How language abstractness affects service referral persuasiveness

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ABSTRACT

Due to the inherent risk and uncertainty characterizing pre-purchase service evaluation, consumers tend to rely on referrals from other consumers who already have experiences with that service. Thus, companies are eager to stimulate such referrals and improve their effectiveness. To this end, this research investigates how consumers' linguistic framing of service recommendations influences recipients' attitudes and behavioral intentions. Specifically, this study focuses on one key dimension of language—its abstractness (vs. concreteness)—and hypothesizes that the effect of language abstractness on referral persuasiveness depends on recipients' prior knowledge about the service in question. The results of two experiments in the context of financial and medical services demonstrate that abstract language is more effective than concrete language for recipients with high prior knowledge. Moreover, this research shows that recipients' engagement in mental imagery processing is that makes abstract language more effective for those with high prior knowledge. This articles ends with a discussion of the study's implications for academic research, social communication and service management, along with its limitations and future research directions.

1. Introduction

Customer referrals (or recommendations), that is as a form of favorable word-of-mouth (WOM) whereby a customer advises others to purchase a product or service (Helm, 2003; Verhoef et al., 2002; Wheiler, 1987), represent one of the most widespread and influential types of information sharing. Referrals may occur both offline, typically in the form of conversations among family members, friends or work colleagues, and online, often in the form of online reviews written by and for other consumers (e.g., Chevalier and Mayzlin, 2006; Lee and Bradlow, 2011; Moore, 2015). In today's interconnected world, where seven billion devices are connected to the Internet (Babic et al., 2015), 35% of people consult blogs and forums before making purchase decisions (The Boston Consulting Group, 2015). In light of this finding, understanding the conditions in which online referrals become more or less persuasive may be relevant for both companies and consumers.

While customer referrals offer important support in product decision-making, their role is particularly prominent in service settings. Indeed, service experiences entail, on average, higher risk and uncertainty when compared with product experiences (Eiglier and Langeard, 1977; Guseman, 1981; Zeithaml, 1981), due to specific features such as intangibility, pre-purchase evaluation difficulty and

no standardization (e.g., Flipo, 1988; Harrison-Walker, 2001; Murray, 1991; Ostrom and Iacobucci, 1995; Young, 1981). As a consequence, when making their purchase decisions about a service, customers tend to rely on unbiased, non-commercial information that other customers who have prior experience with that service pass on (Bansal and Voyer, 2000; Engel et al., 1995; Lovelock, 1981; Mizerski, 1982; Voyer and Ranaweera, 2015). Indeed, past research suggests that referrals are the most important tool for attracting new customers to services (Murray, 1991; Tax and Chandrashekaran, 1992). For instance, 67% of US Internet users find a new physician based on recommendations by their friends, family and co-workers (Voyer and Ranaweera, 2015). Notably, service recommendations strongly impact purchase decisions even when individuals provide them as anonymous online reviews. For instance, in a 2014 survey, ProCusWright, a leading travel market research company, reveals that 75% of travelers today book a hotel after checking TripAdvisor and 53% would avoid booking a hotel that has no reviews.

The service literature contains a number of empirical studies that generally substantiate the importance of customer referrals. Indeed, the bulk of past work focuses on the drivers of service customer referral behavior, such as satisfaction, quality perceptions, trust and loyalty (e.g., De Matos and Rossi, 2008; Garbarino and Johnson, 1999; Verhoef et al., 2002; Zeithaml et al., 1996), as well as on the monetary and economic implications of referral behavior for the service provider (Helm, 2003; Schmitt et al., 2011). However, missing in the extant literature is the study of the effect of referrals on recipients' attitudinal and behavioral responses, with the exception of some studies that consider

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a few factors behind the influence of service referrals on recipients' responses, such as the tie strength between the referral sender and recipient (Bansal and Voyer, 2000; Sweeney et al., 2014; Voyer and Ranaweera, 2015).

To address this gap, the present research examines the role of one previously overlooked factor in how referrals affect recipients' attitudes and behaviors—namely, the type of language consumers use when they recommend services to others. Specifically, this research focuses on a well-known dimension of language—its degree of concreteness/abstractness (e.g., Schellekens et al., 2010, 2012; Semin and Fiedler, 1988)—and examines the conditions under which whether other consumers recommend a service in abstract or concrete language affects service consumers' attitudes and intentions to purchase that service. The present research further proposes that the impact of abstract versus concrete language may crucially depend on a recipient's prior knowledge about the service in question (Bansal and Voyer, 2000). One can define prior knowledge as a set of personal information about the service that a consumer possesses based on work experience, education or other means (Shepherd and DeTienne, 2005).

This research predicts that abstract language will be more persuasive for recipients with a high level of prior knowledge about the service in question. Additionally, this research predicts that what explains the relatively higher persuasiveness of abstract language for consumers with a high level of prior knowledge is the stimulation of mental imagery processing (e.g., Bone and Ellen, 1992) in those consumers. Two experiments using online referrals about two high-risk and complex services—financial advisory and (homeopathic) medical services—as empirical settings test such a proposed effect and underlying mechanism.

