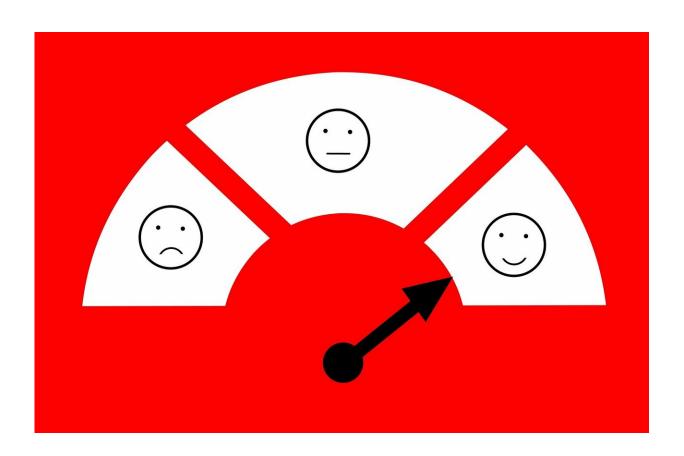


It pays to be free: No-cost products garner strong word-of-mouth recommendations

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Consumers who get a web-based product or mobile app for free are more likely to give it a word-of-mouth boost than a product they buy, suggesting they feel "one good turn deserves another."



That's according to new research from the McCombs School of Business at The University of Texas at Austin by Wen Wen, an assistant professor of information, risk and operations management. She collaborated with the Georgia Institute of Technology's Samuel Bond and West Virginia University's Stephen He on the study, which was recently published in the *Journal of Marketing Research*.

Offering apps and games for free has become a staple of online service providers. Consumers are given the opportunity to download a free product or platform, often as a potential hook into an eventual upgrade to a higher-tier paid version.

The researchers analyzed more than 5,000 mobile apps, in addition to surveying <u>consumers</u> and conducting experiments using a hypothetical product and a real one. They concluded that consumers are motivated to thank the producers of the free products by sharing positive reviews (both online and face-to-face).

"Consumers of free products, but not paid products, will be motivated to 'return the favor' they have received from producers, and they will share their experience with others as a means of doing so," Wen said.

The researchers also found that consumers feel less risk when trying a free product and are less likely to feel disappointed if the product does not meet their expectations than when they make an investment in a paid product.

Consumers of paid products who share reviews of their purchases have different motivations for doing so, the study said. For them, informing others, especially when little has been said about the product and the reviews are mixed, is the primary reason to weigh in about their experiences with the product.



For marketers, the research offers several key insights. "Our findings reveal important differences in consumer motivation between free- and paid-product settings, driven by differences in perceived obligations to producers and to other consumers," Wen said.

With that in mind, marketers of free products might want to consider embedding "reciprocity cues," such as alerts that tell customers to "spread the word" or "tell your friends," she said.

By the same token, marketers can encourage word-of-mouth for paid products by hinting that it could help other shoppers looking to buy the product. Those marketers, Wen said, could use phrases such as "save them time," "help them choose" and "save them money."

"Speaking for 'Free': Word of Mouth in Free- and Paid-Product Settings" is published in the *Journal of Marketing Research*.

More information: Samuel D. Bond et al, Speaking for "Free": Word of Mouth in Free- and Paid-Product Settings, *Journal of Marketing Research* (2019). DOI: 10.1177/0022243718821957

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