

NEW PRODUCT DIFFUSION IN AN AMBIGUOUS INFORMATION ENVIRONMENT

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ABSTRACT

While our understanding of innovation diffusion has improved over time, one contemporary marketplace variable remains relatively unexplored—the impact of countervailing information on the diffusion process. Countervailing information is defined as dyadically opposed information or messages and is operationalized in this paper in the form of negative information followed by refutation of that negative information. The same communication technology that enables firms to broadcast positive-based advertisements to consumers also enables product detractors (e.g., consumer advocacy groups, protesters, government agencies) to broadcast negative claims via the mass media channels.

Contemporary examples include the attack on Nike® for their alleged use of child labor in international production facilities and the ‘health concerns’ assault on the Procter and Gamble® O’Lean™ line of snack chips, both at the initiative of consumer advocacy groups. In line with Petty, Unnava, and Strathman’s (1991, p. 266) call for future research, the authors investigate how the newly formed attitudes of consumers toward products are impacted by these countervailing messages. Using two product types (search and experience), they further investigate the influence of the type of negative claim (objective or subjective), the form of refutation (one-sided, two-sided, no comment) and personal involvement level on the purchase intentions of consumers.

The purpose of this manuscript is to explore the impact that negative claims, operationalized as consumer advocate attacks, and firm refutations of those claims can have on consumer’s intentions to purchase new products. One intention of this paper is to provide managers with an improved ability to develop strategically efficient responses to potential marketplace attacks on their products. The phenomena are studied from the perspective of the consumer in an attempt to provide organizations with a deeper understanding of the behavioral dynamics at work. By examining these issues, the authors also provide researchers with a better conceptualization of how a contemporary incident may

affect the diffusion of new product innovations. This examination of the effect of polarized appeals upon consumers exposed to a new product introduction begins to address a gap in the literature and introduces a new variable to the investigation of innovation diffusion.

The authors explore this phenomenon in two separate experiments. Experiment I centers on the impact that negative claims have upon consumer purchase intentions by gaining a better understanding of how various advocacy attack types affect purchase intentions of both relatively higher and lower involved consumers. In Experiment II, they examine how three types of firm refutation further impact consumer intent given the level of involvement with the product. Results suggest that the susceptibility of a new product to a negative message, will most likely depend on the corresponding personal involvement of consumers. Involvement level is shown to be a significant variable when investigating the impact of countervailing messages. Higher involved consumers appear more skeptical toward negative attacks and more receptive to firm rebuttals than those who are less involved. Further, evidence suggests that the very nature of the product (search or experience) will have a bearing on individual adoption and subsequent product diffusion. Results from both experiments lend credibility to belief that the nature of the product under assault plays a prominent role in consumer perception and intention.

Our results indicate that both subjective and objective negative claims adversely impact individual consumer adoption and can subsequently alter new product diffusion throughout the marketplace. When salient product characteristics are easily verifiable by consumers, the ability to either easily accept or reject a message is enhanced while the opposite seems to be true for products that are more experience-type. Proactive organization response is called for and the advantage in this fight for public opinion appears to reside with the organization. Practitioners should find encouragement in the results that the more involved consumers’ purchase intention rebounds so well following decisive firm refutation.

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