Overall, this research offers several contributions. First and foremost, this work contributes to the literature about customer referrals in services by exploring the effect that an under-investigated, message-related factor—namely, the language used by the person recommending the service—has on recipient responses. In this way, this work also bolsters the current knowledge on the dynamics of social communications about services. Second, this research contributes to the literature about language in services by exploring the linguistic frames that service consumers use to address one another. This investigation is in contrast to much past research in services, which focuses on the language used by service providers in their interactions with customers (Holmqvist, 2011; Holmqvist and Grönroos, 2012; Van Vaerenbergh and Holmqvist, 2013, 2014). Third, the present study offers novel insights into the effect of message recipients' prior knowledge on the influence of service referrals—a factor that past research suggests to be non-significant (Bansal and Voyer, 2000). Fourth, this work contributes to research about the role of language abstractness in consumer-to-consumer information sharing, that the work of Schellekens et al. (2010), who similarly study the prevalence and impact of concrete versus abstract language in consumers' WOM messages, quite well represents.

However, the present research is distinct from the work of Schellekens et al. (2010) in five ways. First, this study analyzes a recipient-related factor that moderates the persuasiveness of abstract versus concrete language (recipients' prior knowledge), while Schellekens et al. (2010) analyze a sender-related factor that moderates consumers' tendency to use one or the other type of language (i.e., senders' pre-established product attitude). Second, while Schellekens et al. (2010) conclude that abstract language is more persuasive than concrete language, this study predicts and shows that the persuasiveness of either type depends on recipients' prior knowledge. Third, this study focuses conceptually and empirically on information sharing involving services, while Schellekens et al.'s (2010) experiments test the case of information sharing with regard to tangible products. Fourth, the present research explores the mental processes stimulated in recipients with high prior knowledge when they receive a message that senders deliver in abstract versus concrete language. Lastly, unlike past work studying service referrals in offline contexts (Bansal and Voyer, 2000; Sweeney et al., 2014; Voyer and Ranaweera, 2015), and unlike Schellekens et al.'s (2010) study, this work focuses on the case of online service referrals, whereby consumers receive comments from an unknown sender recommending a service.

In the following section, the authors briefly review the literatures most relevant to the present research, such as those on service referral behavior, language in services, and language abstractness versus concreteness. Next, the authors develop their conceptual framework and hypotheses. Then, they present two experiments aimed at testing two hypotheses about the differential persuasiveness of abstract versus concrete language and the role of mental imagery processing as evoked by abstract language. Finally, the authors discuss the theoretical and practical implications of this work, as well as its limitations and some directions for future research.

2. Theoretical background

2.1. Service referral behavior

Looking at the literature about customer referrals in services, most past work focuses on the effect that transaction-specific or relational factors have on consumers' likelihood of engaging in referral behavior. With regard to transaction-specific factors (between a service provider and customer), past work suggests that referral behavior is positively correlated with service consumers' satisfaction judgments (Bontis et al., 2007; Hennig-Thurau et al., 2002; Price and Arnould, 1999; Verhoef et al., 2002) as well as with quality and value perceptions (Bolton and Drew, 1991; Stein and Ramaseshan, 2014; Zeithaml et al., 1996). With regard to relational factors, past work suggests that referral behavior is positively correlated with trust (Garbarino and Johnson, 1999; Hennig-Thurau et al., 2002; Verhoef et al., 2002), commitment (Brown et al., 2005; Harrison-Walker, 2001; Verhoef et al., 2002) and loyalty (Sirdeshmukh et al., 2002).

Other studies investigate whether rewards from the service company can stimulate referral behavior. Indeed, offering a reward seems to increase referral likelihood (Ryu and Feick, 2007), although such a positive relationship is more likely to occur when the customer is highly satisfied (Wirtz and Chew, 2002), as well as when the recommendation giver and recipient are in a strong tie relationship (Wirtz et al., 2013). More recent work even demonstrates that merely asking customers to recommend a service provider positively impacts information sharing (Söderlund and Mattsson, 2015). Additionally, another stream of research focuses on quantifying referrals in terms of their monetary value to service companies (Helm, 2003), as well as the economic value of customers that companies acquire through referrals compared to customers companies acquire through other channels (Schmitt et al., 2011).

Surprisingly, studies about factors that might affect the persuasiveness of referrals, which Gilly et al. (1998, p. 84) define as "the change in attitude and/or behavioral intention resulting from an interpersonal informational exchange," appear quite scant. Building on the seminal work by Bansal and Voyer (2000), which shows that the strength of a sender and receiver's relationship is positively associated with the influence of WOM recommendations, Voyer and Ranaweera (2015) show that said influence also depends on a recipient-related factor, namely his/her involvement in the service decision. Meanwhile, Sweeney et al. (2014) investigate additional factors that might affect the influence of positive and negative WOM recommendations, such as brand equity, the strength of the message, and differential expertise between the sender and recipient. Notably, all these studies focus on face-to-face WOM. The present research thus extends this body of work in two major ways: first, and most important, by investigating the type of language consumers use in service referrals (abstract vs. concrete), and second, by focusing on referrals service consumers provide in virtual settings.