



Create the right sort of buzz about your products

How important is word of mouth, more popularly known as buzz, for the success of your new products? Some companies rely on product placement in movies or the endorsement of a sports star or pop singer to help create a buzz about their particular brand. But according to INSEAD Professor of Marketing, Amitava Chattopadhyay, companies may have more control than they previously thought possible regarding the buzz about their new products – they just have to take a more systematic approach.

In a recent working paper, Chattopadhyay and co-authors Jacob Goldenberg and Sarit Moldovan examine how managers can best create positive buzz about an innovative product. Instead of just looking at the product's novelty value or uniqueness, the authors of the study also looked at the impact of product usefulness.

What they found is that although originality is important in generating buzz about a product, the content of the buzz is harmful and has a negative impact on consumers adoption and the ultimate market size when the product is perceived as 'useless'. Since managers have control over both the originality and usefulness of their products, they can have a considerable degree of control over word of mouth about the product as well. And remember, word of mouth can be negative as well as positive:

“What we found was uniqueness or newness drives the propensity (for consumers and others) to speak about a product, but usefulness drives what they say about the product,” Chattopadhyay says. “The evidence is clear – usefulness determines whether word of mouth is positive or negative; when you have a new product that is not useful then negative

word of mouth spreads quickly and leads to that product dying quickly.”

Make sure your products are unique and useful

In effect, poor reviews from influential sources of information such as friends or colleagues, if they gather momentum, can kill off a product: “Newness per se is not good, newness accompanied by lack of usefulness is downright dangerous. In the internet age, with email and blogs to speed up the spread of word of mouth (WOM), the rapid death of a new product is a virtual certainty, if it is perceived as not useful and worse still as useless and novel!”

The authors believe that understanding how to control WOM has important implications for managers. They say that as factors such as originality and usefulness are within the control of managers, they should focus on both when products are being designed and developed, as well as later on when they are promoted and positioned in the market.

Managers should “not be blindsided by just the novelty element,” Chattopadhyay says, but they

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should make sure the products they are bringing to the market serve a purpose for the consumer. “Or to put it another way, that the consumer perceives this novelty to be useful. If it fails on the usefulness criterion then you will not succeed.”

You can find the working paper: ‘What Drives Word-of-Mouth? The Roles of Product Originality and Usefulness’ at www.msi.org.

Find article at

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