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## **Conceptualizing New Product Buzz**

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What is buzz? Just a trendy word for WOM? A theories-in-use approach is employed to develop a rich understanding of the conceptual nature of buzz. Consumers perceive buzz to comprise the amount and pervasiveness of search, communication, and participatory activities. Secondary data finds this multi-dimensional operationalization to improve empirical analyses.

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# Conceptualizing New Product Buzz

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## EXTENDED ABSTRACT

The immediate success of a new product can be crucial for its survival in the market. For this type of success to occur, a high number of consumers have to make adoption decisions before the new product is available (i.e., “shadow diffusion,” Peres, Muller, and Mahajan 2010). As no quality information from independent sources is available in the market before the release of a new product, action signals are especially relevant (Bikhchandani, Hirshleifer, and Welch 1992; De Vany and Lee 2001). In the popular press and the academic literature, the existence of “buzz” for a new product is frequently noted as an important driver of such shadow diffusion processes and as an action signal that determines early market success. For example, the success of iPhone models (Kissmetrics 2013), blockbuster movies (Strauss 1997), and even some IPOs (e.g., Facebook’s IPO; NM Incite 2012) have all been attributed to a firm’s ability to build “buzz” for its new product.

But what is buzz that plays such a crucial role for new product success? Is buzz just another term for word-of-mouth (WOM)? We conduct a systematic review of the academic literature that reveals that the term is mostly used in vague and heterogeneous ways. Among other notions, buzz is referred to the amount of interest in a new product (e.g., as expressed by search volume; Ho, Dhar, and Weinberg 2009) or associated with the contagiousness/spread of a product (e.g., via recommendations made by users; Biemans, Griffin, and Moenart 2010), in addition to being equated with word-of-mouth communications (e.g., Liu 2006). This lack of consensus among scholars makes empirical findings on buzz hard to interpret and to compare, as associated phenomena and measures differ strongly. This research employs qualitative methods to develop a rich understanding of the conceptual nature of the buzz construct and then uses this understanding to create a powerful, theory-based measure of new product buzz. This theory-based conceptualization is then tested using secondary data on all widely-released movies in the years 2010 and 2011.

After reviewing the use of buzz in the academic literature, study 1 isolates consumers’ theories-in-use regarding buzz by analyzing the data from depth interviews with 40 enthusiastic consumers across five different product categories. Three additional focus groups with a total of 39 respondents are further conducted to test emerging conceptualizations and to probe even deeper findings. We find that according to consumers’ theories-in-use buzz differs conceptually from word-of-mouth in multiple regards. Buzz not only relates to communication, but also comprises search and participatory activities. Moreover, it becomes clear from the data that buzz involves two dimensions, namely the amount of such behaviors, as well as their societal pervasiveness (i.e., their dispersion across the population; see also Godes and Mayzlin (2004) for a related construct in the context of WOM). We thus define buzz as *the amount and pervasiveness of consumer communication behaviors, search behaviors, and participatory experiences regarding a new product that are socially observable*.

Does such a multidimensional and multibehavioral conceptualization of buzz provide additional insights when it comes to explain-

ing buzz’ role for product success? Drawing on publically available data from multiple sources including Twitter, Facebook, Wikipedia, and Google, study 2 sheds empirical light on the usefulness of this conceptualization. The authors apply regression analysis to a sample of all 254 movies that were widely released between 2010 and 2011 in North American theaters. The findings confirm the significant positive association of prerelease buzz and early product success. When comparing different measures that reflect the different types of behavior and different levels of pervasiveness, we find that a multi-dimensional operationalization of buzz outperforms extant measures substantially in terms of opening weekend box office variance explained and reductions in prediction error. Comparisons among models further show that both volume and pervasiveness matter when conceptualizing buzz. Results also confirm that multiple behavioral facets are superior to single behavioral facets when it comes to modeling the true nature of buzz.

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