has the potential to be long term, assuming some degree of credibility is evident (e.g., can it ever be proved to the satisfac-
tion of some consumers that a well-known fast-food restaurant chain never uses unhealthy ingredients to prepare food?).

That there were more similarities than differences in terms of consumer response to marketplace rumors bodes well for companies in terms of global efforts to fight their emergence or spread. Although consumers claim that rumors stimulate a search for information in attempts to confirm or refute them, a corresponding loss of trust may explain why consumers tend not to contact formal sources, such as the companies targeted by the rumor or governmental agencies. Despite the obvious advantages of keeping channels of communication open (e.g., in order to reestablish trust) through telephone hotlines and interactive web sites (Kimmel, 2004), the present study suggests that companies can more effectively counter false rumors by actively going directly to consumers—for example, by making efforts to gain the trust of and provide information to opinion leaders—rather than by waiting for consumers to come to them.

Finally, as an initial attempt to investigate cross-cultural differences linked to the nature and spread of commercial rumors, the present study revealed an important avenue for future rumor research. This study provided preliminary evidence linking cultural affiliation to the nature of rumors likely to be prevalent in different country settings, factors most likely to predict their transmission, and specific variations in responses elicited by rumors. Hopefully, future research can shed additional light on the extent to which marketing strategies can be similarly applied in varying consumer contexts or adapted to accommodate cross-cultural differences.

References


